



Being a landlord isn't easy – it's a round-the-clock job with many responsibilities. Some landlords prefer a hands-on approach with their rental properties, while others hire property managers or rental agencies to tend to all the details. Whether you share your property with tenants or live off-site, be sure to carefully screen prospective tenants. A rental agreement should address sublet conditions, if any, and require that tenants purchase tenant's insurance and provide proof of insurance annually.




A rental agreement stipulating that tenants have appropriate insurance may narrow down the list of applicants, but it will provide peace of mind in the event of a loss – for landlords and tenants alike.

Questions about insurance? Call us.

Insurance Bureau of Canada

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The information provided in this brochure is intended for educational and informational purposes only. Please consult the appropriate qualified professional to determine if this information is applicable to your circumstances.

This information is accurate as of July 2022.

Are you a Residential Landlord?



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Renting out your basement or a bedroom? Taking in boarders? If you answered yes to any of these, you're a landlord. Even if a friend moves in with you temporarily or you've listed a short-term rental on a home-sharing website, you must notify your insurance representative **before** changing your living arrangements to ensure you have the right coverage. Keep a confirmation of that notification to your insurance representative.

If you own rental property that you don't live in, you need a separate insurance policy. Speak with your insurance representative about the coverage you need.

Here's why:

- Your home insurance policy only covers your property, contents and personal liability and that of your spouse and dependants. It does not include your tenant's contents or personal liability. Always make sure the lease or rental agreement requires the tenant to have insurance for their personal possessions and liability. This ensures they understand you are not insuring their possessions. Tenant's liability coverage would pay for accidental damage they cause to your property.
- Failing to provide full disclosure relating to occupancy may void your home insurance policy. If anything were to happen – for example, a tenant accidentally starts a fire in your basement that you are renting out – and your insurance provider was unaware that you had a tenant, your policy could be voided. This would leave you without coverage at a time when you need it most.
- New tenants may be moving in and out of your property each year or perhaps more frequently, thereby posing a different kind of insurable risk. You are obligated to inform your insurance provider of any change in risk.



Having appropriate insurance coverage when renting your property is also important because:

- It covers damage to your property, including walls, flooring, fixtures, appliances, heating and cooling systems, and any furniture you include in the rental, subject to the terms of your policy.
- It replaces your lost rental income if tenants must vacate the premises due to damage from an insured loss.
- It covers your defence costs if tenants or their guests suffer injury or damages on the property, and they sue you.

Familiarize yourself with the rights and responsibilities of landlords and tenants within your province or territory.