CHU

INSIGHTS 26

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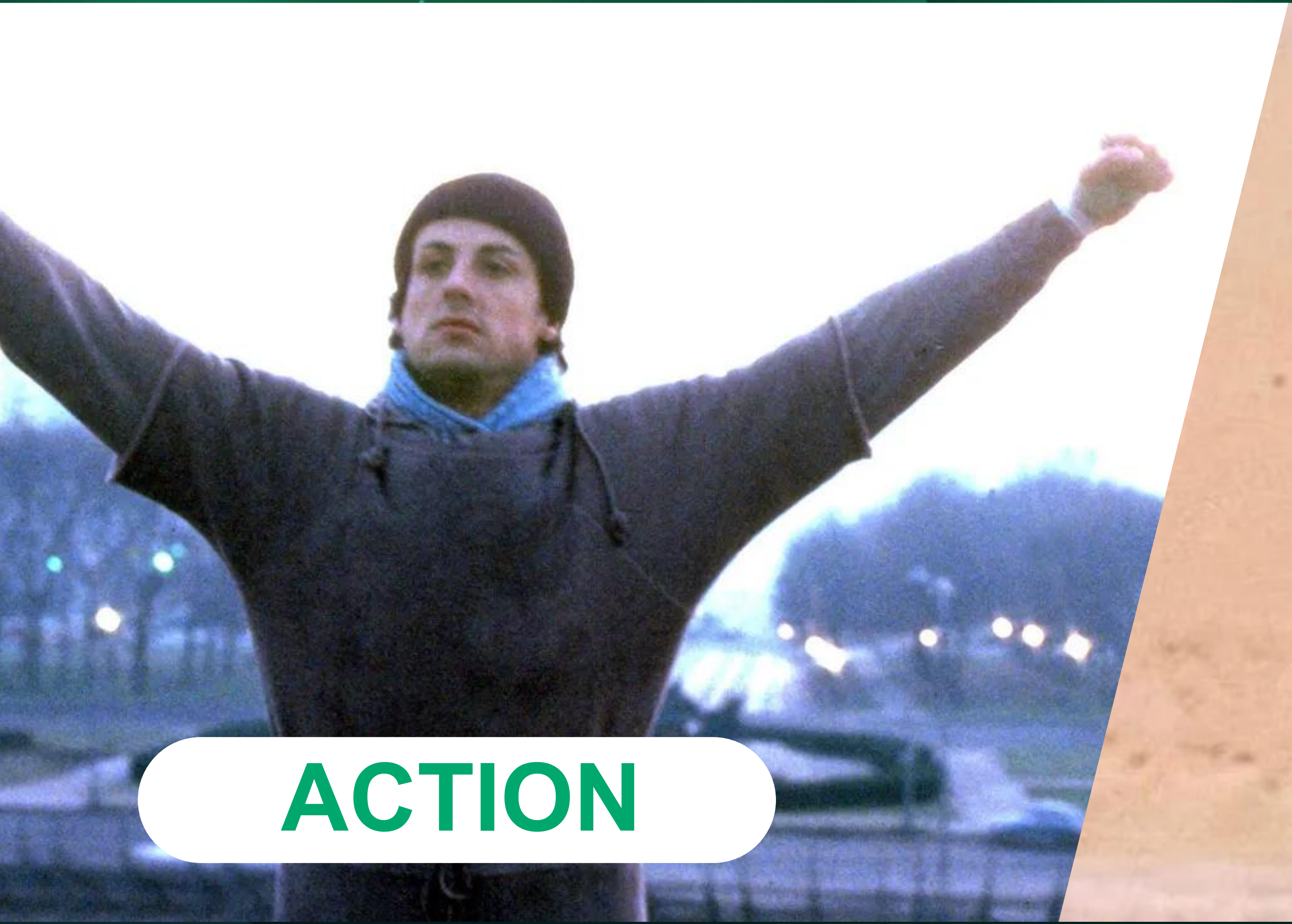
INSIGHTS 26

The Perfect Customer

Katherine Butterworth

Research is only as good as what you do with it



CHU actions from last year's research

- Rebranded and repositioned our insurance businesses
- Developed tools and resources to support owner knowledge gaps
- Kicked off our strategy for committee education
- Added a new owner resource hub to our website

2026 research

INSIGHTS26

We spoke to people

Strata Scheme Size

2-5 lots	6-20 lots	21+ lots
44%	33%	23%

Property Value

<$500K	$500,000 - $749,999	$750,000 - $999,999	$1M +
15%	31%	26%	28%

Strata/Self-managed

Strata managed	Self managed
63%	37%

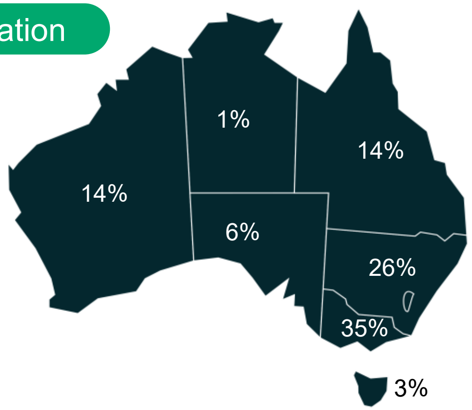
Ownership

Owner occupied	Investment property
84%	16%

Broker/Direct

Direct Insurance purchase	Insurance Broker
46%	54%

Location



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The Perfect Customer

Three different mindsets

Active
39%

"I want detail as I want to make the best decisions"

