

## **The Deductible on the Corporation's Insurance Policy**

### **Provide Notice to Owners and Purchasers**

We recommend that condominium corporations advise owners, in writing, of the amount of the deductible on the corporation's insurance policy and then promptly provide written notice, to all owners, of any change in the deductible.

[As a standard practice, it would also be a good idea to simply include this information with each AGM notice.]

This is a good idea whether or not the corporation has passed an insurance deductibles by-law.

Owners may be held responsible for the deductible - either under the terms of the Condominium Act, or under more extensive circumstances set out in an insurance deductibles by-law. In either case, it is a good idea to ensure that owners are aware of the amount of the deductible on the corporation's policy. [If the corporation has passed a by-law, the by-law will often say that the corporation is obligated to give this notice to the owners.]

It is also a good idea to include this information (the amount of the deductible) with any status certificate issued by the corporation to prospective purchasers and mortgagees. Perhaps the simplest way to achieve this is to ask the insurer to include the information, about the deductible, in the insurance certificate (a copy of which must be attached to every status certificate).

**Schedule "A"**

**CARLETON CONDOMINIUM CORPORATION NO. 91**

**BY-LAW NO. 12**

BE IT ENACTED as By-law No. 12 (being a By-law respecting insurance deductibles) of Carleton Condominium Corporation No. 91 (hereinafter referred to as the "Corporation") as follows:

**ARTICLE I.  
DEFINITIONS**

All words used herein which are defined in the *Condominium Act*, 1998, or any successor, ("the Act") shall have ascribed to them the meanings set out in the Act as amended from time to time.

In this By-law, the term "deductible" means: The amount that is the lesser of the cost of repairing the damage and the deductible limit of the insurance policy obtained by the Corporation (in the case of an insurable event under the said policy).

**ARTICLE II.  
SECTION 105(3) OF THE ACT**

This By-law is passed pursuant to Section 105(3) of the Act, to extend the circumstances under which a deductible loss, as described in Article III, shall be added to the common expenses payable for an owner's unit.

**ARTICLE III.  
INSURANCE DEDUCTIBLES**

- (1) Property insurance for the units and common elements (excluding improvements) is obtained and maintained by the Corporation (the "Master Policy"), but is subject to a loss deductible clause.
- (2) The Master Policy accordingly does not cover any loss, or portion of a loss, falling within such deductible. Responsibility for any such loss shall be determined as follows:
  - (a) Any deductible loss relating to damage to a unit (whether or not there has been an act or omission by the owner or lessee of the unit) shall be the responsibility of the owner of the unit, and shall be added to the common expenses payable for the owner's unit [in accordance with Article III (4)], provided the source of the damage is also within that unit.
  - (b) Any other deductible loss shall be the responsibility of the Corporation.
- (3) Notwithstanding the foregoing,
  - (a) each unit owner shall indemnify and save harmless the Corporation and all other owners from any deductible loss (under the Master Policy) related to damage resulting from an act or omission of the owner, or his or her guests, agents or occupants of the unit. (Accordingly, if any such damage is caused to any part of the property, any related deductible loss under the Master Policy shall be added to the common expenses payable for the owner's unit, in accordance with Article III(4)).
  - (b) the Corporation shall indemnify and save harmless each unit owner from any deductible loss resulting from an act or omission of the Corporation or its directors, officers, agents or employees.

- (4) Any amounts owing to the Corporation by a unit owner by virtue of the terms of this by-law shall be added to the common expenses payable by such unit owner and shall be collectible as such, including by way of condominium lien.
- (5) Each owner shall obtain and maintain insurance, including personal liability insurance, covering the owners' risks as set forth in this by-law.

**ARTICLE IV.  
AMOUNT OF DEDUCTIBLE**

- (1) The deductible applying to the corporation's property insurance policy may be as much as \$5,000.00 (respecting any or all of the perils covered by the insurance), or may be such larger or smaller amount (respecting any or all of the perils covered by the insurance) as the Board, in its absolute discretion, may negotiate.
- (2) As noted in paragraph (1) above, the Corporation has the right to change the deductibles on the Corporation's policy from time to time, but shall in each case provide written notice of the change in the deductibles to all owners.

**ARTICLE V.  
REPEAL OF BY-LAW NO. 9**

By-Law No. 9 of the Corporation is hereby repealed.

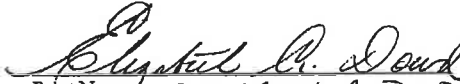
**ARTICLE VI.  
MISCELLANEOUS**

- (1) Invalidity: The invalidity of any part of this By-law shall not impair or affect in any manner the validity and enforceability or effect of the balance hereof.
- (2) Waiver: No restriction, condition, obligation or provision contained in this By-law shall be deemed to have been abrogated or waived by reason of any failure to enforce the same irrespective of the number of violations or breaches thereof which may occur.
- (3) Headings: The headings in the body of this By-law form no part thereof but shall be deemed to be inserted for convenience of reference only.
- (4) Alterations: This By-law or any part thereof may be varied, altered or repealed by a By-law passed in accordance with the provisions of the Act, and the Declaration.
- (5) Preparation: This document was prepared in the year 2009 by Nelligan O'Brien Payne LLP in conjunction with the corporation.

The foregoing By-law is hereby passed by the Directors and confirmed by the owners pursuant to the *Condominium Act, 1998*, of Ontario.

DATED this *11th* day of *MAY*, 2010.

**CARLETON CONDOMINIUM CORPORATION NO. 91**

  
Print Name: *ELIZABETH A. DOWD*  
Print Title: *PRESIDENT*

I have authority to bind the Corporation