

Questions about insurance?

Call us.

British Columbia, Saskatchewan and Manitoba
Toll-free: 1-877-772-3777 ext. 222
Hours: M-F 9:00 a.m. – 4:00 p.m.

Alberta and the North
Toll-free: 1-800-377-6378
Hours: M-F 8:30 a.m. – 4:00 p.m.

Ontario
Toll-free: 1-800-387-2880
Hours: M-F 8:00 a.m. – 5:00 p.m.

Quebec
Toll-free: 1-877-288-4321
Hours: M-F 8:30 a.m. – 4:30 p.m.

Atlantic
Toll-free: 1-800-565-7189 ext. 227
Hours: M-F 8:30 a.m. – 4:30 p.m.

www.abc.ca

www.getintheknow.abc.ca

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 [youtube.com/user/insurancebureau](https://www.youtube.com/user/insurancebureau)

Insurance Bureau of Canada is the national trade association for Canada's private home, car and business insurers.



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The information provided in this brochure is intended for educational and informational purposes only. Please consult the appropriate qualified professional to determine if this information is applicable to your circumstances.

09/11

IS YOURS **UP TO DATE?**
IT'S WORTH IT TO CHECK.

HOME INSURANCE



HOME INSURANCE → VISIT IBC.CA



Why is it *important* to check that I have enough insurance?

Your home is your most valuable asset.

With severe weather on the rise, it is more critical than ever to ensure that your home is properly protected. If your home is damaged or destroyed, it's very important that it is insured to its accurate replacement value.

Your possessions are affected. Most homeowners' policies cover contents up to a specific percentage of the total insured value of the home. If your home is not properly insured, you may not have enough insurance to cover its contents in the event of serious damage.

You have contractual obligations.

Under your insurance policy, it is your responsibility to report any changes to your property, such as renovations or additions, to your insurance professional. In addition, making sure that your insurance company has an accurate and up-to-date description of your home can help speed up the claims settlement process after a loss.

It is up to you, as a homeowner, to insure your house according to what it would cost to rebuild it in the event of serious damage or destruction.



What is the difference between *replacement cost* and *resale value*?

Replacement cost is the cost of rebuilding your home in the event that it's destroyed. It includes things such as the price and availability of skilled labour, debris removal, extra expense due to more demanding building codes, and more. Upgrades, renovations and other improvements can also make rebuilding a home more expensive than originally estimated, affecting the final replacement cost.

Resale or market value, on the other hand, is based on a number of factors that have no direct correlation to your home's replacement cost (in other words, the cost of reconstructing your home). These include location, land value and the amount paid for surrounding homes.

Why is the replacement cost higher than what I paid for my home?

The replacement cost may exceed what you paid for your home for a number of reasons:

- Your home may need to meet newer, more demanding building codes.
- The cost of demolition and preparing the land to rebuild is factored into the replacement cost.
- Using materials of similar quality to rebuild your home may cost more due to the current prices of these materials.
- A contractor rebuilding a single home won't have the same cost efficiencies as a builder constructing many homes in a development.
- Following a catastrophic event such as a wildfire, labour and building materials may be scarce, resulting in inflation of the costs of construction.



What can I do to make certain that I have *enough* insurance?

Know your home

Most policies operate on an annual basis. Each year when your insurance policy comes up for renewal and before you contact your insurance professional, make a list of key details about your house. Your insurance professional will use this information to calculate the proper amount of insurance for your home.

1. Year built	
2. Total square footage (finished/living area, not including basement)	
3. Use (single-family or multi-family)	
4. Style (e.g., bungalow or split level)	
5. Number of stories (e.g., 1, 1½, 2)	
6. Foundation type (e.g., poured concrete slab, crawlspace)	
7. Finished basement (including percentage finished)	
8. Exterior wall finish (e.g., vinyl siding, stucco)	
9. Material types for floor coverings (e.g., hardwood), ceilings (e.g., drywall) and wall surfaces (e.g., wallpaper)	
10. Roof material types (e.g., asphalt shingles)	
11. Number of kitchens and quality of finishes (e.g., granite countertop)	
12. Number of bathrooms	
13. Garage or carport and size (e.g., 1-car, 2-car), or other structures attached to the house (e.g., breezeway)	
14. Interior wall height	
15. Unique access (e.g., on an island, in a remote northern location)	

Visit www.abc.ca for a complete home assessment checklist and to help you know your home better.

Whenever you increase the value of your home through renovations or the purchase of expensive contents such as sophisticated electronic systems, notify your insurance professional. By doing this, you will continue to have enough insurance to cover you in the event of a loss.