

Make Sure You – And Your Tenants – Are Covered

Peace of mind is knowing your building is covered, and your tenants' contents are covered too.

Contributor: Marsh Canada



WHY DOES YOUR SOCIETY NEED PROPERTY INSURANCE?

Water damage is one of the most frequent types of residential claims. Most concerning is that water damage losses are typically caused by human error, rather than a mechanical fault or natural flooding. Because these events are fairly frequent, it is important to know how to reduce the severity of the incidents.

Understanding your building is key. Knowing where the water shut-off valves are located, and turning them off quickly, can significantly reduce water damage. Locations in shared locations and in individual units should be clearly marked.

Overflowing kitchen sinks are another common scenario for water damage. Due to the risk of bacteria build-up, kitchen sinks are not equipped with an overflow typically found in a washroom sink. To reduce instances of overflowing sinks, fit them with a secondary garburator section (with no garburator installed and no way to plug the drain) with a divider that is lower than the edge of the unit. When the water gets too high it will drain out through the smaller section.



Finally, to protect the building operators, individual tenants' insurance should be mandatory. Water damage claims are generally frequent but not severe. If residents have their own insurance there will be less impact on the building's policy, resulting in a predictable premium rate.

If you live in an area prone to flooding, or you just want to take all possible precautions, here are some suggestions:

- Move valuable items from the basement to upper floors, and keep paint, oil and cleaning supplies out of basement
- Install a sump pump and backwater valves or plugs for drains, toilets and other sewer connections
- Consider protecting large appliances, furnaces, and hot water heaters, as well as basement windows and doors, with a floodwall or shield
- If flooding is imminent, shut off electricity to areas of the home that might be affected
- Ensure proper lot grading so water can drain away from your basement walls, clear snow from foundations, and use a rain barrel to catch water runoff
- Landscape with native plants that resist soil erosion

WHY DO YOUR TENANTS REALLY NEED CONTENTS INSURANCE?

Unlike automobile insurance, or homeowner's insurance when you have a mortgage, residential insurance is not always required – so why should your tenants consider buying it? There are actually a number of reasons.

Your lease may stipulate tenants are contractually obligated to purchase residential (tenants') insurance. Even if your tenants are not required to purchase this insurance, their contents are **not** covered for loss or damage by your building insurance policy.

Tenants' insurance covers contents against losses caused by fire, smoke or water damage, vandalism, and theft. In a likely scenario, you may find that your units are uninhabitable for a period of time following any one of these events; a tenant's policy could cover any necessary increase in living expenses — including moving expenses. In addition, the tenant, unit owner, or property manager could be held legally liable for damage caused to the premises and to property belonging to other tenants, or should someone be injured while visiting your building.

The BCNPHA insurance policy provides comprehensive contents coverage for \$15,000 on a replacement cost basis and personal liability coverage of \$1 million.

You and your tenants will have peace of mind knowing that there is insurance protection in place. 🏠

For more information on our Tenant Insurance Program please contact Robert Kaufman, Marsh Canada, at 403.476.3399 or robert.kaufman@marsh.com and for information on the Comprehensive Insurance Programm, contact Edna Wong, Marsh Canada, at 604.692.48.28 or edna.wong@marsh.com.



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