

DUPLEXES AND SMALL STRATA SCHEMES EXPLAINED

BCB handles insurance for residential and commercial strata schemes, varying in size from multi-unit complexes and high-rise towers to duplexes. While the standard of services we provide doesn't change, how we invoice smaller customers does.



Large strata schemes typically employ a strata manager to handle their accounting and insurance OR appoint a dedicated Committee Member to perform these services.

If your small unit development or duplex isn't required to have a committee under state legislation, the owners must decide and agree on who will act on behalf of the strata scheme.

Premiums

The agreed representative should provide BCB with the following information.

- Contact name
- Contact telephone numbers
- Postal and email address
- Information on which lot they have an interest in
- Details of all other lot owners for invoicing
- Proposed method of payment

The representative is then responsible for notifying the remaining owners about all the details relating to the insurance policy and following up when the payment is due.

BCB issues the invoice in the name of the insured (the strata scheme) and will not chase individual owners in the event of non-payment. Please notify BCB in writing if your scheme would prefer each owner to receive a copy of the invoice.

The owners decide how the scheme will divide the payment. Each owner can pay separately, or the agreed representative can receive all payments and pay the full invoice to BCB.

If owners are paying separately, and one owner doesn't pay their share of the premium, BCB can't issue cover for the entire property.

Other owners or the agreed representative can pay the unpaid share and chase the owner for reimbursement. But if there's any unpaid portion at the renewal date, we'll notify the agreed representative and the policy will lapse.

However, please remember that for most strata schemes, insurance cover for building and common contents and public liability is mandatory under state strata legislation. Please check whether your scheme is required to hold these insurances because there are ramifications, such as penalties, which are laid out in the legislation if you don't.

Even if the insurances are not mandatory, owners expose themselves to being sued if they don't have Public Liability insurance if someone is injured on the property or their belongings are damaged. If owners choose to be self-insured by not insuring the building and common contents, they accept the risk and responsibility that they will cover any damage at their own cost.

Victoria: Consumer Affairs

Owners corporations

New South Wales: NSW Office of Fair Trading

Community living

Queensland: Commissioner for Bodies Corporate

Your rights, crime and the law

Western Australia: WA Government - Landgate

Strata law and reform

Tasmania: Dept of Natural Resources and Environment Tasmania

Body Corporate - Strata Schemes

South Australia: SA Government

Strata titles

Northern Territory: NT Government

Dealing with a body corporate

Claims

All owners are entitled to lodge a claim if an insurable event occurs. Owners should contact BCB, and we'll provide a claim form and advice about what else we need. You should be aware that lodgement of claims may affect the insurance renewal prospects and premiums, so it's sensible to notify other owners about the claim.

The insurer usually makes all settlements for property damage to the insured (the scheme). Some payments can be made directly to owners if the policy wording allows for it, such as loss of rent and temporary accommodation and some other Special or Additional Benefits.

However, duplexes or small schemes without a strata manager may have no common bank account. If this is the case, BCB will arrange for the agreed representative to complete a form authorising to whom and how the payment will be made.

BCB abides by the Australian Privacy Principles, which limit the amount and type of information we can share. If an owner asks for information about a claim, payment or any enquiry about another unit, we won't share information until we have approval from the agreed representative.

What is a strata scheme?

A strata scheme can include properties such as a duplex, residential unit block, high-rise accommodation building, shopping complex, business or industrial building, aged care facility, resort-style complex and many more. The schemes are comprised of individually owned lots and common property.

How will I know if my unit is part of a strata scheme?

If you've purchased a unit and there's at least one more unit within the same boundary, chances are it's part of a strata scheme. Contact the state body responsible for strata schemes, and they will advise you if your unit is part of a strata scheme.

What is common property?

Common property is any area 'shared' by all owners, such as stairwells, driveways, roofs and common areas. Schemes may also have recreational facilities such as pools, BBQ areas, gymnasiums or tennis courts. Common property is owned by the scheme and is a shared responsibility.

Who is responsible for the insurance?

If the property is a strata scheme, all owners are part of the scheme, and there's a shared responsibility for the scheme to comply with state legislation. This legislation defines what insurance cover is mandatory and what is optional.

**To find out more about duplexes and small strata schemes,
please contact your local BCB office.**

The information provided is general. It does not constitute legal advice and should not be relied upon as legal advice. BCB recommends seeking advice from a qualified lawyer on any legal issues affecting you before acting on any legal matter. Whilst BCB endeavours to ensure the content of this information sheet is accurate, it does not represent or warrant its accuracy, adequacy or completeness and is not responsible for any loss suffered as a result of or in relation to the use of this information.

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QUESTIONS?

Please contact your nearest BCB office for any queries or advice.



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