



## Home Sweet Home

A house is more than the place where you live. It is your home. It represents security for those who live in it. It is probably the biggest investment you'll ever make; it is independence for first-time homebuyers, and so much more. Something as valuable as your home needs a lot of care.

This is why you need insurance. Insurance is vital to protecting yourself from unexpected losses. Your homeowner's insurance policy covers your house and personal property, and protects you from liability claims. It is something you cannot do without, and should purchase as soon as you become the owner of a house, even if it is still under construction.

All homeowner's policies provide coverage for:

- The house and the structures attached to it.
- Personal property or the contents of the insured dwelling, such as the furniture, the appliances, your clothes, etc., as well as the personal effects of your family members.
- Liability, when, due to negligence, you may be held responsible for an act causing injuries or property damage to others.

However, policies differ with respect to coverage and claims settlement. For example, most policies will cover the dwelling(s) on a Replacement or Rebuilding Cost basis. This is why the limit of insurance provided for your house can be higher than the purchase price of the house.

Insurance calculations are different from the real estate meaning of appraisal, because they are based on the cost to replace the home, and because they don't include the cost of the land. We have new tools at our disposal to help us calculate accurate and detailed replacement or reconstruction cost. New calculations are often different (i.e. higher) than those done in previous years.

Experience shows that these higher calculations have been

reliable right across the country. Areas of large catastrophic loss such as Kelowna, B.C. in which 238 homes were lost last summer, and about half are in the process of reconstruction or have been completed, have provided an excellent test for the insurance industry.

As insurance brokers,

**“Part of our job is to determine the estimated Replacement Cost of your home or property to ensure adequate coverage.”**

In order to assist us in arriving at an accurate amount for insurance purposes, you should provide as much information as possible about your home including square footage, building materials, etc.

It is also important to periodically review your policy with your broker to make sure that the limits of insurance accurately reflect your home improvements.

So, while home insurance policies are necessary for everyone, it is important that you purchase one that will fit your needs. In order to find the right policy, you should take home insurance into consideration when shopping for a new home, when planning renovations to your existing home, and even when acquiring new personal property. While an insurance policy may not be the best way to pay for a small repair, such as fixing that burn in your carpet, a policy with an up-to-date home audit of your possessions will be invaluable if for any reason these are lost, stolen, or damaged. This is especially true if you have taken precautions to include coverage for that inherited stamp collection, or that big engagement ring that likely needs greater protection.

As insurance brokers, we know that every individual is different, and it is our job to make sure you have the best coverage possible for your specific needs.

## Q&A

**Q:** My car was broken into while I was shopping at the mall. A brand new golf bag and a leather briefcase I had just purchased for my husband were stolen from the trunk. Do I claim these items through my automobile or homeowners insurance policy?

**A:** Your home insurance will cover items stolen from your car that are not permanent fixtures of your car, as long as you have receipts to prove ownership of those items.

**Q:** Is my house covered while I am on vacation?

**A:** As long as you plan to return, your house is covered. In most cases, if you are away more than four consecutive days during the heating season, there is no coverage for damage caused by freezing of any part of a plumbing or heating or domestic water container unless you had arranged for a competent person to enter the dwelling on a daily basis. Ask your insurance broker to be sure.

**Q:** My son is going away to college next fall. Is he still covered under our homeowners insurance?

**A:** Most likely he will be covered, as long as he is a dependent and is temporarily living outside your house. Speak to us to find out what the limit of insurance is on any personal property he will take with him.