Pragmatist
42%

"I want to make the right decision"

Disengaged
19%

"I want to know I've got what I need"

Who would they be in…

Schitt$ Creek

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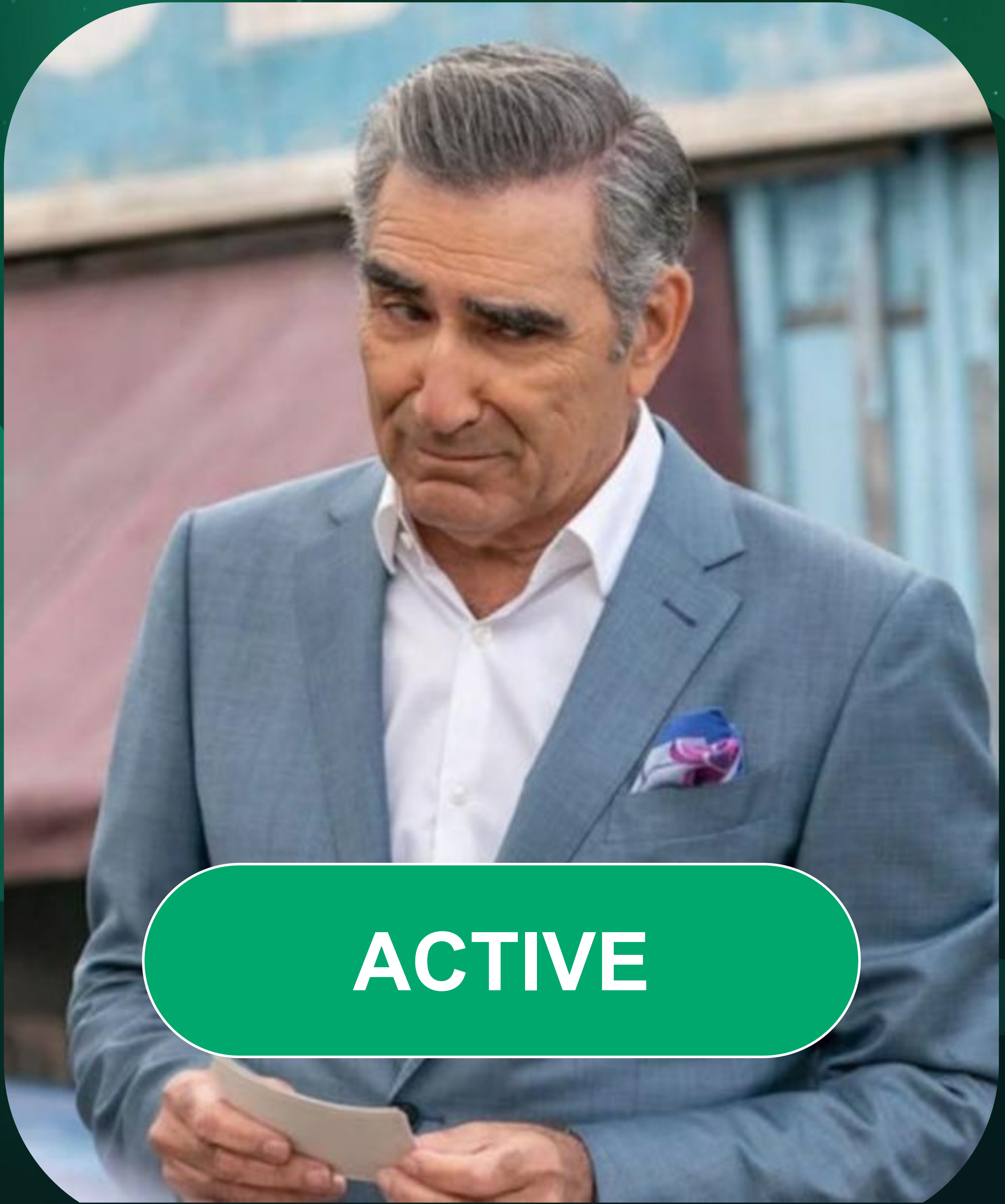
Which is the happiest customer?



