

CLAIMS SETTLED RIGHT

Your survival guide
for the unexpected



INSURANCE
BUREAU
OF CANADA

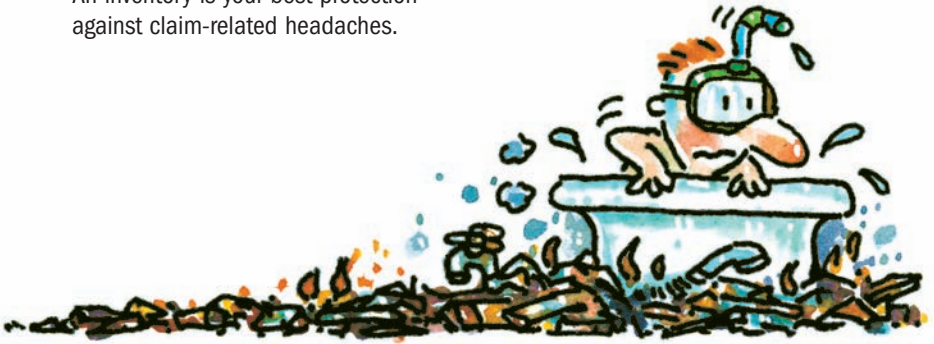


BUREAU
D'ASSURANCE
DU CANADA

EASE TOMORROW'S WORRIES TODAY!

1 The best way to get your claim settled fast is to immediately provide your insurer with a list of everything that was damaged. If you take an inventory of your property today, you'll make listing the damages a breeze. An inventory is your best protection against claim-related headaches.

2 Keeping an inventory will also help you assess your home insurance needs. Review your policy regularly to ensure that you always have the coverage you need.



HOW TO TAKE AN INVENTORY

- Make a list of all your personal property.
- Attach relevant documents like bills, photos, and warranties.
- Make a video of your personal property or draw the layout of your home and indicate where each item is located.
- Keep a copy of your inventory and related documents off the premises.
- Draw up your inventory, using the form on our Website at www.infoinsurance.ca.

If you're a homeowner or tenant and you've purchased Personal Property insurance, you've made a smart choice! But while insurance coverage is essential, it can't prevent loss from occurring. That's why it's always best to be prepared—so you can keep going even when the going gets tough!

3 If you've experienced a loss, it's important to act fast to stop disaster in its tracks and prevent damages from getting worse. First contact the appropriate authorities, then make any temporary repairs. But don't make any permanent repairs before talking to your insurer.

4 If you need to make emergency repairs, take photographs of the damages first and remember to keep your bills. You can show them to your insurer later.



HOW TO MINIMIZE DAMAGES

- Cover broken windows.
- Unplug electrical devices.
- Turn off the power to places that water could reach.
- Remove anything from the basement that could be damaged by water.
- Turn off your water main.
- Put your possessions in a safe place or have them watched to prevent theft or vandalism.

CLAIM SETTLEMENT MADE EASY



1 Once you've contacted your broker or insurer, start preparing your claim. Depending on the severity of the damages, your insurer will either visit in person or explain what to do over the phone.

2 In most cases, your insurance company will send a claims adjuster, who will ask about the cause of the loss and examine your documents (police or fire report, other related documents, etc.).

3 Your claims adjuster will assess the value of the damaged items, determine how much compensation you're entitled to under your policy, and discuss repair and replacement procedures. The claims adjuster will then make a settlement offer and authorize payment.

HOW TO PREPARE YOUR CLAIM

- Make a list of everything that has been damaged. As much as possible, include model numbers, serial numbers, proofs of purchase, warranties, and costs. (Aren't you glad you took an inventory of your property?)
- Photograph all damages.
- Keep any non dangerous damaged items so that you can show them to your claims adjuster.
- Keep all receipts for expenses incurred due to the loss (e.g., hotels, meals). You may be entitled to compensation for additional living expenses.

After the loss comes the claim. Knowing what to expect will help you reach the best possible agreement with your insurer.

4 Remember that every Personal Property insurance policy has a deductible. The amount is usually between \$300 and \$1,000 and is deducted from your compensation.

