

CANNABIS LEGALIZATION AND CHF CANADA HOUSING CO-OPS

On October 17, 2018, it became legal to use cannabis (marijuana) recreationally in Canada.* As a result of this change, we've heard from co-ops asking about what they should do and if there will be any changes or impacts to their insurance coverage.

Your CHF Canada Commercial Insurance Program coverage does not prevent you from allowing members to smoke or grow cannabis in their units, subject to legal limits. It is important to ensure safety.

What are the risks to co-ops?

Legalization might increase the frequency of members smoking and growing cannabis in their unit. This could increase the risk of fire, explosion, moisture, mold and other types of damage to your co-op. It is important to stay informed and take action to minimize the risk to your co-op and your members.

Managing the risks of smoking

As many provinces prohibit the use of cannabis in public places, people are most likely to smoke it in a private residence or private outdoor space, such as a patio or balcony.

Smoking, of any kind, is a **major cause of residential fires. We encourage co-ops to consider a ban on ALL smoking** – that includes tobacco, cannabis and other products.

A decision to allow smoking in your coop will not limit your coverage. It is important to promote safety precautions such as the **safe disposal of cigarette butts in well made, fire resistive ashtrays and keeping equipment such as lighters and matches away from children** at all times. Contact us if you require educational materials for distribution in your co-op.

Managing the risks of growing

Federal laws permit a maximum of **four**** cannabis plants to be grown in a private residence. This limit applies per household and not per person. Provincial legislation can further limit or even restrict this activity all together. As provincial laws vary, it is important to consult the rules for your province.

A decision to allow members to grow cannabis in their units, subject to the laws of your province, will not limit your coverage. It is important that you ensure the growing is being done in a safe environment.

If your co-op becomes aware that a resident is growing cannabis in their unit, you should:

- establish whether the individual has a permit from Health Canada for medicinal use or if it is for recreational purposes
 - if there is a permit, it will state the maximum number of plants allowed
 - if there is no permit, consult your provincial legislation to determine legality

- a representative of your co-op should complete a walk-through inspection to ensure there are no fire or health hazards
- if the amount grown exceeds the permit or legal limit, contact the police. Illegal operations can be dangerous because involve a larger number of plants and often the wiring and ventilation is insufficient
- if the member has a permit for more than four plants, contact your Co-operators representative. We will arrange for an inspection to ensure the safety of the operation. We may make recommendations, but rest assured that if the set-up is safe and legal, we will not impose any additional conditions on your co-op or your members
- if the number of plants is four or less and there are no obvious concerns, no further action is required

If a member requires changes to the structure or electrical system of their unit, the request should be reviewed by the co-op and, if approved, carried out by a licensed professional contractor.

Depending on the number of plants and the type of housing unit (small apartment vs. single family home) it may not be possible for a member to grow cannabis safely. In these cases, we recommend a sensitive conversation that explores other alternatives such as purchasing the product commercially or designating another person to grow it.

Additional safety tips

For additional educational and safety resources, refer to the Government of Canada materials available online at <https://www.canada.ca/en/services/health/campaigns/cannabis/canadians.html#a9>.

Remember, we're here to help. Contact us for information and support knowing that if these reasonable actions are taken, your insurance won't be affected.

* Subject to certain conditions, it was already legal to use cannabis for medical purposes. This has not changed. Refer to www.canada.ca/en/services/health/campaigns/cannabis/canadians.html

**The number of plants may be different for someone who has a license to grow for medical purposes.