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Most satisfied living in strata

Highest strata manager satisfaction

Highest trust in their strata manager

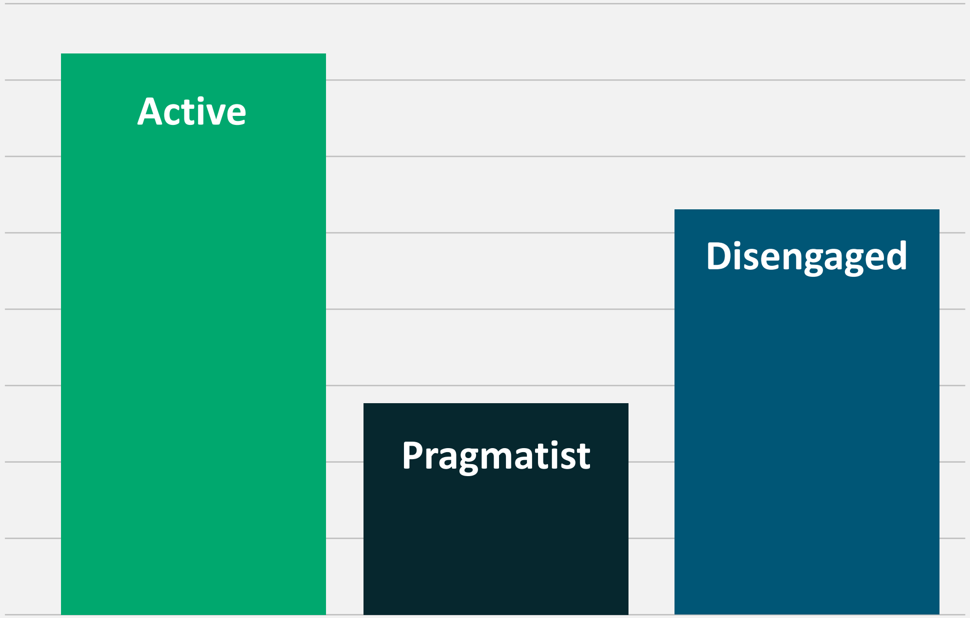
Highest trust in their broker

Highest with a regular maintenance action plan

Highest property maintenance rating

They know a lot, which is why they trust you

- I have a strong level of knowledge around the requirements of strata insurance
- I would prefer investing more in property maintenance if it reduced insurance costs
- I am aware of the level of cover we have in place for our property
- I'd appreciate getting advice from our strata insurer on maintenance and managing risk
- I am confident in the sum we have our property insured for
- Having strata insurance gives me peace of mind
- I am confident our building is maintained satisfactorily to not compromise any future insurance claim
- I am aware that strata insurance is a mandatory requirement



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'Q16. Please indicate your level of agreement with each statement about your strata insurance.

The pattern is clear

Knowledge + Control = Trust = Satisfied Owners

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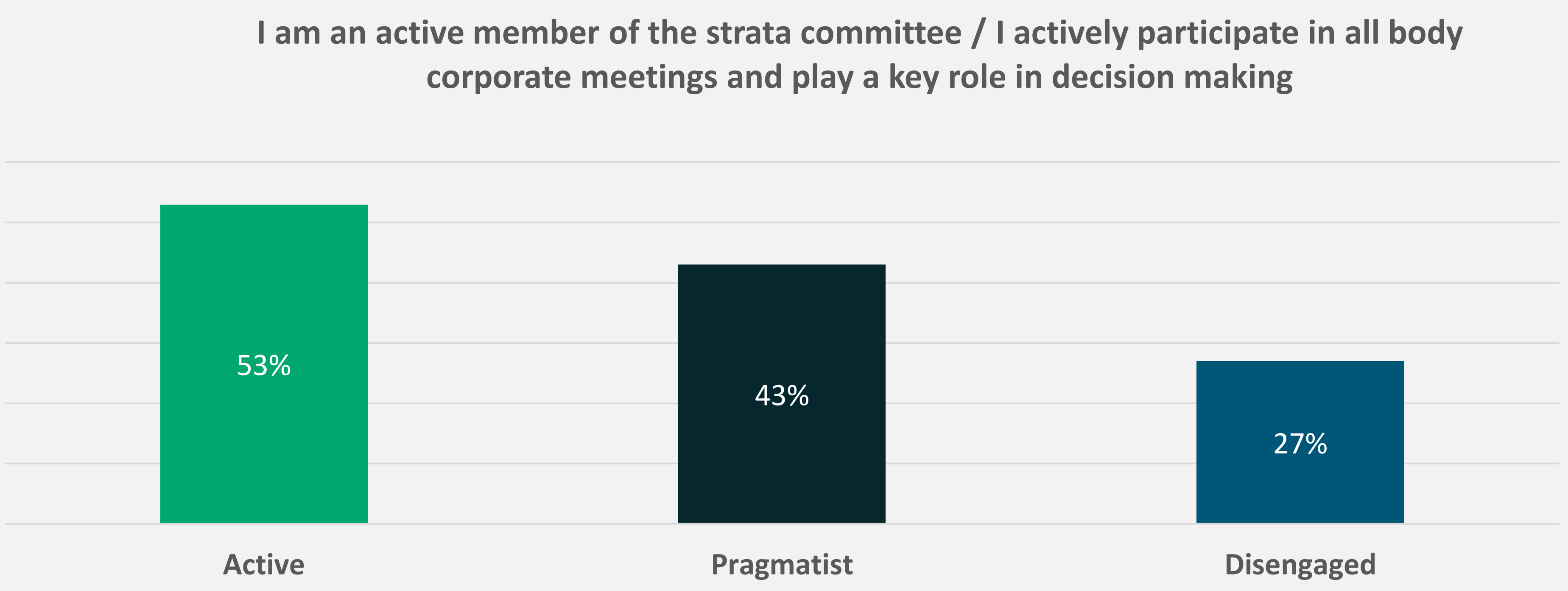
Are Active owners making all the decisions?



