

## **Insuring the Home You Rent**

A tenant's insurance package is designed for people who occupy a residential premise they do not own. These policies are set up similarly to a homeowner's package, with three major sections: the first outlines the protection the policy provides for your property, the second describes the coverage provided for personal liability, the third describes endorsements, or additional protection purchased to cover exclusions in the policy.

**Please note that the following descriptions are based on a "Comprehensive Tenant's" policy and may vary from one insurance company to another. Please see your policy wordings for specific terms, conditions, exclusions and limits on your coverage.**

### **Section I – Property Coverage**

*Every policy differs. Please see your policy wordings for specific exclusions and limits on your coverage.*

**Building Coverage (Coverage A)** – Insured by the building owner.

**Detached Private Structures (Coverage B)** – Insured by the building owner.

**Contents Coverage (Coverage C)** – Coverage is provided up to the limit requested by the insured. It is also possible to purchase coverage for improvements and betterments made by or acquired at the expense of the insured. Normally this coverage to the building would be covered under the limit for the dwelling. However, as the tenant is not the owner, the insurance company agrees to provide coverage under the limits of insurance purchased for personal property.

**Additional Living Expense (Coverage D)** – This coverage is a percentage of the amount of insurance purchased under Coverage C. Additional living expense coverage applies when the dwelling is damaged by an insured peril and the damage is sufficient to make the dwelling unfit for occupancy or requires the insured(s) to move out while repairs are being made. Please note that this is coverage for costs which might be incurred after a loss, but were NOT present before it, eg. the cost of placing the family pet in a kennel, or the cost of moving personal effects to a new temporary location. Your insurance company is only obligated to pay the costs over and above what it would normally cost the insureds to live had the loss not occurred.

## **Section II – Liability Coverage**

**Personal Liability (Coverage E)** – Personal liability coverage insures the legal liability of insured(s) while anywhere in the world. Accidental injury or damage caused by the insured(s) while on holidays, at public meetings, or while shopping, fishing, or playing baseball are included within the kinds of private wrongs covered.

**Voluntary Medical Payments (Coverage F)** – Provides coverage for the payment of reasonable medical expenses when an insured unintentionally injures another person or if they are accidentally insured while on the insured's premise. Some examples of coverage are surgical, dental, hospital, ambulance service, or funeral expenses.

**Voluntary Property Damage (Coverage G)** – Covers unintentional property damage caused by the insured, and for which the insured would not be legally liable. For example, while helping a neighbour move a piano, the vinyl flooring was torn. The neighbour insists this would not have happened if the insured had paid closer attention. Coverage also applies if an insured 12 years of age or under intentionally causes property damage.

**Voluntary Compensation for Residence Employees (Coverage H)** – This coverage is designed to provide residence employees (eg. a nanny, maid, or cook) with limited benefits in case of loss of life, temporary total disability, permanent total disability, injury, (weekly indemnity), or a circumstance requiring medical expenditures.

**Personal Umbrella Liability (Excess Liability)** – Individuals or businesses can purchase this package. To be eligible for this coverage, insureds must provide the insurer with evidence that they already have other liability policies in place i.e. tenant's insurance package, automobile insurance package. These are called the primary policies. In the event of a claim, the Umbrella Liability package will only pay when there is not enough insurance under the primary policies or when there is no coverage provided by the primary policy, providing it does not exclude the same coverage as the primary policy.

## **Section III – Endorsements**

Your tenant's insurance policy may exclude or place some limitations on some very important coverages. We frequently advise insureds to purchase these coverages separately to ensure they have the coverage they require. Some of the most commonly purchased endorsement (additional) options are:

**Replacement Cost** - Covers the cost of repairing or replacing an item with a new one, without any deduction for depreciation.

**Sewer Backup** – Covers loss or damage caused by the backing up or escape of water from a sewer or drain, pump, septic tank, eavestrough, or downspout. Please note that not all insurers' sewer backup products are the same. Some place restrictions on the amount of loss or damage covered. Please see your policy wording for specific coverage.

**Scheduled (valuable) articles** – You are provided with a limited amount of this type of coverage under your contents coverage. But if the coverage limits on items such as jewellery, furs, coin collections, stamps, etc. provided under the contents coverage on your tenant's policy are not adequate, you can "schedule" or insure such articles separately for an additional premium. Coverage is based on an appraised value. This insurance provides significant benefits: article are insured against all risks, including breakage, and no deductible is charged.