

## Additional Living Expenses: How They Work

Additional Living Expenses (ALE) are available if your home is damaged or if you are forced to evacuate due to an insured peril. Coverage for overland flood is optional, therefore your additional living expenses may not apply unless you have purchased this optional overland flood coverage.

### *What are Additional Living Expenses?*

Most home, condominium and tenant's insurance policies cover the cost of alternate accommodations and additional living expenses for people who are prohibited from returning or because their home is unlivable as a result of *insured damage* – in this case damaged caused by flooding.

This is typically called “Additional Living Expenses” or “ALE” in an insurance policy. ALE is provided for specific coverages in an insurance policy.

- In a flood situation this would apply to policyholders who have purchased optional sewer back up coverage and those who have purchased optional overland flood insurance.

### **What triggers ALE?**

Each situation is unique, but there are several categories of claims that fall under ALE and several that may not.

Typically, ALE can be triggered when policyholders:

- **Are prohibited access to their home by order for mass evacuation by a civil authority:** Coverage would start on the date of evacuation and typically extend for a period of 14 days, but policyholders should check their own policies for limits.
- **Are prohibited access as a direct result of damage to neighbouring premises:** This covers people whose homes may not be damaged but who cannot return because of damage to homes nearby. Insurers will review coverage on a case-by-case basis.
- **Have their home damaged by an insured peril – in this case flood damage or water-related damage:** This covers people whose homes are unlivable because of damage by the insured peril – flood or water-related damage. This coverage can begin after coverage for prohibited access ends. This coverage typically lasts for the reasonable time required to repair or rebuild your home.

### **My insurer says I can go home, but I don't think it's safe. Can I still get ALE?**

When the evacuation order is lifted, the coverage of prohibited access ends. If your home is not damaged and the governing authority has given an all clear to return and you choose not to, you will not be eligible for ALE. If there are extenuating circumstances, policyholders should contact their insurer.

### **What is a reasonable length of time to wait for insurance companies to reimburse us for living expenses?**

Reimbursement periods vary from insurer to insurer. However insurance companies understand that families need to be able to pay for their expenses. Keep all your receipts and speak with your adjuster about expectations when it comes to the timing and frequency of reimbursement.

### **What does ALE cover?**

The ALE covers anything over and above your normal expenses. For example, if your temporary accommodations did not have laundry facilities and you had to use a laundromat, those expenses should also qualify. ALE does not cover all of your living expenses while you are displaced; it covers your increased cost of living as a result of being displaced.

**More insurance questions?** Call your insurance representative, visit [ibc.ca/ab](http://ibc.ca/ab) or contact IBC at **1-844-2ask-IBC** (1-844-227-5422) or [AskIBCWest@ibc.ca](mailto:AskIBCWest@ibc.ca) **@IBC\_West**