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Creating more Active owners

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Engaging the Disengaged

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Who's Who in Strata

The Strata Committee
A small group of volunteer owners elected to make day-to-day decisions on behalf of the body corporate.
Think of it as: The board of directors — owners who put their hand up to keep things running.

The Body Corporate (Owners Corporation)
The legal entity that includes every lot owner in the building. It's responsible for managing common property, budgets, insurance, and legal obligations.
Think of it as: The company that runs your building — and every owner is a shareholder.

The Building Manager
Looks after the physical upkeep of the building — cleaning, repairs, tradespeople, and shared facilities. Not every building has one.
Think of it as: The hands-on person who keeps the building in good shape.

The Insurance Provider (Insurer / Underwriter)
The company that issues the policy, assesses your building's risk, and pays out if something goes wrong.
Think of it as: The company that carries the financial risk and covers you when it counts.

The Strata Manager
A professional hired to handle the admin — meetings, finances, records, insurance, and compliance. They're the central point of contact for the owners corporation.
Think of it as: The professional administrator who keeps the business side of your building running.

The Insurance Broker
A specialist adviser who helps match your building's insurance needs with cover and supports you through claims.
Think of it as: Your building's insurance expert — they find the policy and have your back if something goes wrong.

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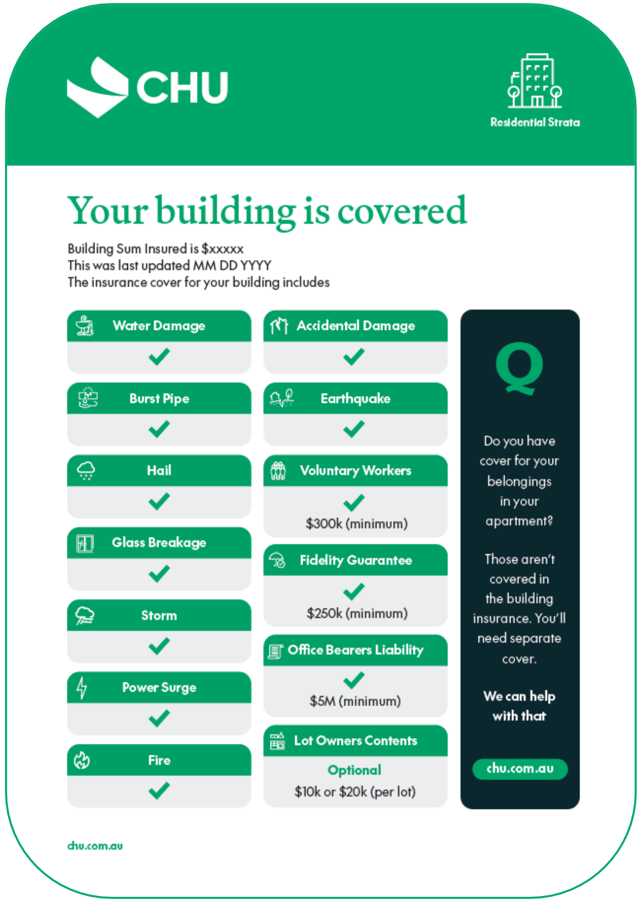

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Residential Strata

Your building is covered

Building Sum Insured is $xxxxx
This was last updated MM DD YYYY
The insurance cover for your building includes

Water Damage ✓	Accidental Damage ✓
Burst Pipe ✓	Earthquake ✓
Hail ✓	Voluntary Workers ✓ $300k (minimum)
Glass Breakage ✓	Fidelity Guarantee ✓ $250k (minimum)
Storm ✓	Office Bearers Liability ✓ $5M (minimum)
Power Surge ✓	Lot Owners Contents Optional $10k or $20k (per lot)
Fire ✓	

Q

Do you have cover for your belongings in your apartment?

Those aren't covered in the building insurance. You'll need separate cover.

