



Home insurance for tenants: Myths vs. facts

Many tenants aren't aware of the importance of home insurance. Discover why it is essential. In fact, according to the Insurance Bureau of Canada, about half of all tenants don't have insurance. Contents insurance for tenants isn't imposed by Canadian law, but your landlord could require it on your lease. Here are some myths and facts about tenant insurance and some reasons why it's a good idea to get it.

Myth: Tenant insurance is too expensive.

Fact: In general, the average price of tenant insurance is between \$15 and \$30 a month.

Here are some tips to save on tenant insurance:

Raise your deductible. A higher deductible results in cheaper insurance rates. However, you'll need to pay the deductible each time you file a claim for loss or damage.

- Insure your home and auto with the same company for a discount and added benefits.
- Consider decluttering so you're not purchasing insurance for items you don't need.
- Building a good history of tenant insurance (like having a claims-free record) can also help you save on your premium later on, when you purchase home or condo insurance.

Myth: Your landlord has insurance that will cover you.

Fact: Your landlord's insurance covers damage to the building. It doesn't cover your personal belongings or your liability.

Myth: Everything in your home will be covered by tenant insurance.

Fact: You may need additional coverage for expensive artwork, fine jewellery and other items.

Here are some examples of what is covered by tenant insurance:

Loss of or damage to possessions caused by:

- Fire.
- Smoke.
- Lightning.
- Vandalism.
- Theft.
- Explosion.
- Windstorm.
- Some types of water damage.

Your personal legal liability for injuries to others or damage to their property while they're at your apartment, as well as legal defence costs if you're taken to court.

Expenses to live somewhere else while your apartment is being repaired following an insured loss (for example, up to 20% of the contents amount if there's a fire and tenants have to leave the building). This includes hotel bills, meals and related costs.

Getting tenant insurance is generally a smart decision given the small premium and the extensive coverage. We recommend starting by making an inventory of all your possessions and figuring out how much it would cost to replace them in the event of loss or damage. This will help you decide if tenant insurance is right for you.

