

## Report HDR-SS-09-15

**To:** Chair Dwight Burley and Members of the Social Services Committee  
**From:** Anne Marie Shaw, Director of Housing  
**Meeting Date:** May 13, 2015  
**Subject:** **Mandatory Tenant Insurance**  
**Status:** Recommendation adopted by Committee as presented per Resolution SSC55-15; Endorsed by County Council June 2, 2015 per Resolution CC82-15;

### Recommendation(s)

**WHEREAS Grey County Housing is committed to the safety of its tenants and staff and the protection of its assets and property;**

**AND WHEREAS mandatory tenant insurance will provide tenants with a tool to help recover financially from an insurable event;**

**NOW THEREFORE BE IT RESOLVED THAT report HDR-SS-09-15 be received;**

**AND THAT policy MS-HOU-006 Mandatory Tenant Insurance be approved;**

**AND THAT all new leases signed as of July 1, 2015 include a clause stating that mandatory tenant insurance is a requirement of tenancy and must be maintained during tenancy.**

### Background

Tenant insurance provides tenants coverage for repair and replacement of personal belongings, temporary accommodations and liability claims if someone else is injured or suffers property damage due to the fault or neglect of the tenant. The insurance covers items not covered under the landlords (Grey County Housing) insurance.

Over the past few years fires and other insurable events in Grey County Housing and other social housing providers have risen. Grey County Housing has encountered situations where tenants were impacted by incidents that involved damage to their personal property or the need for relocation from their homes. In many cases the tenants lost items and did not have insurance coverage to help replace their belongings. Due to these incidents, Grey County Housing has paid deductibles and absorbed

additional costs because tenants have not had tenant insurance. These events point to the importance of emergency planning, education of tenants and the need for insurance.

Currently, tenants are advised they should obtain tenant insurance but it is not a condition of the lease agreement. Tenant insurance is promoted by Grey County Housing; however there are tenants still without tenant insurance or those that let the insurance lapse during their tenancy. As of July 1, 2015 all new leases with Grey County housing would include a clause to make tenant insurance mandatory at lease signing and obligation to maintain insurance throughout tenancy. This will be the overarching policy with a procedure to be developed at a later date.

## Cost of Insurance

Tenant insurance is available in a range of cost and coverage options. SoHo Insurance Inc., an affiliate of the Housing Services Corporation, offers tenant insurance packages for social housing tenants. Depending on the amount of coverage, monthly payments can range from \$15 to \$21 a month. Tenant insurance may also be purchased through private companies at comparable rates. Tenants may be eligible to have insurance premiums included in their shelter allowance under Ontario Works benefits or under the Ontario Disability Support Program (ODSP).

Sample cost of tenant insurance: \$180.85 a year or \$15.07 a month

\$10,000	personal possessions
\$2,000	additional living expenses
\$500,000	liability coverage limit
\$300.00	deductible

Tenant of Grey County Housing may also be eligible for reimbursement of the cost of the deductible in the case of a fire or flood under the Grey County Sustainable Housing Benefit.

## *Tenant Education*

All new tenants are required to provide proof of a valid tenant insurance policy at or before the time of lease signing. A prospective tenant without tenant insurance will be given information on obtaining insurance. If a tenant refuses to obtain tenant insurance, Grey County Housing will work with new and relocating tenants to provide information related to the requirement of securing and maintaining tenant insurance, as part of the Lease Agreement.

### *Annual Verification*

All tenants are required to submit verification of their tenant insurance policy along with their annual income update.

If a tenant fails to provide a copy of proof of insurance Grey County will follow up with the tenant to assist the tenant in perusing insurance coverage. If tenant refuses to obtain or provide a copy of proof of insurance Grey County will pursue a mediated agreement through the Landlord Tenant Board.

### Financial / Staffing / Legal / Information Technology Considerations

Through a mandatory insurance policy and ongoing follow up and education with tenants, an anticipated decrease in deductible and additional costs. Financial protection for the tenants of Grey County Housing.

### Link to Strategic Goals / Priorities

Provide safe and affordable housing for residents of Grey County Housing.

### Attachments

MS-HOU-002-005 Mandatory Tenant Insurance

Respectfully submitted by,

Anne Marie Shaw  
Director of Housing

## Mandatory Tenant Insurance Policy

**Approved by:**

**Date Approved:**

**Last Revision Date:**

**Replaces:**

**Scheduled for Review by:**

**Policy Number:** MS-HOU-005-002

**Section:** Housing

**Sub Section:**

### References and Related Documents

Residential Tenancies Act, 2006, c 17, s.34

### Policy Statement

This policy will set local standards and guidelines for mandatory tenant insurance.

### Purpose

Grey County Housing is committed to the safety of its tenants and staff and the protection of its assets and property. The purpose of a tenant insurance policy is to put in place a mandatory content and liability insurance policy requirement for tenants of Grey County Housing. Tenant insurance will provide tenants with a tool to help recover financially from an insurable event such as a fire, by protecting tenants from loss of personal effects and liability costs.

### Background

Lack of insurance coverage can have significant financial impact on a tenant. Costs for temporary accommodations, loss of personal belongings, repairs to Grey County housing and the costs associated with liable cases can be a financial hardship on tenants. Grey County Housing is not responsible for loss of personal belongings or the need for alternate accommodation due to damage, fire or flood.

### Application of Policy

The Residential Tenancy Act, 2006 (RTA) states that requirements such as tenant insurance can be introduced when a new lease is signed including the obligation to

maintain tenant insurance throughout the duration of the tenancy. All current leases cannot be changed to include this clause.

### *Existing Tenants*

All existing tenants would be encouraged to obtain a tenant insurance policy. Tenants who have tenant insurance would be encouraged to sign a new lease.

### *Transferring Tenants*

Tenants that apply for a transfer within Grey County Housing units would be required to have tenant insurance and maintain insurance coverage for their tenancy.

### *New Tenants*

All new tenants are required to provide proof of a valid tenant insurance policy at or before the time of lease signing. A prospective tenant without tenant insurance will be given information on obtaining insurance. If a tenant refuses to obtain tenant, Grey County Housing will work with new and relocating tenants to provide information related to the requirement of securing and maintaining tenant insurance, as part of the Lease Agreement. Tenants may be eligible to have insurance premiums included in their shelter allowance under Ontario Works benefits or under the Ontario Disability Support Program (ODSP).

### *Annual Verification*

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