We can help with that

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Maintenance Checklist

Property maintenance doesn't have a one size fits all list, here you can find an example of the tasks to check off, and when to do them. You should always consider the needs of your building and adjust your maintenance accordingly.

Always engage licenced and insured professionals when undertaking works around your roof, electricity and plumbing.

Every Month

- Visual inspection of common property for hazards (lighting, trip risks, leaks).
- General cleaning of foyers, stairwells, lifts, and car parks.
- Check rubbish areas and waste management compliance.

Every 3 Months

- **Gardens & landscaping:** Trim hedges, clear garden debris, check for overhanging branches.
- **Common area cleaning:** Deep clean foyers, carpets, stairwells, and windows.
- **Pest control:** Inspect for signs of rodents, termites, or cockroaches.
- **Gutters & drains:** Clear blockages before seasonal rain. Check our gutter guide for more information.

Tip:

Keep a simple calendar shared between committee and strata manager. Tick off activities, record who completed them, and file reports/invoices for insurance and audit purposes.

Every 6 Months

- **Plumbing:** Inspect visible common pipes and hot water systems for rust, fraying, kinks, bulges, or discolouration.
- **Roof:** Check membranes, tiles, flashing for leaks or wear. A 6-monthly cycle means one inspection before summer storm season, and one after, to catch any damage. Regular checks for blocked drains, corrosion, and minor wear prevent premature replacement of membranes or tiles. Extends the life of one of the most expensive common property assets. Always engage a professional to inspect your roof.
- **Electrical:** Push button test RCDs (safety switches), inspect common wiring and switchboards. A 6-month cycle helps catch problems before summer storms (when lightning and surges are more common) and before winter (higher heating loads).
- **Car parks & driveways:** Inspect surfaces for cracks, potholes, drainage issues.
- **Security systems:** Check operability of intercoms, cameras, door entry systems.
- **Paint & finishes:** Spot check for peeling, mould, water ingress.

Every 12 Months

- **Full fire safety certification:** Engage licenced fire services provider for annual inspection and compliance.
- **Insurance review:** Check cover levels, valuations, and building condition.
- **HVAC systems:** Service ducted air conditioning or shared ventilation.
- **Elevator load testing:** Annual certification by lift service provider.
- **Plumbing:** Internal fixtures, flexi-hoses, hot water system, visible pipes & valves, gutters, drainage and water pressure.
- **Electrical:** Full electrical system inspection (wiring, load testing, thermal imaging for larger schemes).
- **Capital works plan update:** Review/update 10-year Maintenance Action Plan.
- **Common property inspection:** Walkthrough of basements, gardens, pools, gyms.
- **Safety audit:** Slips, trips, handrails, lighting, accessibility checks.
- **Waste management review:** Assess bin storage, recycling, and contractor arrangements.

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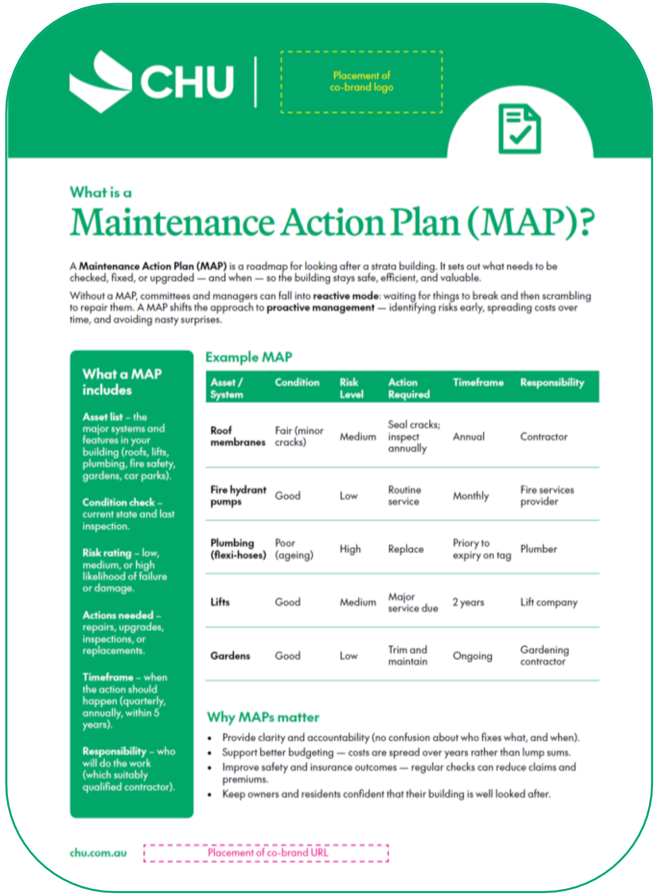
Activating Pragmatists



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What is a

Maintenance Action Plan (MAP)?

A **Maintenance Action Plan (MAP)** is a roadmap for looking after a strata building. It sets out what needs to be checked, fixed, or upgraded — and when — so the building stays safe, efficient, and valuable.

