

# Westmount condo owners learned insurance lesson the hard way

BY ALLISON LAMPERT, THE GAZETTE NOVEMBER 21, 2012



Since a fire gutted their Westmount condo building, the owners, including Gotham Hooja, have become savvy about condo insurance.

**Photograph by:** Dave Sidaway, The Gazette

Gotham Hooja and Carol Pass don't think about the 2005 fire much anymore. It usually takes news reports about a natural disaster like Superstorm Sandy to bring back memories of the kitchen blaze that gutted their Westmount condo building at 4500 de Maisonneuve Blvd., displacing most of the 11 co-owners for almost three years.

The two have been back in their homes since 2008. After spending thousands of dollars out of pocket, and a lengthy battle with their insurance company over reconstruction costs, they reached a private settlement in 2009.

The co-owners made headlines, arguing that their building was insured for full replacement value, which is required under Quebec's Civil Code. But their insurer later told them it would only cover the replacement of the building to the standards of the late 1950s, when it was initially built for rentals, and not to modern codes.

“You’re devastated, you’re homeless, so you look for the silver lining,” recalled Hooja, who was out of the country on the day of the five-alarm fire. “We were assured initially that we had the company’s ‘Cadillac policy.’ It sort of lulled us into a position of not arming ourselves.”

Since the fire, the owners have become savvy about condo insurance. The building, which has been upgraded to meet new construction standards and norms for 2007, is not only covered for replacement costs to modern standards, but owners are insured for professional fees to hire proper lawyers and adjusters — instead of doing the work themselves — should they ever incur major damages again.

All of the building’s co-owners — and tenants who are renting a unit there — are now required to have personal insurance. During the time of the blaze, one owner had no personal insurance and had to cover the costs of years of rent, plus mortgage payments and property taxes out of pocket.

They are also more careful about getting assessments of the full value of their four-storey building overlooking Westmount Park. Although Quebec condo boards must be insured for the full replacement value of their buildings, many fail to get routine evaluations.

Some condo boards confuse the idea of replacement costs with the value of their property. To make a distinction, some insurance professionals now want to see Quebec law changed from insuring the “replacement value” to insuring the “full construction costs.”

For Hooja and the other co-owners, the greatest challenge was finding an inexpensive way to resolve their dispute with the insurers. The co-owners wanted to go to court, but feared a costly legal battle. Instead, Quebec’s financial services watchdog, the *Autorité des marchés financiers*, agreed to mediate their case free of charge.

After settling, Hooja had one piece of business left. In 2009, Hooja noticed an exhibit by Westmount Historical Association president Doreen Lindsay. The exhibit inspired Hooja to seek out Lindsay’s help in finding historical photos of their neighbourhood to frame and put up as art in the halls of the condo building.

“It was a way for us to celebrate our return to our neighbourhood, to reclaim our homes.”

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