



## Tenant Insurance

Item 9

February 3, 2025

Tenant Services Committee

**Report:** TSC:2025-05

**To:** Tenant Services Committee ("TSC")

**From:** General Counsel and Corporate Secretary

**Date:** January 13, 2024

### **PURPOSE:**

This report satisfies the Board direction that, following consultation with the Tenant Advisory Committee, management bring a report to the Tenant Services Committee on tenant insurance and opportunities to increase participation in the tenant insurance programs.

### **RECOMMENDATION:**

It is recommended that the TSC receive this report for information.

### **REASONS FOR RECOMMENDATION:**

#### **Decision History**

At its meeting of October 27, 2023, the Board of Directors requested that management report to the Tenant Services Committee, following consultation with the Tenant Advisory Committee, on tenant insurance and opportunities to increase participation in the tenant insurance programs.

#### **Background**

Pursuant to both TCHC's Rent-Geared Income ("RGI") and its Market Leases, TCHC tenants are responsible for obtaining, at their own expense, adequate insurance coverage against damage to the Leased Premises, loss of personal property and public liability. At the same time, the number of TCHC tenants who maintain tenant insurance is very small. Housing Services Corporation, which offers tenant insurance, advises that it provides

tenant insurance to only a very low percentage of TCHC tenants and that TCHC tenants obtain tenant insurance through other insurers. However, it seems more likely that a material number of TCHC tenants do not maintain tenant insurance.

### **Tenant Consultations**

Further to the Board's direction, TCHC management attended the September Tenant Community Action Tables ("TCAT") meeting to receive feedback from meeting participants related to tenant insurance. In general, meeting participants advised that:

- the main obstacle to getting insurance is affordability;
- they did not realize that having insurance is part of their lease agreement;
- they were confused about the importance of insurance or how to get started; and
- they did not perceive a benefit in obtaining tenant insurance, given the value of the goods that they owned.

In addition, TCHC management attended the November 12, 2024 meeting of the Tenant Advisory Committee ("TAC"). Feedback from Committee members echoed what management heard from participants at the TCAT meeting. TAC members also observed that TCHC tenants may not see the benefit of maintaining insurance coverage. Amongst the suggestions from the TAC, it suggested that TCHC should undertake a program to educate TCHC tenants and TCHC staff on the nature of tenant insurance including information related to:

- the manner in which deductibles work when making a claim and the benefits that insurance will provide;
- the impact of making a claim on future premiums;
- whether there are opportunities to bundle tenant insurance with rent; and
- opportunities for tenants in receipt of Ontario Works ("OW") or Ontario Disability Support Program ("ODSP") benefits to obtain financial support for insurance premiums from those sources.

While tenants appear, in general, to appreciate one of the values of maintaining tenant insurance, they do not appear to appreciate that, in

addition to providing a source of funds to replace damaged property, tenant insurance can also:

1. Protect against liability.

Insurance can help cover legal costs, and medical bills or damages to another party arising from actions for which the tenant is responsible. Examples include a kitchen fire or if their pet bites someone.

2. Cover temporary living costs.

If a tenant needs to relocate because of a fire or major water damage, tenant insurance can cover the cost of hotel stays or a short-term rental.

### **The Shelter Allowance**

Almost forty-five (45%) percent of TCHC's RGI tenants rely upon Ontario Works or the Ontario Disability Support Program for their income. TCHC management have established communication with representatives from Toronto Employment & Social Services ("TESS") and Ontario Disability Support Program. They confirm that tenants enrolled in either program may have their insurance premiums covered through their shelter allowance, subject to the limits of that allowance. TCHC is developing a Communications Campaign for tenant insurance that we can repurpose year over year to help promote the importance and requirement of tenant insurance and to encourage tenants to consider using the available portion of their shelter allowance for this purpose. Details of the Communications Campaign are provided below.

In addition, TCHC management has reached out to Housing Services Corporation ("HSC") which provides insurance for individuals residing in community housing, to inquire whether HSC can directly withdraw funds from the tenants' shelter allowance to cover insurance premiums. HSC has confirmed that TESS and ODSP caseworkers are able to make payments on behalf of the tenant using either a corporate credit card or direct deposit. Should tenants choose a different insurance provider, they will need to contact that provider directly to determine if they can facilitate the withdrawal of premiums from their shelter allowance.

### **The Communications Campaign**

TCHC will provide information to tenants about tenant insurance through a Communications Campaign that can be repeated year over year. The intent

of the Communications Campaign is to help promote the requirement of tenant insurance as a provision of the TCHC lease and its importance if tenancies are impacted by fire or flood. The Communications Campaign will make information about tenant insurance easily accessible and visible to tenants using printed and digital communication. As part of this Campaign, TCHC distributed a lobby poster, in the fall of 2024, that incorporated a QR Code linking to information on the TCHC website regarding tenant insurance. A copy of that poster is Attachment 1 to this report.

The Communications Campaign is also intended to clear up common misconceptions about tenant insurance, like the responsibilities of the tenant and the responsibilities of the landlord when damage happens to the tenant's unit. It will use real-life case studies to reinforce the benefits of tenant insurance and keep tenants updated with important information about how to access resources for affordable tenant insurance.

## **RISKS AND IMPLICATIONS**

Between 2021 and October of 2024, property claims for fire and flood have cost TCHC over \$26 million. When tenants cause damage to TCHC property, TCHC often covers costs that should be paid by a tenant's insurance policy. Tenant insurance, as presently offered by insurers, including HSC, may not be perceived by TCHC tenants, as providing a benefit given its cost. To the extent that some TCHC tenants may have access to a currently unused source of funding to cover the cost of tenant insurance, in the form of the Shelter Allowance, some of the cost considerations that currently serve as an obstacle to keep tenants from maintaining tenant insurance can be overcome. Should the number of tenants who maintain tenant insurance increase, the money that TCHC spends in order to respond to the needs of its tenants in the event of fires and floods may be used for other purposes that benefit our tenants in different ways.

## **SIGNATURE:**

*"Darragh Meagher"*

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Darragh Meagher  
General Counsel and Corporate Secretary

**ATTACHMENT:**

1. Tenant Insurance Lobby Poster

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# Insurance is your responsibility.



You are responsible, under your lease, for getting insurance for your unit and your belongings.



Scan the QR code or visit the link below to learn about tenant insurance, your responsibility as a tenant, and why insurance is important.

[torontohousing.ca/insurance](https://torontohousing.ca/insurance)

Call **416-981-5500** to request a copy of this poster in an alternate language or format.



Please remove by  
Tuesday, December 31, 2024.