



Highlights: BY-LAW 141

Here They Are

The amendments to the civil code sanctioned by this By-Law 141 are of two categories: new and precision. Mainly THREE of each.

[Here are the three important modifications concerning the syndicate directly.](#)

1- SELF-INSURANCE FUNDS

In addition to the contingency (reserve) fund already in place at article 1073 C.c. Syndicates will have to set up a special fund to cover any payment of a deductible in case of an insured claim. How much money Boards of directors will levy by special assessment? We are going to know 6 months after the publication in the Official Gazette.

2- EVALUATION FOR THE PURPOSES OF INSURANCES;

The law says that all syndicates will have to proceed with an evaluation for the purpose of insurance every 5 years. This is (we guess) to create jobs as it seems that our government does not trust the competence of our Boards of directors neither their brokers nor insurers to decide what it's good for our immovable. Consolation: There seems to be no penalty if you ignore this "command."

3- UPDATED CONFIGURATION OF ALL THE PRIVATE PORTIONS

Since co-ownership is allowed in Québec, (1969) no co-owner is supposed to alter to modify the inside of his private portion before and without informing the Board of Directors and, in many cases, without formal authorization for which we find details in the minutes of the Board. Therefore, the syndicate has an up-to-date detail of what is insured (original by the syndicate and what [improvement] is insured by the co-owner. We all know that this rarely, if never, happened. Meaning that most of the time, co-owners "forgot" to ask or told or if they did seek authorization, it was mostly verbally from one administrator; no mention in the minutes. This situation becomes a problem when time comes to compensate for repairs in a private portion [apartment]. The modification to the Code asks syndicates [this is Board] to proceed with a survey of all the private portions [apartments] and deposit the result in the register of the syndicate. More details later.

[Here are three precision for co-owners and syndicates](#)

4- CO-OWNERS MUST GET INSURANCE;

The Code obliges syndicates to insure the immovable. [1073 C.c.] Co-owners must if it is an agreement of the constituting act; otherwise they are free to insure their civil liability or not. Not any more. Modification to the Code obliges co-owners to get insurance for their liability. For what amount? We shall know that no later than June 13th 2020, as the legislator will publish a decree at that date. There is no mention in the law about tenant insurance. Bizarre! Maybe the decree will enlighten us. Wait and see.

5- FOR INSURERS, COMPULSORY RENUNCIATION TO THE SUBROGATION;

"Subrogation" is the right for a creditor [in this case, the insurer who pays on behalf of the syndicate or of a co-owner] to recuperate the sums paid if it [the insurer] can prove a fault of a third party. Most declarations forbid the insurer to seek reimbursement if the faulty party is a co-owner, tenant, occupant or board member. If ever this kind of clause is not in your constituting act, an insurer can sue any faulty party whoever it is. Not any more. This is universal. This is a kind of "no-fault." At the same time, if ever there is a conflict between a co-owner insurance and syndicate insurance; the latter prevailed.

6- REASONABLE DEDUCTIBLE?

This modification to Civil Code says: the syndicate [Board] must accept reasonable insurance deductible. From whom? Would you instinctively say. And you would be right. We thought that the insurer would impose a deductible; not a choice from the board. The by-laws say that you should know about that in a year after the publication in the official Gazette.

Stay posted