5 Your insurer can compensate for damages in one of three ways: repair, replacement, or reimbursement. If the item can be repaired, it will be. If not, your insurer will replace it or reimburse you for its value, depending on whether you have replacement cost insurance.

6 You are free to choose the repairer or merchant that you prefer. However, be sure to first discuss it with your insurer to agree on cash amounts.

7 Many companies have supplier agreements that make it easier to settle a claim. For example, a company may be able to recommend a specific supplier and save you from having to pay for your new items up front.

WHAT YOUR INSURER MUST DO

- Return your property to the same condition as it was before the event occurred.
- Compensate you within 60 days of receiving your claim or, if requested, of receiving the required information and documents.

DO YOU KNOW YOUR PROPERTY'S TRUE VALUE?

- 1** If **you have replacement cost insurance**, you can replace a damaged item with a similar new one without making any deduction for depreciation.
- 2** This coverage only applies if you actually replace the item.
- 3** For your home, replacement cost means the cost of rebuilding or repairing. There are three conditions to compensation: you must repair or rebuild in the same location using materials of the same nature and quality, the building's use must remain the same, and you must have enough insurance.
- 4** For your personal property, replacement cost means repairing or replacing the damaged article with one of the same nature and quality.
- 5** Replacement cost insurance lets you replace a damaged item with a similar item, even if it's more expensive than the original.
- 6** If **you don't have replacement cost insurance** or you choose not to repair or replace an item, you will be compensated according to its actual cash value on the day the damage occurred, after depreciation.

EXAMPLE OF REPLACEMENT COST

| | |
|--|---------|
| ■ Amount paid for a refrigerator ten years ago | \$800 |
| ■ Current price of a refrigerator with the same features | \$1,000 |
| ■ Total compensation | \$1,000 |

The amount of compensation you're entitled to depends on whether your insurance provides for replacement cost or actual cash value. To find out, see the "Declarations" section of your insurance policy.

7 Depreciation is based on the number of years the item has been used. It is calculated differently for various property categories and takes into account factors such as the condition of the item, its resale value, and its normal useful life span.

8 For your home, actual cash value is established according to rebuilding costs, minus depreciation.

9 For personal property, actual cash value is the replacement cost, minus depreciation.



EXAMPLE OF ACTUAL CASH VALUE

| | |
|--|---------|
| ■ Amount paid for a refrigerator ten years ago | \$800 |
| ■ Current price of a refrigerator with the same features | \$1,000 |
| ■ Depreciation (\$40/year for ten years) | \$400 |
| ■ Total compensation (\$1,000 - \$400) | \$600 |

GOOD THING YOU'RE INSURED!

1 A fire started in the basement? Rest easy, your home and its contents are insured.

2 Someone broke into your home while you were away? Luckily, your property is covered, although some limits may apply. For example, the maximum compensation for software varies from \$500 to \$1,000; for jewellery and furs, from \$1,000 to \$2,000; and for CDs, DVDs, and videos, up to \$2,000.

3 Animals or materials that are stolen from a building during construction are not covered.

4 Water ruined your beautiful oak flooring? Don't worry, the damages are covered as long as they were caused by public water and sewage pipes or by the icing up of certain household appliances (e.g., air conditioner).

5 Went on vacation and your pipes burst during a freeze? If you took the necessary precautions, there's nothing to worry about. If you think you'll be away for 4 days or more during the winter, ask someone you trust to check on your heating system every day. Or, you can drain your pipes and shut off the water. If you don't, you may not be covered if your pipes burst.



Personal Property Forms cover most damages, but not all. Here's an overview of the main coverage available for the most common perils—fire, theft, and water damage.

6

However, water damage is not covered if it is caused by flooding due to spring runoff, repeated leaks or overflows, or seepage through walls, doors, or windows.

7

Sewage, septic tank, and gutter backups are covered if you have the necessary rider.

WHAT YOU SHOULD REMEMBER

... IN CASE OF FIRE

- Don't sign any agreements with independent insurance adjusters or contractors while you're still in shock from the loss.

... IN CASE OF THEFT

- Don't enter the house. Call the police from your cell phone or a neighbour's house.
- Ask for a copy of the police report. You will need it for your claim.
- Don't throw away the packaging of articles you've replaced. A second burglary could happen soon after.
- Think about installing an alarm system if you haven't already.