Without a MAP, committees and managers can fall into **reactive mode**: waiting for things to break and then scrambling to repair them. A MAP shifts the approach to **proactive management** — identifying risks early, spreading costs over time, and avoiding nasty surprises.

What a MAP includes

Asset list – the major systems and features in your building (roofs, lifts, plumbing, fire safety, gardens, car parks).

Condition check – current state and last inspection.

Risk rating – low, medium, or high likelihood of failure or damage.

Actions needed – repairs, upgrades, inspections, or replacements.

Timeframe – when the action should happen (quarterly, annually, within 5 years).

Responsibility – who will do the work (which suitably qualified contractor).

Example MAP

Asset / System	Condition	Risk Level	Action Required	Timeframe	Responsibility
Roof membranes	Fair (minor cracks)	Medium	Seal cracks; inspect annually	Annual	Contractor
Fire hydrant pumps	Good	Low	Routine service	Monthly	Fire services provider
Plumbing (flexi-hoses)	Poor (ageing)	High	Replace	Priory to expiry on tag	Plumber
Lifts	Good	Medium	Major service due	2 years	Lift company
Gardens	Good	Low	Trim and maintain	Ongoing	Gardening contractor

Why MAPs matter

- Provide clarity and accountability (no confusion about who fixes what, and when).
- Support better budgeting — costs are spread over years rather than lump sums.
- Improve safety and insurance outcomes — regular checks can reduce claims and premiums.
- Keep owners and residents confident that their building is well looked after.

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Lot Owners Homes | Case Study

Lot Owners Contents Insurance

Just after the middle of winter, residents of a strata building in Victoria reported significant flooding in the common area of the property, which caused extensive damage to nine residential units.

Time was of the essence, given the health risks and potential further property damage associated with water leak contamination and mould growth.

Unable to isolate the source of the leak, the fire brigade shut off the water supply to the entire building. The flooding was traced to a rupture in the grey water recycling system. Given grey water is contaminated, the carpets were unsalvageable, and needed to be replaced.

CHU arranged temporary accommodation for residents, to allow for the removal of flooring, installation of drying equipment, and stripping of damaged wall linings and fixtures.

All units had carpeted bedrooms requiring urgent removal to prevent the onset of mould. Any delay in this process can considerably increase the extent, cost and duration of a claim/repair.

How CHU can help

Now that CHU has introduced Lot Owners Contents Insurance, owners no longer have to wait or worry about the cost of repairing or replacing furnishings, like carpet, in their unit when it's impacted by the same building claim.

In the event of a claim like the one in this example, our expanded coverage minimises disruption and allows owners to deal with one insurance team, simplifying the claims process and allowing residents to get back to their regular life as quickly as possible.

Over 1 million properties protected

Multi Award Winning

24/7 Claims Process and Emergency Hotline

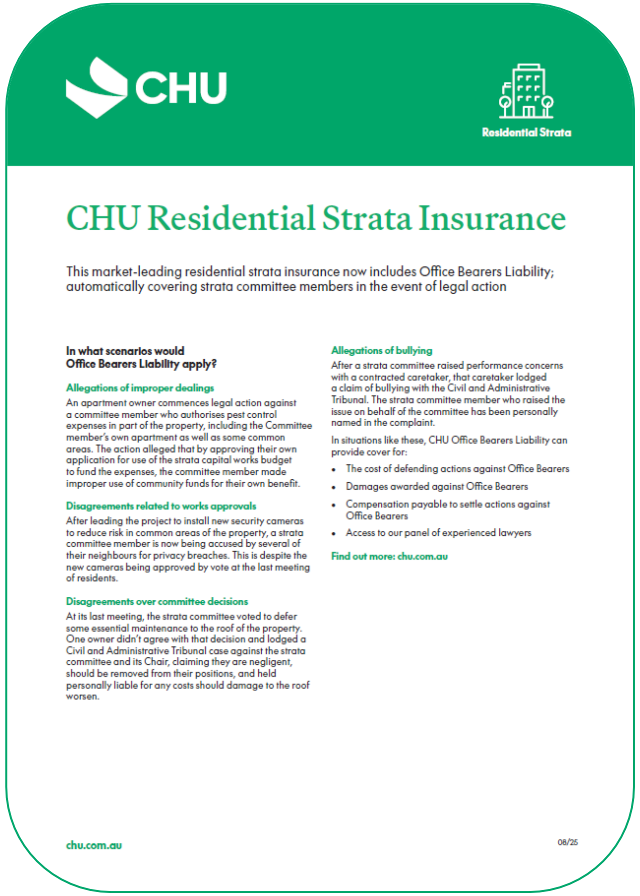
Find out more

If you have any questions about our cover, please contact us:

Phone 1300 361 263

Email info@chu.com.au

hu.com.au



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Residential Strata

CHU Residential Strata Insurance

This market-leading residential strata insurance now includes Office Bearers Liability; automatically covering strata committee members in the event of legal action

In what scenarios would Office Bearers Liability apply?

