

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

HOME INSURANCE



HOME INSURANCE → VISIT IBC.CA



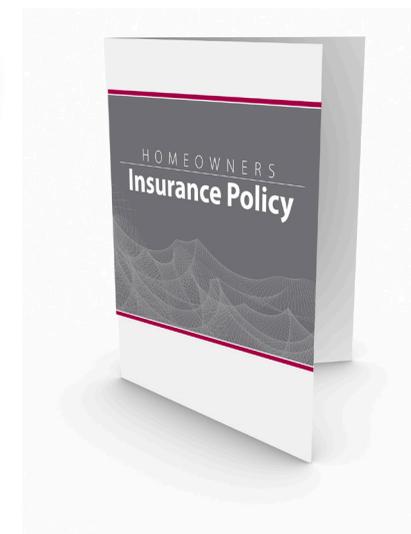
Why is it *important* that I have enough insurance?

Your home is probably your most valuable asset. With severe weather events on the rise, it is more critical than ever to make sure that your home is adequately insured. If your home is damaged or destroyed, it's very important that it's covered for an accurate replacement value.

Your possessions are affected. Most homeowners' policies cover your personal property up to a specific percentage of the total insured value of the home. If your home is not adequately insured, you may not have enough insurance to cover your personal property in the event of serious damage – the percentage applied may not result in adequate coverage for your possessions.

You have contractual obligations. It is your responsibility to report any changes to your property such as renovations to your insurance representative. You must also tell your insurance representative if you run a business out of your home (for example, child care). Ensuring your insurance company has an accurate and up-to-date description of your home may help accelerate the claims settlement process following a loss.

As a homeowner, it is your responsibility to insure your house according to what it would cost to rebuild it in the event of serious damage or total destruction.



Questions about insurance?
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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 construction materials, the price and availability of skilled labour, debris removal, extra expenses due to more demanding building codes, building permits and other criteria. Upgrades, renovations and other improvements can also impact 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 factors include location, land value and the demand for homes in the area.

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.
- 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, there will be higher demand for labour and building materials, resulting in higher construction costs.



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

Know your home

Be ready to provide your insurance representative with enough details on your home so that an accurate replacement cost may be determined:

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

You must notify your insurance representative if the replacement cost of your home increases, whether through renovations or buying new property such as expensive electronics.

A thorough inventory of your home's contents and their associated value will help you and your insurance representative confirm if you have adequate coverage. In the event of a claim, your home inventory will help you receive proper compensation.

Visit www.ibc.ca for a complete home inventory checklist.