

## **Frequently Asked Questions Re the Bulk Insurance Program**

### ***Insurance for Tenants:***

*Q. Should societies attempt to organize property or personal liability insurance for tenants?*

A. The question of whether a society should assist tenants to purchase insurance is often contentious. There are many examples of unfortunate cases where tenants suffer complete loss of their property without indemnification from insurance or are held legally liable for bodily injury or property damage, again without insurance.

Because the need for insurance and the ability of the tenants to buy insurance will vary from one location to another, we believe that each society needs to carefully consider their situation and then to establish a formal procedure. The next step is to notify your tenants of your procedure when they first become renters and annually thereafter.

For most societies we recommend that you avoid organizing insurance for tenants. Reasons include the responsibility that your society would assume as well as the administrative work load that would involve.

One alternative might be to organize a meeting between tenants and a local personal lines insurance agent to describe available coverage.

### ***Volunteers***

*Q. What coverage is available to volunteers of a non profit society insured through this program?*

A. Under the Commercial General Liability policy volunteers have been added as additional insured and as such have the benefit of defense and indemnification where a claim arises from bodily injury or property damage to a third party.

Accidental death, dismemberment and permanent total disability insurance is available for volunteers to a limit of either \$50,000 or \$100,000 under the Volunteer Accident Policy.

ICBC can provide Automobile Special Excess Third Party Liability insurance for employees and volunteers. Coverage applies while they are operating a vehicle which your society does not own, rent or lease but which they operate on your behalf and with your authority. This policy provides excess liability insurance beyond the limit the vehicle owner has purchased (minimum \$200,000) and up to the policy limit that you

purchase. The premiums are modest and are based on the total number of your employees. Application can be made to any ICBC agent. This insurance does not benefit your Society directly.

***Rental Income Insurance:***

*Q. How much rental income insurance should we purchase?*

A. Rental income insurance is designed to reimburse you for loss of gross rental income. You need to purchase insurance to replace lost revenue until repairs or reconstruction to your damaged property is complete. In the event of a major loss the time to rebuild might exceed 12 months so it is most important that you identify the maximum time required to rebuild your project and purchase insurance for that time.

***Replacement Cost:***

*Q. How can we best determine the replacement cost of our building for insurance purposes?*

A. You ought to insure to the current reconstruction cost of your building. You should also insure for the expense to demolish and remove debris from the site and to rebuild in accordance with current codes. The best way to determine this cost is through a formal building appraisal that is based on the cost to rebuild at your location. We recommend that a new appraisal be obtained every five years.