

ESTABLISH EXPECTATIONS WITH TENANTS UPFRONT

Advise new tenants of the following:

The landlord's insurance policy will not provide protection for the renter, who should obtain a tenant or renter's policy.

The premises will be inspected on a regular basis and regular contact with the neighbours is standard practice.

Any evidence of a grow operation will be reported to the police immediately.

Summary

An insurance policy can be depended upon to respond to a host of claims, but it does have certain limitations.

By taking these precautions, you will reduce the chance of a marijuana grower renting your property and using it for grow operations. *It is better to lose a month's rent now than to rent in haste and put your investment at risk.*

Screening of potential tenants and frequent inspections of the property will drastically reduce the likelihood of a grow operation being set up on your premises.

If you suspect or discover a grow operation on your premises, **DO NOT** confront your tenant. Instead, contact the police.

We hope the information included in this brochure will assist you in avoiding some of the risks associated with property rental.

ATLANTIC PROVINCES

1969 Upper Water Street, Suite 1706
Halifax, Nova Scotia B3J 3R7
(902) 429-2730
Consumer information:
1-800-565-7189

BRITISH COLUMBIA AND YUKON

510 Burrard Street, Suite 1010
Vancouver, British Columbia V6C 3A8
(604) 684-3635
Consumer information:
1-877-772-3777

PRAIRIES, NORTHWEST TERRITORIES AND NUNAVUT

10722-103 Avenue, Suite 401
Edmonton, Alberta T5J 5G7
(780) 423-2212
Consumer information:
1-800-377-6378

ONTARIO

777 Bay Street, Suite 2400
P.O. Box 121
Toronto, Ontario M5G 2C8
(416) 362-2031
Consumer information:
(416) 362-9528 or 1-800-387-2880

QUEBEC

800 Place-Victoria, Suite 2410
Montreal, Quebec H4Z 0A2
(514) 288-1563
Consumer information:
(514) 288-4321 or 1-877-288-4321

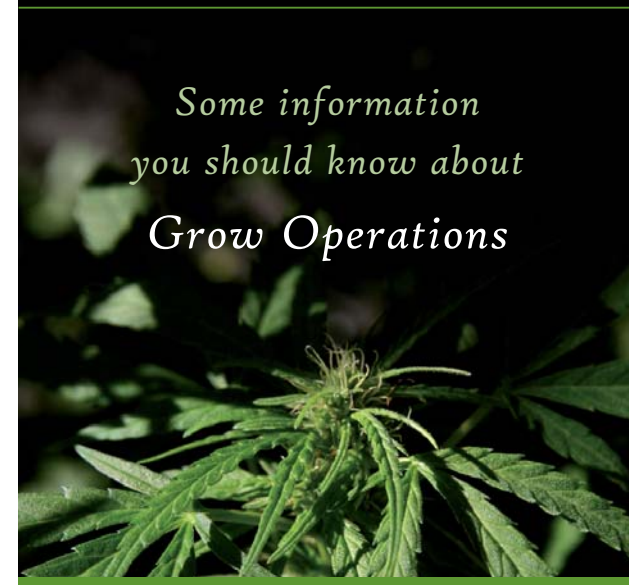
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Insurance Tips for:



Residential Landlords

*Some information
you should know about
Grow Operations*



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MARIJUANA GROW OPERATIONS

Most landlords recognize that the use of rental homes by tenants as a base for marijuana grow operations is on the rise. Grow operations are becoming increasingly sophisticated and can be found across the country.

Residential rental properties and, less frequently, condominiums are preferred locations for these grow operations.

Damage sustained to a residence due to a grow operation can include the removal of wall boards, ceiling tiles and floor coverings; moisture damage caused by excessive humidity; and illegal modifications to wiring – which increase the potential of fire loss.

Insurance is not designed to cover this kind of destruction. You, as the owner, are in the best position to prevent this type of loss. Unfortunately, in the majority of cases, landlords are unaware that there is a marijuana grow operation on their property until it is too late and thousands of dollars worth of damage has already been done.

KNOW YOUR RIGHTS

It is your legal right to visit the premises, as long as you have provided your tenants with the appropriate notice. Check your provincial tenancy laws to confirm how much notice you have to give. Even if you can't access every part of the premises, the telltale signs of a grow operation may be visible.

What to look for:

INSIDE THE DWELLING

- Windows totally covered (with cardboard, aluminum foil or black plastic) to control grow environment
- Condensation on darkened windows
- Exhaust stack removed from hot water tank to introduce CO & CO₂ into residence (to disguise odours and facilitate plant growth)
- Electrical service bypass and/or unusual wiring
- Ionizers installed to dispense odours
- Little or no furniture
- "Skunky" odour of mature plants
- Humming or motorized fan-like noises



OTHER INDICATORS

- No normal residential activity (talk to neighbours to get this information) – build up of mail/flyers, no garbage put out on garbage day, etc.
- New chimney/roof/attic/dryer vents installed
- Smoke/heat coming from chimney during non-heating season

CHOOSING TENANTS

Red flags

There are suspicious traits to be aware of during the screening process. The following are telltale signs that should raise "red flags" for you when meeting with prospective tenants:

- Tenant wants to pay the rent in cash or offers more than market price.
- Tenant gives vague, incomplete answers on application form and evasive responses to questions.
- Tenant gives no references and/or no identification.
- Tenant plans to register utilities under a different name.
- Tenant shows great interest in electrical services.
- Tenant doesn't show any interest in the layout of the suite, e.g., number of bedrooms, cable hook-ups, etc.
- Tenant has no current home phone number and gives only a cellphone or pager number.

Screen your tenants and always check their references

Take note of your tenants' vehicles and licence numbers.

Find out which tenant is signing for the hydro and phone.

Make it a requirement that your tenants carry tenant's insurance.

Be there when the tenants move in.

Insist on rent cheques – no cash payments.

Obtain an appropriate damage deposit.
