



Requiring proof of tenant insurance

In the unfortunate event of damage to tenant's belongings caused by a fire or flood in a rental property, we all hope that our tenants carry their own insurance. All too often the sad truth is that many tenants do not. A fire or flood will result in varying degrees of damaged personal property that is not covered under the owner's policy. Best case scenario, tenants could be stuck with horrendous laundry bills. Worst case scenario, some tenants are left with nothing.

Additionally, should a tenant accidentally damage a neighbour's property or if someone is injured while visiting a tenant in your building, you would more than likely be third-partied into a legal action if the tenant has no insurance.

Understand your policy

Make sure that you understand the details of your insurance policy and what types of actions could potentially void your insurance or increase your premiums.

Tips for ensuring that you are protected

- Add tenant insurance to your screening criteria and stress that it is a requirement of tenancy.
- Include a clause in the tenancy agreement that requires the tenant to produce a copy of the insurance policy within a reasonable period after the tenancy commences and thereafter to provide proof of insurance on an annual basis.
- Include a line in the agreement that reads, *"The landlord and tenant agree that the requirement to carry sufficient insurance (per clause 28) is a fundamental term of this agreement and failure to comply will result in a 30-day notice to end tenancy."*

Of course, get the tenant to initial these clauses (and any other clauses in the agreement) so you ensure they have read and understood them.

If the tenant fails to produce proof of insurance as requested, serve them with a breach letter for breaching a material term of the contract, giving them a short period of time to comply followed up with a 30-day notice to end if they fail to comply.

These precautions should provide adequate protection. However, in a dispute resolution hearing, a dispute resolution officer ultimately determines if a tenant's lack of compliance constitutes a breach of a material term of the tenancy agreement and whether or not the landlord has been placed in a position of liability by the tenant's lack of insurance coverage.

BCAOMA members are protected

The BC Apartment Owners and Managers Association (BCAOMA) provides their lawyer drafted, carbon copy tenancy agreement to their members. Clause 28 of the BCAOMA

standard residential tenancy agreement clearly requires tenants to obtain insurance that covers their property against loss or damage and for third party liability. The tenant also agrees, by signing the agreement, *"not to do, or permit to be done, anything that may void the landlord's insurance covering the residential property or rental unit, or that may cause the landlord's insurance premiums to be increased."*

The BC Apartment Owners and Managers Association has a roster of approximately 1,200 regular members who collectively own and manage over 100,000 residential rental units throughout BC. Members that enjoy membership in our Association include owners and property managers with holdings ranging from one rental suite to those who own or manage thousands of suites.

To contact the BC Apartment Owners and Managers Association call 604.733.9440 or toll free at 1.877.700.9440, or visit their web site at www.bcapartmentowners.com.