2720 by Your Homeowner Insurance?

Know Your Options

Homeowner insurance comes in several different forms, depending on the type of residence you occupy. Here are the types of home insurance policies you can buy and what they cover.

Comprehensive: This is the most inclusive home insurance policy, covering both the building and its contents for all risks, except for those specifically excluded.

Basic/Named Perils: If you are looking to save money by carrying the financial risk of some losses yourself, a named perils policy covers only those perils specifically stated in the policy.

Broad Coverage: This is a mid-priced compromise. If the comprehensive policy costs more than you want to pay and the named perils policy seems too risky, this policy provides comprehensive coverage on major items like the building and named perils coverage on the contents.

Tenant Insurance (there are two types):

- Basic Liability coverage protects you if you or your guests cause damage to the building—whether it be to your unit or the whole building. If you don't have this protection and you are sued for the repair costs, you could be financially responsible for the whole bill. This coverage is similar to liability coverage in a typical homeowner insurance policy.
- Contents coverage replaces your belongings if they are lost or damaged. You should insure for an amount representing the new replacement cost of all your belongings. Coverage is on a named perils or an all-risk basis.

Condominium: As a condominium owner, you have title to your own unit, as well as a share in common areas. However, you and your fellow owners can be held personally liable if things go wrong. A condominium insurance policy can remove some of the financial worries of condominium ownership.

Don't be afraid to ask questions to ensure that you get the right policy at the best price.

Source: Insurance Bureau of Canada

According to the Ontario Fire Marshall, cooking equipment is the leading cause of residential fires, with nearly 1,500 fires occurring from 2002 to 2006 in Ontario.

Cause of Loss	PERCENTAGE OF INCURRED LOSS INCLUDING CATASTROPHES		
PROPERTY PERIL			
Fire	33.1%		
Lightning	2.0%		
Wind	18.3%		
Hail	11.6%		
Water damage	14.3%		
Freezing	2.0%		
Theft	3.6%		
Other property losses	9.6%		
Property total	94.5%		
LIABILITY CLAIM			
Bodily injury	2.7%		
Property damage	1.1%		
Medical payments	0.2%		
Other liability losses	1.6%		
LIABILITY TOTAL	5.5%		



What you pay for homeowner insurance depends on age, location, type of residence, proximity to a fire department, the deductible amount and scope of coverage. Here are some tips to help loosen the squeeze on your wallet while still receiving the best coverage to meet your needs.

WITHOUT LOWERING YOUR COVERAGE

- There are great online resources. Kanetix provides rate comparisons of different insurance types based on your postal code (www.kanetix.ca). It's a great source for basic information to help you make informed decisions.
- Compare quotes from at least three different insurance companies to determine which one has the best coverage and premium (www.insurancehotline.com).
- Consider using one insurer for all your needs. Some companies offer a multiple policy discount if you buy auto, life and health insurance policies from them as well.
- Consider a higher deductible. Increasing your deductible by just a few hundred dollars can make a big difference in your premium.
- Check for government-backed rates. Some areas at high risk for natural disasters offer government-backed loans with lower rates.
- Check to see if you belong to any groups or organizations that can get you a lower rate. Common examples include alumni associations and service clubs.



Covered?

Make Sure You Are. Create a Home Inventory.

Having a home inventory now can save you time and effort in the future. A detailed list of your home's contents will ensure your homeowners insurance will cover these items should you need to file a claim. Use these tips to make the most of your efforts.

Everything Counts

Include any item of value, not just large appliances and electronics. Don't forget to document toys, the contents of your closets and anything in your kitchen cabinets.

Get Organized

Record serial numbers and keep all your receipts in a specific place. Insurance claims are processed more quickly and are more likely to receive full compensation when they are supported with visual evidence of ownership.

Schedule a Photo Shoot

In addition to making a list of items, take pictures of rooms and large or important items. On the back of each photo, make a note of what is shown, its value, make and any serial numbers or special identifiers.

Consider Extra Coverage

If you have special items such as expensive jewelry, fine art or rare antique collections, you may wish to purchase extra coverage—called an endorsement—to protect those items.

Move It

Conduct a home inventory when you move. As you pack your items for each room, take photographs and note the serial numbers. This way, you will have detailed information in case something is lost or damaged during the move.

Keep Duplicates

Make a copy of your inventory to keep in a fire-proof safe at home, but most importantly, keep another copy in a safe-deposit box, at your office or any safe location away from your home.

Create a Digital Inventory

There are a variety of software packages available online with home inventory features. One popular program offers all the necessary tools you need to help you create a home inventory—and you can access it from anywhere in the world!

Know Your Stuff TM www.knowyourstuff.org

Get started today. Make a copy of the worksheet below for each room of your house, including your garage, attic, outdoor shed and any off-site storage facilities that you rent. Make a list of your possessions, briefly describing each item, its make, model and cost. Don't be daunted by accumulated items—a partial inventory is better than nothing. Update your inventory annually, as well as each time you make a major purchase.

ITEM	MANUFACTURER OR BRAND NAME	SERIAL NUMBER	METHOD OF ACQUISITION	DATE PURCHASED	PRICE/ APPROX. VALUE