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PART THREE:

Linking it all together

Risk Management

- Avoid Risk
- Reduce/ Control Risk
- Transfer Risk

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LINKING IT ALL TOGETHER

PART ONE

Basic Terminology, Responsibilities and Appraisals



Condo Act

Bylaws / Deductible By-law

Corporation Specific Rules & Regulations / Code of Conduct

Corporation Insurance vs. Personal Insurance

Appraisals

Replacement Cost vs. Guaranteed Replacement Cost



LINKING IT ALL TOGETHER

PART TWO

Basic Claims, Excluded Perils and How to be Prepared



Basic Claims Process

Two Important Questions:

Is it the corporation's responsibility to insure?

Is it a covered peril?

How to Be Prepared



RISK MANAGEMENT

Risk can be managed in three ways:

1) Avoid the risk all together

2) Reduce the risk

- Alarm systems
- Procedures

3) Transfer the Risk

- Contracts
- Insurance Policies

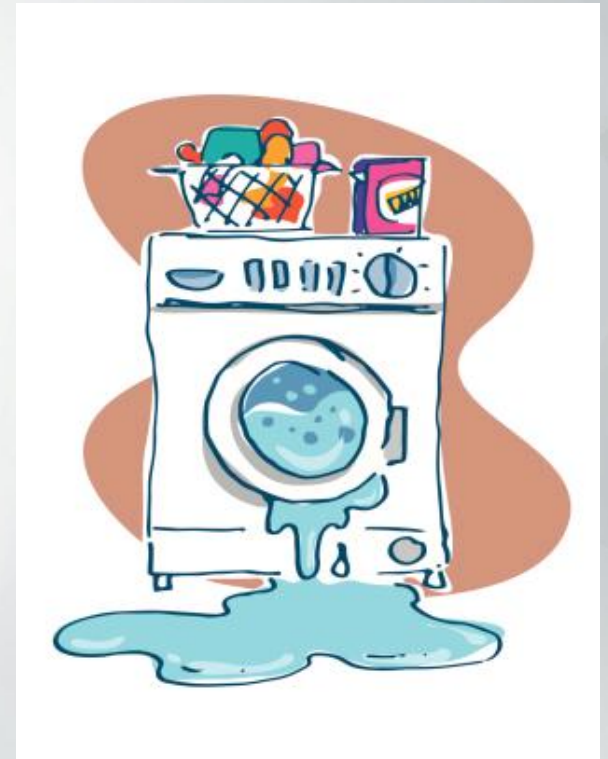


1) AVOID THE RISK – Prevent Damage/Loss

PREVENTING WATER DAMAGE

Most common causes:

- Burst pipes from washing machines and other appliances
- Leaking pipes from corrosion or poor seals
- Frozen pipes that burst from a lack of heating
- Failure of sump pump
- Water overflow from running water or clogged toilet
- Ingress from cracked foundations or poor seals at windows/doors



1) AVOID THE RISK – Prevent Damage/Loss

To prevent water damage, consider the following:

- Use a professional
- Inspect water connections to appliances
- Avoid distractions to prevent overflows
- Don't turn on your dishwasher or washing machine and leave your dwelling while it is still running.
- Never dispose waste such as kitty litter or grease in toilets



1) AVOID THE RISK – Prevent Damage/Loss

When you plan to be away for an extended period of time:

- Leave furnace on when going away in winter to maintain a minimum temperature of 14 Celsius so pipes won't freeze.
- Shut the water off at the source and label your shut-off valve
- Drain water lines to prevent further possible damage from water.
- Leave your key and contact information with a trusted person to check your home every few days when you are away.
- Check your insurance policy; it may be a condition to have your premises checked on in order for coverage to apply.

Do you know about common “4 consecutive days” rule?



1) AVOID THE RISK – Prevent Damage/Loss

DO YOU HAVE INSURANCE COVERAGE FOR SEWER BACKUP?



- Waste water backflows into your building from your drain pipes bringing bacteria causing health risks and damage.

To reduce or limit exposure:

- Install backflow preventers on your sewer line.
- Install a sump pump when water tables are above your foundation.
- Downspouts from your eaves troughs should be free and clear of debris and should be directed away from any building foundation wall.
- Ensure the natural surface drainage of your property is away from the building to allow surface runoff to flow away from your foundation and basement and out to the street or culverts. Average grades are 5% slope.
- Limit the storage of valuables on the floor of the basement and use plastic containers or storage shelving.



1) AVOID THE RISK – Prevent Damage/Loss

HIDDEN HAZZARD OF POTTING SOIL

- Usually consist of organic materials, plastics, and oxidizers, and generally, contain very little soil.
- Typical organic materials found in potting soil can consist of shredded wood, bark, and / or peat moss.
- Styrofoam pellets, perlite, and vermiculite can often be added to the mixture for aeration and water retention. As well some fertilizers are oxidizers;

As a result, fires involved in these mixes will then increase at an exponentially faster rate.