Allegations of improper dealings

An apartment owner commences legal action against a committee member who authorises pest control expenses in part of the property, including the Committee member's own apartment as well as some common areas. The action alleged that by approving their own application for use of the strata capital works budget to fund the expenses, the committee member made improper use of community funds for their own benefit.

Disagreements related to works approvals

After leading the project to install new security cameras to reduce risk in common areas of the property, a strata committee member is now being accused by several of their neighbours for privacy breaches. This is despite the new cameras being approved by vote at the last meeting of residents.

Disagreements over committee decisions

At its last meeting, the strata committee voted to defer some essential maintenance to the roof of the property. One owner didn't agree with that decision and lodged a Civil and Administrative Tribunal case against the strata committee and its Chair, claiming they are negligent, should be removed from their positions, and held personally liable for any costs should damage to the roof worsen.

Allegations of bullying

After a strata committee raised performance concerns with a contracted caretaker, that caretaker lodged a claim of bullying with the Civil and Administrative Tribunal. The strata committee member who raised the issue on behalf of the committee has been personally named in the complaint.

In situations like these, CHU Office Bearers Liability can provide cover for:

- The cost of defending actions against Office Bearers
- Damages awarded against Office Bearers
- Compensation payable to settle actions against Office Bearers
- Access to our panel of experienced lawyers

Find out more: chu.com.au

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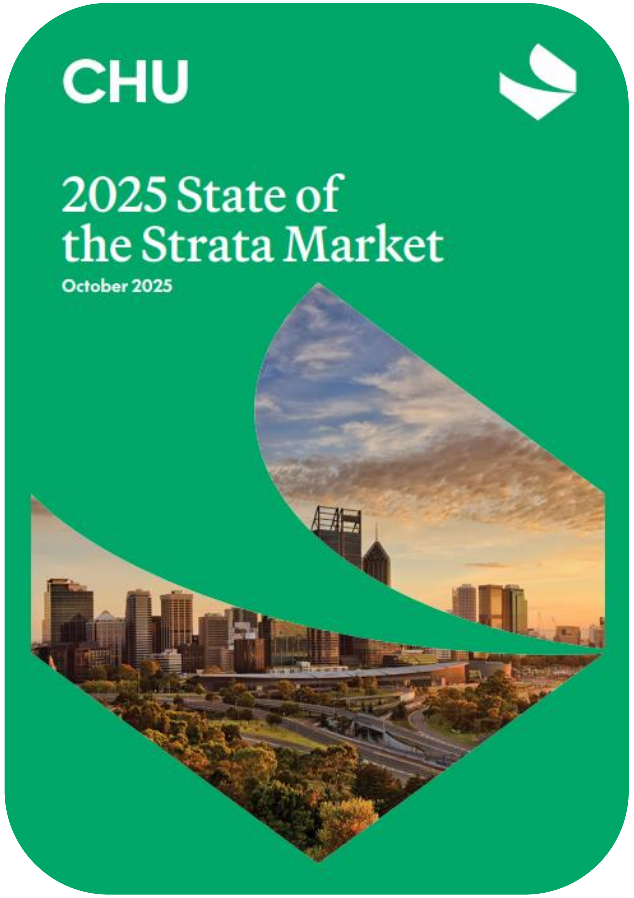
Keeping Actives, Active



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Cyber cover factsheet

Automatically included and providing bodies corporate with protection against social engineering.

What is social engineering?

A type of cyberfraud, social engineering involves a third party impersonating a trusted contact to trick a body corporate member into authorising payment to the wrong account.

CHU's new Cyber cover protects against loss or damage arising from social engineering fraud, provided the event relates to the body corporate's usual activities.

Who is protected by CHU's Cyber cover?

Members of the body corporate, including office bearers and committee members, and lot/unit owners.

Where in the Product Disclosure Statement (PDS) can I read more about Cyber cover?

Section 4 – Fidelity Guarantee of CHU's Residential Strata Insurance Plan has now been expanded to Section 4 – Fidelity Guarantee and Cyber.

What limits of cover are available?

Cyber cover is automatically included up to $50,000 for any one loss during the Period of Insurance.

Is there any excess payable in the event of a claim?

If an Excess has been applied to Section 4 – Fidelity Guarantee and Cyber, this will be shown on your Policy Schedule and deducted from any claim.

Claim scenarios examples

Example 1:

A strata managing agent receives a monthly gardening invoice from ABC Building Services for a building it manages. The invoice lodged on this occasion has different bank account details from those used for historical payments.

The strata manager telephones the supplier at the contact number shown on the invoice, and the supplier confirms that the bank details are correct. Payment is made.

Sometime later, ABC Building Services chases up payment, and it becomes apparent the invoice had been intercepted by a third party, who had misdirected the funds by changing both the bank account number and contact details.

