

BODY CORPORATE FACT SHEET

Insurance Obligations

What your body corporate must insure, and to what value

Bodies corporate in Queensland have many responsibilities when it comes to insurance. There are three main types of insurance that a body corporate needs to hold.

1. The three types of cover

Type of insurance	What it covers
Public risk insurance	The common property, and body corporate assets for which it is practical to have public risk insurance.
Common property and assets	The common property and any assets the body corporate owns.
Building insurance	Buildings in schemes that are subdivided by a building or volumetric format plan; or by a standard format plan where the building contains a wall shared by two or more lots.

Which plan is your scheme on?

A building format plan is a form of subdivision that usually applies to multi-storey unit complexes, whereas a standard format plan usually applies to low-rise developments. There are exceptions to both cases, so you should check your plan to see whether your body corporate is required to insure your building. To find the plan for your community titles scheme, contact Titles Queensland.

2. Public risk insurance

A body corporate must have public risk insurance for:

- the common property
- body corporate assets for which it is practical to have public risk insurance — for example, gym equipment or pool furniture.

Public risk insurance must cover amounts the body corporate could be liable to pay for compensation for death, illness or injury, and for damage to property.

Minimum cover

The policy must be at least \$10 million for a single event, and at least \$10 million in a single period of insurance.

3. What needs to be covered

In relation to insurance, the following definitions apply.

Building

A “building” includes any improvements made to the building and fixtures added to the building. However, it does not include:

- temporary wall, floor or ceiling coverings, or carpet
- fixtures that can be removed by a lessee or tenant at the end of a lease or tenancy
- mobile or fixed air-conditioning units servicing a particular lot
- curtains, blinds, or other internal window coverings
- mobile dishwashers, clothes dryers or other electrical or gas appliances that are not wired or plumbed in.

Damage

A policy that is required to cover damage must cover, to the greatest practicable extent:

- damage from earthquake, explosion, fire, lightning, storm and water
- damage from impact, malicious act, and riot
- glass breakage.

Flood — read this one twice

Flood insurance is not always included in a standard insurance policy. In flood-prone areas, in order to satisfy the requirement that it obtains coverage to the greatest practicable extent, a body corporate may need to investigate whether it can obtain additional coverage for damage caused by flooding.

Full replacement value

Full replacement value means the cost of returning the insured items or property to an as-new condition. The insurance policy must therefore cover, to the greatest practicable extent, damage and other costs relating to reinstating or replacing the item or property — for example, professional fees, cleaning costs, or removing contaminated debris.

4. Insurance valuation

For any building that the body corporate has a responsibility to insure, an independent valuation must be done at least every 5 years.

The amount that each owner pays towards the costs of the valuation is proportionate to the amount they pay towards the body corporate insurance premium. As this is a regular expense, the money is collected each year as part of the owners' contributions and paid from the body corporate's administrative fund.

5. Owner responsibilities

For community titles schemes that are registered under a standard format plan, an owner is responsible for insuring their own building if it does not share a common wall with another building. However, the body corporate can take out building insurance on behalf of owners under a voluntary shared insurance scheme.

All owners in all schemes are responsible for insuring their own contents.

6. Body corporate manager responsibilities

It is common for body corporate managers to organise insurance on behalf of a body corporate. If they receive a commission from an insurance company or broker for doing so, they must give written notice of their commission before the body corporate votes to take out the insurance.

7. Insurance information at the AGM

At the annual general meeting, the body corporate must give owners information about its insurance policies and any valuations that have been done.

Insurance details include	Insurance valuation details include
the name of the insurer the amount of cover the type of cover (a summary) the amount of the premium the date the cover expires.	the date of the valuation the determined full replacement value of the buildings.

Source and disclaimer

Source: Queensland Government, Office of the Commissioner for Body Corporate and Community Management — “BCCM Fact Sheet | Insurance obligations”, January 2026.

BCCM information line 1800 060 119 · www.qld.gov.au/bodycorporate

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Talk to us

If this raises a question about your scheme, we are happy to help.

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