1) AVOID THE RISK – Prevent Damage/Loss

The following are some tips that can help reduce the risk of fire in your planter pots:

- Planter pots should not be used as ashtrays
- If smoking is permitted in an area with planter pots, then provide a proper ashtray receptacle (metal can with sand) in that area.
- If possible clay pots should be used for planters instead of plastic.
- Periodically inspect planters and ensure no one is discarding smoking material in them, if so; routinely remove discarded material, and review you current measures taken to deter this action.
- Keep plants well watered and maintained. If required, speak to a local gardener about specific watering procedures for your plants.



2) REDUCE / CONTROL THE RISK

- Smoke detectors
- Fire alarms
- Fire Extinguishers
- Motion Detectors
- Home Security systems
- Fence pools and ponds
- Prevent tripping hazards
- Keep protective measures in good repair
- Use “slippery when wet” signs
- Snow and ice removal



3) TRANSFER THE RISK - Contracts

How Much is that contract worth? EXAMPLE ONE

- Multi-unit complex with a variety of entries, walkways, driveway and public sidewalk.
- Spring day in March, plaintiff slipped and fell on common property.
- Numerous valid injuries sustained which included a fractured leg requiring surgery.
- Claimant filed a lawsuit for damages:

Medical/Income:	\$25,000.00
General Damages:	\$75,000.00
<u>Expenses:</u>	<u>\$25,000.00</u>
Total:	\$125,000.00



3) TRANSFER THE RISK - Contracts

How Much is that contract worth? EXAMPLE TWO

- Property Management/Condo Board claimed they had a Maintenance Contract in place, **however a copy of the contract could never be provided.**
- Despite a liability issue, because the insured (Property Management / Condo Board) could not provide proof there was a contractor involved (copy of contract) who was responsible for the care and maintenance of the property, it left the insurer exposed and responsible to pay some of the claim.
- Following are the *unnecessary* costs paid out by our insurer, which ultimately affects the insurance program:

Loss Paid:	\$30,000.00
<u>Expenses:</u>	<u>\$ 4,357.00</u>
Total:	\$34,357.00

DID YOU KNOW LARLYN'S SOFTWARE WILL NOT ALLOW PURCHASE ORDERS TO BE CREATED IF VENDOR DOES NOT HAVE A VALID INSURANCE CERTIFICATE ON FILE?

- Ensuring we hire reputable contractors, with a contract and applicable insurance, reduces the risk exposure tremendously for the condo board, the property management and unit owners.



3) TRANSFER THE RISK – Insurance

- Property
- Liability
- Directors & Officers



LINKING IT ALL TOGETHER



- Avoid the loss
- Reduce / Control the loss
- Transfer the risk through contracts or insurance
- Additional tips:
 - Keep your paperwork
 - Know acts, regulations, bylaws, etc.
 - Obtain proper appraisals
 - Be familiar with your policy and what it covers
 - Be prepared for a claim



Larlyn is pleased to offer these learning opportunities making you a smarter board of directors and homeowner, educated on how to avoid loss and save money!



QUESTIONS

If you have not done so already, please type your questions in the area provided on your screen.

We will address as many questions submitted as possible and follow up personally with those we are not able to discuss this evening.



If you have any suggestions for upcoming webinar topics, feel free to type those in the chat box as well. Thanks so much for your time.



FREE DOWNLOADABLE E-GUIDE

1) Condo Insurance 101

- Basic Terminology
- Corporation's Responsibilities
- Unit Owners' Responsibilities
- What Should be included in a standard Insurance Policy
- Bare Land Condos (examples of Standard Unit By-Laws in Ontario)
- Importance of Appraisals

2) Condo Insurance Claims

- Basic Claims Process
- Excluded Perils
- How to be prepared
- Actual Claim Examples

3) Linking It All Together

- Risk Management
 - Avoid Risk
 - Reduce/Control Risk
 - Transfer Risk

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SUMMER!**



NEXT STEPS

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NEXT STEPS

Who to contact for further questions:

- Your Property Manager and Regional Manager are both valuable resources on your Customer Service Team who are always available to answer your questions.
- If you would like to reach me, you can do so by email:

wwildeman@rogersinsurance.ca



NEXT STEPS

Additional “Learn With Larlyn” Opportunities:

www.larlyn.com/Client-Learning

PREVIOUS WEBINARS:

How to Read Your Condo Financial Statements

Condo Budgeting

Insurance Series Part 1 and 2

E-BOOKS:

Role of the Board of Director

Role of the Property Manager

And more!

123’s of Condo Insurance Financials

A House is A System



Thank You for joining us



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