

10<sup>th</sup> of September 2018

**ALL OWNERS & AGENTS**

**Re Willsmere – BCSP 326519P  
INSURANCE EXCESS**

**PLEASE READ THIS IMPORTANT INFORMATION CAREFULLY**

The Willsmere Owners Corporation has a legislated obligation to take out reinstatement and replacement insurance for all buildings on common property. The legislated definition of *buildings* includes any building on the plan and any improvements and fixtures forming part of the building.

Last year the insurer was Longitude with an excess for general damage of \$5,000 per claim, and an excess for water damage of \$15,000 per claim. Unfortunately, due to the number of claims processed and accepted over the last 5 years, Longitude – declined to renew.

Because of this record, the pool of insurers willing to provide coverage for Willsmere was limited to one – Chubb Insurance. Their terms for the next 12 months (through 31 July 2019) include an increase in the excess for water damage to \$20,000 per claim. Other insurable events remained at the \$5,000 excess. The cost of the premium also increased by approximately \$100,000. Your Owners Corporation Committee will be investigating ways to mitigate losses and increased premiums over the next 12 months.

Responsibility for payment of insurance excess is determined by the cause. The lot who is responsible for the cause/event which resulted in damage to another lot, or their own lot, may be considered responsible for the cost of reparation of the damage done and therefore may be liable to pay the excess if a claim is accepted.

If however, damage were caused by an area of common property, then the Owners Corporation would bear the cost of the excess if a claim were accepted.

**Insurance excesses are generally payable by the party responsible for the damage.**

We take this opportunity to remind you of the importance of having **contents insurance** for your own property. Owners Corporation insurance **DOES NOT** extend to cover personal items within the apartment. Personal items include **carpets**, light fittings, curtains, and blinds, household appliances such as dishwashers, refrigerators, washing machines and dryers within the apartment area. You should also encourage your tenants to carry their own insurance on contents.

For further information on the owners corporation insurance, see the insurer's Product Disclosure Statement at <https://www.stratamax.com.au/Portal/login.aspx>.

Yours truly,  
MICM Property

Kristen Riddell  
Senior Owners Corporation Manager  
For and on behalf of  
**Willsmere Owners Corporation Committee**