As the strata manager had established authentication procedures, the body corporate was able to make a claim under the Cyber section of CHU's insurance policy.

Example 2:

A lot owner, as per usual, receives their quarterly strata levies by email.

The lot owner manually pays their strata levies via electronic funds transfer, but doesn't notice that the bank account number has changed from the one used for previous payments.

Six weeks later, the lot owner receives a follow-up notice from the body corporate advising that their levies are overdue. They contact the strata manager to discuss, and it is discovered that the funds were transferred to an alternative account.

The lot owner has been a victim of a hacker who intercepted the strata levy notice and changed the bank account details.

The lot owner was able to make a claim on CHU's Cyber policy section.

The purpose of this document is to provide some additional information about the automatic inclusion of cyber insurance in our Residential Strata Insurance Plan PDS QM562-0526.

This document does not form part of any insurance policy and is not used in the assessment of insurance claims. Any insurance claim will be assessed against the PDS and Policy Wording policy terms and conditions and applicable law.

Please read the current PDS and Policy Wording, and Policy Schedule for full details of the terms, conditions and exclusions.

If you have any questions about these changes, please contact us at 1300 361 263 or info@chu.com.au.

chu.com.au QM10436

CASE STUDY Penny Place Apartments

When Malice Becomes a Major Loss: A Strata Claim Story

THE SITUATION

On the evening of Saturday, 19 July 2025, multiple fire hydrants in the northern stairwell of Penny Place Apartments were maliciously released. Hundreds of thousands of litres of water flooded Levels 4–23, causing damage across nearly every floor. Police attended and arrested the person responsible.

The impact was immediate and severe. Common hallways on Levels 5–23 were badly affected. Fire-rated wall linings had to be stripped out to dry the structure and prevent mould. Fire doors were damaged and couldn't close. Both elevators went out of action. Every resident was evacuated that night.

AT A GLANCE

- Malicious release of fire hydrants flooded 19 floors
- 152 units affected
- All residents evacuated and temporarily displaced
- CHU Assess on the ground within 24 hours
- Dedicated owner communication line established from day one
- Zero complaints received throughout the entire claim
- All residents were home by the first week of September

THE COVER

Penny Place was covered under CHU's Residential Strata Insurance policy. All significant damage was confirmed as a direct result of the incident. Cover included:

Malicious damage – repair and reinstatement of affected common areas and units

Common property repairs – fire-rated wall linings, fire doors, hallways and elevators

Loss of rent and temporary accommodation – financial support for owners and tenants while the building was out of action

HOW WE RESPONDED

CHU Assess was on site straight away. We met with owners, listened to their concerns, and got to work. Within 24 hours, we had a full specialist team in place:

- Crawford & Company – Loss Adjusters & Forensic Accountants
- TSA Riley – Project Management
- Imparta Engineers / Halliwell (James Cibich) – Structural Engineer
- WSP Australia (Dylan Gomer & Michael Taylor) – Occupational Hygienists
- HPG Building Services (Chris Hudson) – Builder

We raised a $2,000 emergency payment to every lot owner as quickly as possible to ease immediate financial pressure. We also put a security guard on site—the right call given how the damage occurred and to protect against any further risk.

HOW WE MANAGED THE CLAIM

Getting repairs moving

We made an early decision to authorise the builder to proceed on a cost-plus basis. This meant work could start straight away, without waiting for a fixed-price quote that couldn't account for the full scope of damage. It also meant any savings would flow back to owners.

Our first focus was the common hallways and fire-rated wall linings — getting those areas sorted quickly also helped reduce water damage inside individual units. Restoring both lifts was another early priority, as it gave tradespeople proper access across all floors and accelerated the repair process.

Keeping 152 owners informed

In agreement with the Strata Manager, we took direct responsibility for communicating with the owners. Crawford set up a dedicated call centre, and we created a separate email address and phone number so owners and tenants could reach us directly with questions or to submit loss of rent and temporary accommodation documents.
Every Monday morning, owners received a written update on repairs.
Every Monday, we held an in-person progress meeting at the Penny Place office — bringing together the adjuster, builder, engineer, hygienist, project team, CHU, strata manager and the owners' representative to work through progress, timeframes and next steps together.

THE OUTCOME

Repairs moved faster than expected. A floor-by-floor re-occupation program allowed us to bring residents home progressively, well ahead of the original schedule. Stripping the fire-rated wall linings early also limited damage within individual units, reducing the overall cost of internal repairs and the amount we needed to hold in reserve for loss of rent and tenant assistance.

Throughout the claim, we processed 65 loss of rent and temporary accommodation payments every month to keep owners financially supported.

Every resident was home by the first week of September.

CHU received zero complaints across the entire claim.

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Download owner resources here

The 2026 CHU Strata index coming in June


RESEARCH
+
ACTION
CHU