



Risk Identifier for Strata Owners

This Risk Identifier is designed for strata owners and committees as a practical guide to help identify potential risks, ask better questions, and support clearer conversations with their strata manager, building manager, broker or insurer about matters that may require further review, action or professional advice.

This checklist is for general informational purposes only and does not constitute advice, nor does it determine

the appropriate level or type of insurance cover. Insurance cover will depend on the specific terms of the policy, including the insured events, conditions, limits, and applicable exclusions.

Risks such as defects, wear and tear, gradual deterioration, or poor maintenance may not be covered by insurance and should instead be managed through appropriate maintenance, repair, budgeting, or by seeking professional advice.

1. Water, leaks and plumbing risks

Water damage is one of the most common and costly risks in strata buildings. It can arise from burst or leaking pipes, roof leaks, blocked gutters, failed waterproofing, damaged flexi hoses or poor drainage.

Risks to consider

- ✓ Burst or leaking pipes
- ✓ Damaged, ageing or past-warranty flexi hoses (5-10 year lifespan)
- ✓ Roof leaks
- ✓ Blocked gutters, drains or water disposal from balconies
- ✓ Failed waterproofing in bathrooms, balconies or common areas
- ✓ Water stains, blistering paint or ceiling marks
- ✓ Damp, mould or condensation
- ✓ Poor drainage in common areas

Questions to ask

- ✓ Are there visible signs of water damage, damp, mould or staining?
- ✓ Are roofs, gutters, drains and balconies regularly cleaned and checked?
- ✓ Are flexi hoses inspected regularly and replaced every 5-10 years?
- ✓ Are residents encouraged to report leaks early?
- ✓ Are water issues investigated before they spread?
- ✓ Are records, photos and repair reports kept?

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1. Water, leaks and plumbing risks (continued)

Possible next steps

- ✓ Arrange inspection of suspected leaks or water damage
- ✓ Check and maintain roofs, gutters and drainage
- ✓ Review flexi hose replacement practices
- ✓ Discuss recurring water issues with your strata manager, broker or insurer

2. Storm, hail and natural event risks

Weather and natural event risks vary by location and building condition. These may include storms, heavy rain, wind, hail, flood exposure, cyclone exposure, bushfire exposure and earthquake damage.

Risks to consider

- ✓ Storm, heavy rain or wind damage
- ✓ Hail damage
- ✓ Flood exposure in low-lying areas
- ✓ Cyclone exposure in northern regions
- ✓ Bushfire exposure
- ✓ Earthquake damage
- ✓ Loose outdoor items that could become hazards
- ✓ Overhanging trees or branches
- ✓ Salt corrosion in coastal areas
- ✓ Damp, mould or condensation after wet weather

Questions to ask

- ✓ Are roofs, gutters, drains and balconies regularly cleared?
- ✓ Are loose items secured before storms?
- ✓ Are trees and branches maintained where relevant?
- ✓ Are emergency contacts and procedures available?
- ✓ Are known vulnerabilities documented and addressed?
- ✓ Are outside building surfaces (such as painting) in good condition?

Possible next steps

- ✓ Review storm preparedness before severe weather seasons
- ✓ Clear gutters, balconies and drains
- ✓ Secure outdoor furniture, bins and loose items
- ✓ Inspect roof and external areas after major weather events
- ✓ Discuss natural event exposures with your strata manager, broker or insurer

3. Fire, electrical and equipment risks

Fire, power surge, electrical faults and machinery breakdown can affect building safety and shared systems such as lifts, pumps, gates, hot water systems and security systems.

Risks to consider

- ✓ Faulty wiring or ageing electrical systems
- ✓ Old or poorly maintained appliances in common areas

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3. Fire, electrical and equipment risks (continued)

- ✓ Missing or poorly maintained fire safety equipment
- ✓ Lack of clear evacuation or emergency procedures
- ✓ Power surge damage
- ✓ Lift, pump, gate or garage door breakdown
- ✓ Hot water system failure
- ✓ Security system failure
- ✓ Missing service or maintenance records

Questions to ask

- ✓ Are fire safety checks and essential services inspections up to date?
- ✓ Are electrical faults acted on quickly?
- ✓ Are key shared systems serviced regularly?
- ✓ Are there repeated faults or breakdowns?
- ✓ Are replacement costs included in capital works planning?

Possible next steps

- ✓ Review fire safety and service records
- ✓ Act quickly on electrical or equipment faults
- ✓ Maintain an asset register for major equipment
- ✓ Plan for replacement of ageing systems
- ✓ Discuss machinery breakdown and power surge risks during insurance review

4. Building, glass and accidental damage risks

Building condition risks may relate to ageing materials, defects, wear and tear, cladding, concrete spalling, glass breakage, accidental damage or general deterioration.

Risks to consider

- ✓ Known or suspected building defects
- ✓ Concrete spalling or concrete cancer
- ✓ Cladding concerns
- ✓ Balcony, balustrade or window safety
- ✓ Broken windows or damaged glass doors
- ✓ Glass balustrades or balcony panels
- ✓ General wear and tear
- ✓ Damage during move-ins, move-outs or renovations
- ✓ Damage caused by contractors, trades, residents and visitors
- ✓ Damage to common-area flooring, walls, doors, lifts or shared facilities

Questions to ask

- ✓ Are any visible signs of cracking, corrosion or deterioration been reviewed?
- ✓ Have any unsafe common areas been identified, access restricted and risk reduced?
- ✓ Are balconies, windows, balustrades and common areas regularly checked?
- ✓ Is damaged glass repaired quickly?

