



What strata owners need to know about insurance

For strata owners, the right insurance structure can provide confidence, clarity and peace of mind. This means understanding what the strata policy is designed to cover, what may fall to the individual lot owner and whether additional protection may be needed depending on how the property is used.

Rather than thinking about strata insurance as a single solution for every type of loss, it can be more helpful to view protection as a broader framework. Strata insurance forms the foundation, while contents insurance and - where relevant - landlord insurance may provide additional support depending on how the lot is owned and used.

In practice, the goal is to understand how each type of cover works, where one policy may end and where another may be needed. When owners understand how different types of protection interact, they are in a stronger position to protect their property and make informed decisions with confidence. A useful way to understand this is by looking at three key types of cover.

Understanding the key types of cover

Strata insurance | Protecting the building and common property

The first type of cover is the strata insurance arranged for the building. This is the foundation of protection for most strata properties. It is generally designed to cover:

- The building itself
- Common property
- Shared infrastructure
- Certain fixed elements within individual lots, such as internal walls, ceilings, bathroom fixtures and built-in cabinetry

The exact extent of cover will depend on the policy wording, the building's circumstances and the relevant legislative requirements. Strata insurance also typically includes liability protection for the owners corporation in relation to common property.

Contents insurance | Protecting what's inside your lot

The second type of cover is contents insurance. This is where the distinction becomes especially important for owner-occupiers. While the strata policy may insure parts of the building, it does not generally cover personal belongings within the lot. This can include items such as:

- Furniture
- Electronics
- Clothing
- Rugs
- Other household items

For owner-occupiers, contents insurance is often the cover that protects the items they personally own and use within the lot. Without contents insurance, the cost of replacing those items after damage or loss may fall to the individual owner.

Landlord insurance | Protecting investor owners who lease their property

The third type of cover is landlord insurance, which becomes relevant for investor owners who lease their lot to a tenant. This can provide protection for risks that strata insurance does not address, such as:

- Tenant damage
- Rental default
- Certain liabilities arising within the lot itself

This distinction matters because the owners corporation's liability protection generally relates to common property, not to incidents that occur within a private lot. For investor owners, landlord insurance can form an important part of complete insurance protection.

The right cover supports better claims outcomes

Understanding these different types of cover is not just helpful in theory - it can make a real difference at claims time.

Take a common example such as a water leak. In a strata setting, one event can affect multiple areas and trigger different types of loss. Depending on the circumstances:

- Repairs to insured building elements may fall under the strata policy
- Damage to personal belongings within the lot may be a contents claim
- If the property is tenanted, there may also be landlord-related losses to consider

This is also where specialist broker support can make a meaningful difference, helping clarify which policy may respond and supporting a smoother claims process. When owners understand where one policy ends and another begins, claims are more likely to be handled efficiently, with fewer misunderstandings, delays and uninsured losses.

Understanding underinsurance and keeping your protection up to date

Underinsurance is also an important consideration. Even with the right policies in place, protection can still fall short if the building is not insured for its full replacement and reinstatement value. If the sum insured does not reflect current rebuilding costs, owners may face a serious shortfall in the event of a major loss.

In the current market, where rebuilding costs remain elevated and cost pressures continue across the construction sector, relying on an outdated valuation can leave owners corporations exposed without realising it. That is why having the right structure of cover is only part of the equation - the insured value matters just as much.

Regular, up-to-date insurance valuations remain a critical part of managing strata risk, supporting more accurate sums insured and helping owners corporations avoid unpleasant surprises when a claim occurs.

Confidence starts with clarity

For strata owners, the overall takeaway is a positive one. Good strata protection is not about making insurance more complicated or costly. It's about building confidence through clarity - understanding what the strata policy is designed to do, what may fall to the lot owner and where additional cover may be needed depending on how the property is used.

When the right types of cover are properly understood, owners are in a much stronger position to:

- Understand how different types of cover work together
- Support smoother claims outcomes
- Make informed decisions about their insurance needs over the long term

That's what getting strata insurance right should look like - cover, clarity and confidence.

Achieving the best strata insurance outcome

Strata insurance decisions should not be based on price alone. When reviewing cover, it is important to consider the product inclusions, exclusions, excesses, cover limits and whether individual lot owners may need additional protection. Please contact your Whitbread insurance broker if you would like to better understand how strata insurance, contents insurance and landlord insurance can work together. Whitbread's specialist strata team is here to help.

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