... IN CASE OF WATER DAMAGE

- Drain all water, dry everything immediately, and clean thoroughly.
- Throw out any wet insulation or other wet items such as furniture, mattresses, and stuffed toys. Mould can grow on wet materials, contaminating your home and causing illness.

WHEN NATURE STRIKES A BLOW

1

A tornado, windstorm, or hailstorm is raging? Don't worry about your house, its contents, or outdoor fixtures like your swing and patio set. They're all covered, cleanup expenses included.

2

The storm damaged your outdoor antennas, trees, and landscaping? Unfortunately, these items are not covered. Your pool? Yes, but only if you have the appropriate rider.



Sometimes, nature unleashes its fury, causing serious damage to your property. In most cases, you can count on your insurance protection. Here are a few examples.

3 **Snowstorms and ice storms** are a normal part of winter. If the wild weather causes a branch or tree to fall and damage your property, your insurance has got you covered, cleanup expenses included.

4 Depending on your policy, you may also be covered if your roof collapses under the weight of snow and ice (Broad and Comprehensive Forms). The same goes for content damage if you have comprehensive insurance. Take a look at your policy and make sure you have the coverage you need.

5 You lost the entire contents of your freezer during a **major power outage** from outside lines? You can keep your cool! Your policy covers you for up to \$1,000.

6 Be careful when the power comes back on. You're not insured against power surges when service is restored.

WHEN A BLACKOUT LASTS FOR DAYS

- Avoid opening your freezer. Food should stay frozen for 24 to 48 hours.
- When the power comes back on, check your food to make sure nothing is spoiled.
- To prevent damage when the power comes back on, unplug all electrical devices and turn off your water heater.

TIPS FOR EASIER CLAIM FILING

- 1** Contact the appropriate authorities—the police or fire department. In case of theft or vandalism, your insurer will need your police report number.
- 2** Don't sign anything or make any agreements with independent claims adjusters or contractors immediately after the event while you're still in shock.
- 3** Have your insurance policy and Declarations on hand.
- 4** Don't make any permanent repairs or replace any damaged goods before talking to your insurer.
- 5** Don't throw any damaged or destroyed materials away unless they pose a health risk.
- 6** Take the time to draw up a list of all damaged, destroyed, or stolen property. Use your pre-prepared inventory or ask your insurer for a checklist to help you determine exactly what needs to be repaired or replaced.
- 7** Make your claim as complete as you can. It's important to have as much proof of ownership as possible. Include receipts, bills, warranties, instructions, photographs, videos, statements of account, etc.
- 8** If you don't have the necessary documents, describe the lost or damaged items, including names and models, where you bought them, how much you paid, and the date you purchased them.
- 9** Take photographs or videos of everything that's damaged.

10 Choose your contractors carefully (plumbers, electricians, etc.) and make sure they're licensed.

11 Be careful about paying upfront and never pay a bill in full before the work is complete.

12 In case of fire, contact your mortgagee.

13 If your house is uninhabitable, contact your insurer immediately to find out what compensation you're entitled to for additional living expenses. Ask for a cash advance if necessary.



FIVE CRUCIAL STEPS

- 1- Contact the appropriate authorities (police or fire department).
- 2- Call your broker or insurer.
- 3- Protect what you still have and make sure the damages don't get any worse.
- 4- Talk to or meet with your claims adjuster. This is the person who analyzes the cause of the loss, assesses the damages, determines how much compensation you receive, and tells you how to complete your claim. Your claims adjuster is there to help and guide you.
- 5- Repair or replace the items.

GLOSSARY

Additional Living Expenses

Expenses incurred for accommodations and food when your home is uninhabitable after an insured peril occurs. This includes extra expenses you would not otherwise face. For example, if you usually spend \$150 a week in groceries but have to eat out more often due to damages, your insurer will pay expenses over and above the first \$150.

Broad Form

An insurance policy with two types of protection. The first covers a building for all perils except those expressly excluded from the policy, and the second covers its contents (personal property) for a limited number of perils.