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4. Building, glass and accidental damage risks (continued)

- ✓ Are move-in, move-out and renovation procedures clear?
- ✓ Are incidents documented and reported?

Possible next steps

- ✓ Arrange specialist review where needed
- ✓ Repair damaged glass or unsafe areas promptly
- ✓ Keep photos, incident records and repair reports
- ✓ Communicate move and renovation rules
- ✓ Discuss known defects or maintenance issues during insurance conversations

5. Theft, vandalism and security risks

Theft, vandalism and malicious damage can affect shared areas, common property, car parks, storage areas, doors, locks, windows and security systems.

Risks to consider

- ✓ Theft from common areas, storage cages or bike areas
- ✓ Vandalism or graffiti
- ✓ Broken doors, locks or windows after attempted entry
- ✓ Damage to foyers, lifts, car parks or shared facilities
- ✓ Doors being left open or propped open
- ✓ Poor lighting in common areas
- ✓ Limited visibility or access control
- ✓ Poorly maintained cameras, intercoms or locks

Questions to ask

- ✓ Are common areas, car parks and entrances well lit?
- ✓ Are locks, doors, garages and access systems working properly?
- ✓ Are residents reminded not to leave doors open?
- ✓ Are theft or vandalism incidents recorded?
- ✓ Are repeat issues happening in the same areas?

Possible next steps

- ✓ Repair locks, doors and access systems promptly
- ✓ Improve lighting where needed
- ✓ Keep a theft and vandalism incident register
- ✓ Communicate access and security procedures to residents
- ✓ Review cameras, intercoms or smart locks where appropriate

6. Legal liability, safety and compliance risks

Legal liability and compliance risks can arise when someone is injured, common areas are unsafe, safety checks are missed, or known hazards are not addressed.

Risks to consider

- ✓ Slips, trips and falls
- ✓ Injury to residents, visitors, contractors or voluntary workers

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6. Legal liability, safety and compliance risks (continued)

- ✓ Unsafe common areas
- ✓ Poor lighting
- ✓ Damaged paths, stairs, flooring or handrails
- ✓ Failure to act on known hazards
- ✓ Fire safety or essential services checks not being up to date
- ✓ Contractor safety and insurance records
- ✓ Office bearer's exposure
- ✓ Poor decision records

Questions to ask

- ✓ Are common areas regularly checked for hazards?
- ✓ Are safety concerns acted on promptly?
- ✓ Are required safety and compliance checks up to date and certifications retained?
- ✓ Are there clear WHS procedures and do you understand the PCBU (Person Conducting a Business or Undertaking) role?
- ✓ Are contractors qualified and insured?
- ✓ Are committee decisions clearly documented?

Possible next steps

- ✓ Conduct regular common-area safety checks
- ✓ Keep hazard and incident records
- ✓ Repair or make safe known hazards quickly
- ✓ Maintain a compliance calendar
- ✓ Keep clear committee minutes and decision records
- ✓ Confirm relevant liability cover with the broker or insurer

7. Financial preparedness, fidelity and cyber risks

Financial risks such as underinsurance, outdated valuations, levy arrears or insufficient capital works planning can affect a strata community's ability to maintain the building and respond to unexpected costs. Fidelity and cyber risks may also affect scheme funds and payment processes.

Risks to consider

- ✓ Underinsurance
- ✓ Outdated building valuation
- ✓ Inadequate capital works fund
- ✓ Unpaid levies or arrears
- ✓ Unexpected special levies
- ✓ Rising repair and replacement costs
- ✓ Misappropriation of funds
- ✓ Payment redirection scams
- ✓ Fake invoices
- ✓ Email compromise or social engineering fraud
- ✓ Poor payment approval processes

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Questions to ask

- ✓ When was the building last valued for insurance purposes?
- ✓ Is the sum insured current and adequate?
- ✓ Are future maintenance costs reflected in the capital works plan?
- ✓ Are levy arrears affecting the scheme's ability to act?
- ✓ Are payment changes independently verified?
- ✓ Are large payments approved by more than one person?

Possible next steps

- ✓ Review insurance valuations regularly
- ✓ Keep valuations on the AGM agenda
- ✓ Monitor levy arrears
- ✓ Use multi-person approval for pre-determined thresholds
- ✓ Verify payment changes using known contact details
- ✓ Discuss fidelity and cyber cover with your strata manager, broker or insurer

Insurance discussion prompts

This checklist does not determine insurance cover. Use these prompts to guide conversations with your strata manager, broker or insurer.

- ✓ Is the building sum insured current and supported by a recent valuation?
- ✓ Are key risks such as water damage, storm, hail, fire, glass breakage, power surge, accidental damage, theft, vandalism and earthquake understood?
- ✓ Are known defects, wear and tear or maintenance issues being managed separately from insurance?
- ✓ Are owners clear that strata insurance does not usually cover personal contents inside individual lots?
- ✓ Do owner-occupiers, landlords and tenants need separate contents or landlord insurance?
- ✓ Are liability, voluntary workers, office bearers, catastrophe, fidelity and cyber risks understood?
- ✓ Are there exclusions, limits, conditions and excesses owners should understand?
- ✓ Are maintenance records sufficient to support future claims if needed?
- ✓ Are there practical steps the scheme can take to reduce risk before renewal?

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