

Residential Tenancies Tribunal

[REDACTED] Decision 19-0739-05
[REDACTED]

Denise O'Brien
Adjudicator

Introduction

1. The hearing was called at 9:10 a.m. on January 29, 2020 at Residential Tenancies, Motor Registration Building, 149 Smallwood Drive, Mount Pearl, NL.
2. The originating applicants, [REDACTED] and [REDACTED], hereafter referred to as tenant1 and tenant2, respectively, participated in the hearing.
3. The countering applicant, [REDACTED], hereafter referred to as the landlord, participated in the hearing by a conference call.

Preliminary Matter

4. There is no claim for damages. The claim is for an increase in the cost of the insurance rate for the unit.

Issues before the Tribunal

5. The tenants are seeking the following:
 - a. Refund of the security deposit in the amount of \$540.00.
6. The landlord is seeking the following:
 - a. Compensation for increase for insurance rates in the amount of \$1000.00;
 - b. Hearing expenses.

Legislation and Policy

7. The jurisdiction of the Director of Residential Tenancies is outlined in the Residential Tenancies Act, 2018 (the Act), Section 47.

8. Also relevant and considered in this case are Sections 10 and 14 of the Act and *Policy 12-1 Recovery of Fees: Filing, Costs and Hearing Expense, Interest, Late Payment and NSF*.

Issue 1: Compensation for increase for insurance rates - \$1000.00

Landlord Position

9. The landlord testified that the tenants moved into the unit on September 1, 2018 for a one year term with rent set at \$720.00 per month due on the 1st of each month. In March 2019 the tenants caused a fire in the unit. He contacted his insurance company to have the repairs carried out. The tenants' insurance paid the deductible. Shortly after the fire the insurance company cancelled his policy but later the policy had been re-instated.
10. The landlord testified that the rate for his insurance on his unit will go up significantly in May 2020 because of the fire. The insurance company would not provide how much of an increase but he is estimating that it would go up by \$1000.00.
11. The landlord submitted into evidence a letter dated March 25, 2019 from Johnson (LL #1) informing him that Unifund Assurance Company are unable to continue to offer renewal of this policy due to frequency of losses. As of the renewal date, May 1, 2019, Unifund will no longer insure you or your home under the above noted policy. Also submitted into evidence was an e-mail from Johnson Inc. dated September 16, 2019 (LL #2). The e-mail stated that the rates for renewal for May 1, 2020 cannot be determined at this time.

Tenant Position

12. Tenant1 acknowledges that there was a fire in the unit on March 4, 2019. The fire was caused by an accident. They paid for the deductible for the claim.
13. The tenants testified that the landlord cannot charge them for the increase. The landlord had multiple claims. In January 2019 there was a flood upstairs which caused damage to the flooring in their kitchen and living room.

Analysis

14. I have reviewed the testimony and the evidence of the landlord and the tenants in this matter. I have determined that there are 2 issues that need to be addressed; (1) did the landlord's rate for insurance on the unit increase; and (ii) are the tenants responsible for the increase. I find that there was a fire in the unit in March 2019 caused by the tenants. I also find that the landlord did

not present any evidence to show that the rate for his insurance will increase due to the fire. Therefore, the claim for \$1000.00 for the increase in the rate for his insurance fails.

Decision

15. The landlord's claim for an increase in his insurance rate fails.

Issue 2: Application for Security Deposit

16. Under the authority of Section 47.(j) the director may authorize a landlord to offset money a tenant owes to the landlord against money the landlord owes to the tenant. Further under subsection (m), the director has the authority to determine the disposition of the security deposit.

Tenant Position

17. The tenants testified that they paid a \$540.00 security deposit in August 2018.

Landlord Position

18. The landlord acknowledges the tenants paid a 540.00 security deposit.

Analysis

19. A \$540.00 security deposit was paid in August 2018. The landlord shall return the security deposit as the landlord's claim has been unsuccessful. The interest rate on security deposits for the period 2018 - 2019 is 0%.

Decision

20. The security deposit shall be disposed of as outlined in this decision and attached order.

Issue 3: Hearing Expenses - \$20.00

21. Under the authority of Section 47.(q) the director may require the unsuccessful party to pay costs to the successful party to an application. Costs eligible to be awarded are identified in *Policy 12-1: Recovery of Fees: Filing, Costs and Hearing Expense, Interest, Late Payment and NSF*.

Landlord Position

22. The landlord paid an application filing fee in the amount of \$20.00. The landlord is seeking this cost.

Analysis

23. The cost the landlord incurred to make the application is considered a reasonable expense as per *Policy 12-1 Recovery of Fees: Filing, Costs and Hearing Expense, Interest, Late Payment and NSF*. As the landlord's claim has been unsuccessful, the landlord's claim for hearing expenses fails

Decision

24. The landlord's claim for hearing expenses fails.

Summary of Decision

25. The tenants are entitled to the following:

a. Return of the security deposit.....\$540.00

May 19, 2020

Date

Residential Tenancies Section