Building

The house itself, as well as attached structures on the insured premises, permanent outdoor fixtures (e.g., a swing), and assembled carports. The Dwelling Building Coverage also covers outdoor trees, shrubs, plants, and landscaping on the insured premises, but only for the following perils: fire, lightning, explosions, land or air vehicle impact, riot, vandalism, theft, and attempted theft. You can be covered for up to 5% of the amount the building is insured for.

Compensation

The amount you receive to repair or replace damaged property.

Comprehensive Form

An insurance policy that covers all risks to a building and its contents, except those expressly excluded from the policy. This is the highest level of protection.

Declarations

The section of the policy that lists the insured persons, the policy's effective period, the amount of insurance, what is covered, and how much your premiums are.

Deductible

The amount you must pay when you make a claim. For example, a \$200 deductible on personal property means that you pay the first \$200 and your insurer pays the balance.

Depreciation

The value given to an item after accounting for the number of years it has been used. The depreciation percentage varies by item category and is based on the normal useful life.

Endorsement

An add-on agreement that modifies the protection or coverage of a policy, e.g., a swimming pool or sewage backup rider.

Exclusions

Any loss or peril that is not covered by Personal Property insurance, e.g., damage caused by war, terrorism, nuclear disasters, pollution, earthquakes, avalanches, landslides, flooding; damage to illegally acquired goods; loss due to criminal acts by the insured; damage occurring after the house has been vacant for more than 30 consecutive days.

Liability Insurance

Personal protection against prosecution for any injury or damage that you accidentally cause to another party or another party's property through negligence.



Limit

The maximum amount you can receive for a given item in case of loss. All insurance policies include their own specific limits. The following limits are the Insurance Bureau of Canada's recommended minimums on Quebec Personal Property Forms.

| | |
|--|---------------------|
| Animals: | \$1,000 to \$2,000 |
| Boats: | \$500 to \$1,000 |
| Cash and precious metals: | \$100 to \$200 |
| Garden tractors, trailers: | \$5,000 |
| Securities: | \$500 to \$1,000 |
| Software: | \$500 to \$1,000 |
| Theft—coin collections: | \$100 |
| Theft—jewellery, furs: | \$1,000 to \$2,000 |
| Theft—paper products/stamps: | \$500 |
| Theft—silver or gold: | \$5,000 |
| Theft—bicycles: | \$500 to \$1,000 |
| Theft—property pertaining to a business: | \$1,000 |
| Theft—audio and video supports: | \$1,000 to \$2,000 |
| Theft—sports and artistic personality cards: | \$500 to \$1,000 |
| Theft—works of art: | \$5,000 to \$10,000 |
| Theft—collections: | \$1,000 to \$2,000 |

Loss

Any event causing damage.

Outbuildings

Any building that is separate from the main structure, such as a shed or detached garage.

Personal Property

All chattels that you own or use and are normally found in a home. Personal Property insurance also covers the property of students registered under the policy and temporarily living outside the home, as well as some items such as motorized wheelchairs, boats, trailers, and garden equipment.

Premium

The amount you must pay the insurer for your insurance policy.

Property Insurance

The part of a policy that covers a building, personal property, outbuildings, etc.

Protection or Coverage

The insurer's commitment to assume responsibility for the perils indicated in the policy and to compensate you should an insured peril occur. The extent of the coverage depends on the type of insurance you choose. There are three formulas: basic, extended, and all-perils.

Replacement Cost

Insurance that lets you replace a damaged item with a new, similar item without deducting depreciation.

Sanitary Facilities

Pipes, devices, and equipment from their point of connection to a public or private system that supplies your home with running water and receives wastewater from it (e.g., bath, toilet, pipes).

Standard Form

An insurance policy that covers your personal property and civil liability for a limited number of perils.

ALL FOR ONE AND ONE FOR ALL!

This is what insurance is all about.
In any insurance system, the premiums
paid by many are used to compensate
the few who suffer damages.

Insurance Bureau of Canada

800, Place-Victoria, suite 2410
P.O. Box 336, Stock Exchange Tower
Montreal (Quebec) H4Z 0A2

For more information, contact an
Insurance Information Centre agent:

Montreal Area 514 288-4321

Elsewhere in Quebec 1-877-288-4321

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