



Excess Loss Deductible Coverage for Water Damage, Sewer Backup and Fire Claims

THE PROBLEM

Insurers have substantially increased water damage and sewer backup deductibles on the building insurance policies arranged for residential and commercial Strata Corporations. In some instances, they have also substantially increased the "All Loss" deductible as well.

If the water damage or fire emanates from within an individual unit in the building and not from the common property, Unit Owners can be held responsible to pay these high deductibles.

Residential Unit Owners can purchase deductible assessment insurance under their personal condominium unit owner's insurance to cover this exposure. However, in many instances, this is capped at anywhere from \$25,000 to \$100,000, which may not be enough to keep up with the increasing Strata Corporation deductibles.

THE SOLUTION

Chutter Underwriting Services has arranged coverage for our brokers to provide to their customers that can increase the Unit Owners water damage deductible coverage up to \$250,000. We have also included an option to add the peril of fire to potentially cover off fire losses that arise from a significant Fire Loss that falls under the "All Loss" deductible. Fire coverage is only available on Residential Strata Units and is not available for Commercial Strata Units.

Our excess coverage increases the Unit Owners limits available should the Unit Owner be found to be liable and is responsible for the Strata Corporations deductible.

Brokers can log on to our online portal to complete the application, obtain a quote document, bind coverage and issue policy documents.



ELIGIBILITY CRITERIA - RESIDENTIAL UNITS

- ✓ Available for Unit Owners living in their unit.
- ✓ Available for units rented to a single family where there is a signed annual lease.
- ✓ Coverage is not available to Unit Owners offering short term rentals of less than 1 year.
- ✓ Coverage is not immediately available for units where there has been a prior water or fire damage loss. In instances where there has been a prior loss, these can be submitted to deductiblebuydown@chutteruw.com and our underwriters will provide you with a separate quote.
- ✓ Coverage is in excess of the deductible coverage afforded under the primary Unit Owners (must be a minimum \$25,000 deductible loss assessment coverage) and will only be triggered once payment has been made under the underlying Unit Owners policy and the available limits are exhausted.

ELIGIBILITY CRITERIA - COMMERCIAL UNITS

- ✓ Available for all Unit Owners.
- ✓ Available for units rented to others.
- ✓ Coverage is available to Unit Owners offering short term rentals, please quote your Airbnb and VRBO customers under this section of our website.
- ✓ Coverage is not immediately available for units where there has been a prior water damage loss, these can be submitted to deductiblebuydown@chutteruw.com and our underwriters will provide you with a separate quote.
- ✓ Coverage is in excess of a self-insured retention starting at \$25,000.



EXAMPLE 1

Strata Corporation's water damage deductible	\$250,000
Deductible coverage under the Unit Owners condo policy (Note: \$100,000 is the minimum limit required for \$150,000 excess limits)	\$100,000
Gap to be paid by the Unit Owner should the Unit Owner be liable for the Strata Corporations water damage deductible.	\$150,000

EXAMPLE 2

Strata Corporation's water damage deductible	\$150,000
Deductible coverage under the Unit Owners condo policy	\$75,000
Gap to be paid by the Unit Owner should the unit owner be liable for the Strata Corporations water damage deductible.	\$75,000

To gain access and register for our excess water damage coverage please visit our website:

<https://www.chutteruw.com/excess-loss-eligibility>