



Thinking of renovating?

Whether it's a major project, such as finishing a basement, or a minor upgrade, such as replacing kitchen cabinets, renovations may affect the value of your home. It's important to have the right insurance protection.

Questions about insurance? Call us.

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



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BEFORE YOU RENOVATE



HOME INSURANCE → VISIT IBC.CA



HERE'S WHAT YOU SHOULD KNOW **BEFORE** YOU RENOVATE:



1 Notify your insurance provider before you begin any renovations.

During renovations, your home can become a construction site, increasing risks like theft and water damage. You may also have a number of people working on your property. Ensure that your policy remains in effect during this time and that you have adequate insurance limits that include the cost of the work being carried out.

2 Your home's replacement value may be affected.

Your home insurance is designed to cover your home and its contents in the event of an insured loss. Anything that affects your home's replacement value – what it would cost to rebuild it with materials of the same quality, in the event that it's destroyed – affects your premium and the amount for which you're covered. You have a contractual obligation to report any changes made to your property – *failure to do so may affect coverage, in the event of a loss.*

Taking steps to have the right insurance in place before the sawdust flies will make the renovation process more enjoyable.

3 Vacating your home can invalidate your policy.

Unoccupied homes are more likely to be exposed to risks such as break-ins. If your home will be vacant for a long period of time during renovations (usually longer than 30 days), request a vacancy permit from your insurer. This will allow you to maintain coverage while you're living away from your home.

4 Do your homework on potential contractors.

Word of mouth is the best way to find reliable contractors. Check their qualifications, references and ask for proof of insurance. In addition to having full liability coverage for their work, contractors should have workers' compensation coverage in the event that tradespeople are injured on your property. Insurance certificates should be valid for the entire renovation period.

5 Get it in writing and never pay cash.

A verbal agreement or handshake isn't as reliable as a written contract. Always request written estimates detailing the work you want completed including the project start and completion dates, requested building materials, itemized costs, methods of payment and the total project cost. Although it can be appealing to save a few dollars, a contractor working "off the books" may not be adequately insured, exposing you to financial risk.

6 Don't forget your permit.

As a homeowner, it's your responsibility to obtain all the required legal permits. This ensures that all work meets the local building codes. However you may request that your contractor look after this on your behalf. Your contract should clearly stipulate who will obtain the necessary permits.

Home insurance coverage for insured losses such as theft, water damage and vandalism may be typically limited or excluded during renovations, **including** do-it-yourself jobs. Speak with your insurance representative about available options so that you can maintain coverage throughout this time.

AFTER RENOVATIONS ARE COMPLETE:

- Meet with your insurance representative to re-evaluate your home insurance policy and make adjustments as needed. Newly purchased furnishings or appliances should be taken into account.
- Keep renovation paperwork including building plans, receipts, contracts, warranties and proofs of payment.

Taking steps to have the right insurance in place before the sawdust flies will help to make the renovation process less stressful.