

Strata insurance at a glance

What is Strata insurance?

If you own a townhouse, unit, or apartment and you're sharing common space with others, you don't want to be left to foot the bill if there's damage to shared parts of the building or items.

Strata insurance protects the building and common areas or facilities, with the premiums paid for by the owners' corporation.

Who should consider it?

Strata insurance is compulsory in every state – so if you are a lot owner in a townhouse, unit, flat, apartment or duplex, the owner's corporation will need strata insurance.

An insurance broker can arrange strata insurance on behalf of the owners' corporation.

"Strata insurance is complex and owners corporations and corporate bodies need trusted people to navigate them to the best outcome."

Strata Community Association, 2021

Did you know?

Water damage, including leaks was the most common cause of claims between 2016 and 2020.

(Strata Community Association, 2021)

1-in-5

Australians live in strata buildings.

(Strata Community Association, 2021)

storms

Storm damage accounted for the most claims by value between 2016 and 2020.

(Strata Community Association, 2021)

What can it cover?

Strata insurance can cover the building and all common or shared property, and contents which belong to the owners' corporation. The type of cover and its cost will depend on the kind of building, where it's located and the amount of common property you share.

Type of cover	Potential benefits
Compulsory covers	
Building and common contents	Building and common content including equipment, furniture, carpets etc in any common area for which the owners' corporation is responsible. This can include cover for loss of rent or alternative accommodation due to an insured peril.
Public liability	If people are injured on common property.
Optional covers	
Personal accident for voluntary workers	Compensation to any person injured while carrying out voluntary works on behalf of the owners' corporation.
Office bearer's liability	Office bearer's liability For office bearer's if a claim arising from wrongful acts by the office bearers.
Fidelity guarantee	Loss arising from misappropriation of funds belonging to the owners' corporation.
Mechanical and electrical breakdown	Physical damage to machinery or electrical items caused by breakdown.

What usually isn't covered?

Exclusions, the excess you need to pay and limits of liability can vary greatly depending on your insurer. Policies generally won't include cover for:

- Asbestos or asbestos derivatives
- Erosion or earth movement
- Contents within apartments

Case Study

Ken owned a studio apartment on the fifth floor of an inner-city apartment block. One day the lift broke down because a fire occurred in the fuse box.

Fortunately, Ken and the other members of the strata committee had taken out strata insurance, which was managed by an insurance broker.

The repairs were carried out and the cost was covered by their policy, which meant that none of the strata members were out of pocket as a result.

Contact us today

Brendan Wright
0403 605 692
bwright@mclardymcshane.com.au
ACN: 124320878 | **AR No:** 1309874
McLardy McShane Corporate

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