

TENANT'S INSURANCE

IS IT FOR YOU?



The short answer is



There are really good reasons for having tenant's insurance.

For one, as a tenant you are liable – yes, legally responsible – for any harm you cause to any part of your building and to others who live or visit there. If your toaster oven starts a fire that damages not only your apartment, but also the entire complex, you may have to pay out a lot of money.

You could even find yourself in trouble if your party guests get out of hand and cause damage.

Then there are your possessions.

You might not think that you have much of real value, but what if you had to replace everything all at once, due to theft, fire or water damage?

Replacing your clothing, alone, could run you a few thousand dollars.

And that old couch and bed might not look like much, but buying new ones would be hard on the wallet.



TENANT'S INSURANCE FOR STUDENTS – DO YOU NEED IT?

If you are a student living away from home while attending school, you are most likely covered for liability and contents under your parents' homeowner's insurance policy. However, if you have made a permanent move away from your parents' home, you may require your own tenant's insurance policy. To be sure that you and your possessions are protected, it is best to check with your or your parents' insurance representative.

For more information

Talk to your insurance representative about your tenant's insurance needs or visit Insurance Bureau of Canada's website at www.ibc.ca.

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When you consider what it would cost to replace everything, paying as little as twenty dollars in monthly insurance premiums looks pretty good by comparison.

Types of Tenant's Insurance:

What are your options?

Landlords have relatively few legal obligations to compensate tenants for damage to, or loss of, their personal possessions. **Tenants, on the other hand, are held responsible for the harm they cause to any part of the building in which they live or to others who live or visit there.**

Coverages

Tenant's insurance policies differ from insurer to insurer, but they generally include two kinds of coverage – **Liability and Contents.**

Liability coverage is comparable to the liability coverage in a typical homeowner's policy and protects you if you or your guests cause damage to the building – whether to your unit or to the whole building. If you don't have this protection and you are sued for the repair costs, you could

be financially responsible for the whole bill. This coverage will also protect you if someone is injured in your home and sues for damages, which can and does happen. For example, if someone enters your home, trips over your cat and breaks an arm, you could be held responsible.

Contents coverage allows you to replace or repair your belongings if they are lost or damaged. You may think you have little of value, but you might be very surprised by how much it would cost you to replace everything – all at once. You should insure for an amount representing the replacement cost of all your belongings, and for cleaning and repairing your belongings in the case of water or fire damage.

Coverage is on a named perils or an all risk basis. "Named perils" policies cover only those events that are specifically named in the insurance policy. "All risk" policies cover a more extensive list of possible misfortunes.

If your home is uninhabitable for a period of time, you may need to move to a hotel or even a new, likely furnished, apartment. Some tenant's policies will cover **additional living expenses** you incur during this time, such as meals (if you are in a hotel) and extra rent or room charges. Be sure to ask your insurance representative if you have this type of coverage, so that if disaster strikes you can focus on putting your life back together without worrying about the added costs.

One more thing you might want to think about: Talk to your insurance representative about getting an insurance policy that will pay for the full cost to replace what you've lost. The alternative is a settlement based on how much your old stuff is actually worth today, factoring in depreciation.

Take Inventory of Your Possessions Now to Minimize Stress Later

Quick, what's the make and model of your television? When did you buy it? How much did it cost?

If you're like most people, you've forgotten this information. You bought it and it works. End of story. But what if you had to replace it and ALL of your other possessions? After a fire or a break-in, an inevitably stressful time, do you think you could remember all the details that went into creating your home and what everything cost? It's amazing how much stuff builds up over time!

Take the time now to make a record of your possessions and minimize the worry later. Keep any bills, receipts, warranties and instruction manuals with this form; they can serve as proof of ownership. Keep this information in a safe place, such as a fire-proof box or safety deposit box, and review it annually. It's also good to take pictures or video footage of all your valuable possessions. For help getting started, check out www.ibc.ca for an easy-to-use inventory form.

