



Insuring for multiple residences

We have previously explored the insurance requirements for duplexes, however it seems there is a lot of confusion around the insurance requirements when it comes to any multiple-dwelling residences such as units, duplexes, and triplexes.

The most common reply I receive when asking clients about the ownership structures of their units in a multi-dwelling situation is “there is no body corporate”. Indeed, most of the time people are just repeating what they have been told when they bought the unit.

However, having a body corporate is not an option that you simply decide to take up or not. It is a legal requirement that is dependant on how the land is registered with the Department of Natural Resource Management (previously Lands Department).

How do I know if I am under a body corporate arrangement?

- Your title deeds may show either Community Title Scheme (CTS) or, for Pre 1997 documents, a Group Title Plan (GTP) or Building Units Plan (BUP), which will indicate your lot has been registered under some form of group scheme. Contact the Department of Environment and Resource Management for more information.
- If you don't have your title deeds or need help confirming how it is registered, contact the Department of Environment and Resource Management to see if your lot has been registered under a Community Title Scheme. If it has it should have a corresponding Community Management Statement which includes details such as the name of the body corporate.
- Call a search agency in your region to conduct the search and find out the information for you.

What do I do if I am under a body corporate arrangement?

When a body corporate exists it must comply with its obligations under the *Body Corporate and Community Management Act 1997* - one of which is the need to hold appropriate insurances.

A body corporate needs to hold insurances for the buildings, the common property and any body corporate assets as well as maintaining public liability insurances.

For units with common walls:

This would most likely be covered under a Residential Property policy designed specifically for this type of building to comply with the requirements of the Act. This insurance would be held in the name of the body corporate and costs would be split between owners of individual units.

For units that do not share any common walls:

In Queensland the *Body Corporate and Community Management Act 1997* does make provisions for units/dwellings that do not share any common walls to hold separate insurance policies.

While this seems a relief to many, there are still things you need to be aware of as a unit holder:

- For your separate policies to comply there needs to be minutes of a Body Corporate Annual General Meeting stating that it has been agreed by the body corporate members to hold individual policies.
- There can be potential liability issues with common areas insured under two separate policies.
- There is no Director's and Officer's liability built in to home and contents policies.

If you think that you may be incorrectly insured or would like more information on policies available to bodies corporate, please contact your insurance adviser.

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