

## **Owner occupiers or investors...are you covered?**

### **Owner occupier or investor lot owners are you aware, that certain aspects of your property are not insured under the Owners Corporation Insurance policy?**

We have recently heard a number of stories regarding internal water damage originating in a lot owner's unit and water leaking into an adjoining unit where the lot owner does not have insurance in regard to their contents (including carpets and non-fixed floor coverings).

Insurance companies will not cover the resultant damage to an adjoining lot owner's unit contents and non-fixed floor coverings, regardless of the source of the water being external to their lot.

"Building" definition under the Act *excludes* carpets and timber floating floors/non permanently fixed floor coverings, which falls under the Home Contents Insurance for owner occupiers or Landlord Contents for investors.

Therefore any structural damage to walls/ceilings/architraves/skirting is claimable under the Owners Corporation "building" policy.

Therefore a Lot Owner sustaining such damage not claimable under the Owners Corporation policy and not carrying their own Landlord's/Home Contents cover, would have no choice than to bring a civil claim against the owner of the lot causing the original damage.

We strongly advise that all Lot Owners are notified at the AGM of this exposure and potential liability, and reinforce the need to purchase Landlord's/Home Contents Insurance.

If you would like more information please do not hesitate to contact the VBCS Insurance Team on (03) 8531 8100.