

# Additional Living Expenses

## **What are Additional Living Expenses?**

Most home, condominium and tenant's insurance policies cover the cost of alternate accommodations and living expenses for people who are prohibited from returning or because their home is unlivable as a result of insured damage – in this case tornado and wind damage or related damage. This is typically called "Additional Living Expenses" or "ALE" in your insurance policy.

## **When is ALE triggered?**

Each person's situation is unique but there are several broad categories of claims that fall under ALE and some that may not. Policyholders are encouraged to discuss their situations with their insurers.

- **Prohibited access by order for mass evacuation by a civil authority:** This coverage would have started on the date of evacuation and typically extends for a period of 14 days, but policyholders should check their own policies for limits.
- **Prohibited access as a direct result of damage to neighbouring premises:** This covers people whose home may not be damaged but who cannot return because of damage to homes nearby. This coverage can begin after coverage for mass evacuation ends. IBC advisory wording sets the duration of this coverage at 14 days; policyholders should check their own policies for limits. Longer coverage is not typical in policies; however policyholders should contact their insurer to discuss their situation. Insurers will review coverage on a case-by-case basis.
- **Damage to your home by an insured peril – in this case tornado and wind damage or related damage:** This covers people whose homes are unlivable because of damage by the insured peril – fire or fire-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 didn't 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/on](http://ibc.ca/on) or contact IBC at **1-844-2ask-IBC** (1-844-227-5422) or [onic@ibc.ca](mailto:onic@ibc.ca)  
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