

## Unit Titles (Strengthening Body Corporate Governance and Other Matters) Amendment Bill- *update July 2021*

ICW presented to the Finance and Expenditure Select Committee in May in support of our submission on this Bill. We focused on a number of issues that have arisen out of the earthquake-prone building legislation work that we consider need to be addressed in the Unit Titles Act. We also submitted that the insurance provisions needed to give owners in body corporates more flexibility, such as allowing for indemnity (or market value) insurance if that was agreed to. This isn't part of the Bill at present but we consider it needs to be addressed.

The Insurance Council NZ's submission included a similar message, though it proposed that the option for a fixed sum insurance only be available to highly resilient structures (eg, with base isolators). ICW does not agree with this as it would exclude the majority of existing buildings and made this clear in our oral submission.

WCC did make a submission and supported consideration of the points raised in ICW's submission. WCC's submission also publicly acknowledges (for the first time as WCC rather than individual councillors) the costs of seismic strengthening for owners in EQ-prone buildings. It also calls for a national advisory service for body corporates.

ICW sought general legal advice on the matters that we raised in our submission as part of our EQ-prone legislation work. The advice is on the basis that it is only provided for your information as general advice and any building owner should obtain their own legal opinion that reflects their own specific situation (*see file General advice - Unit title buildings and seismic issues Apr 2021*).

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PROJECT LEAD