

Feeling Squeezed by Your Homeowner Insurance?



EFFECTIVE WAYS TO LOWER YOUR INSURANCE PREMIUM WITHOUT LOWERING YOUR COVERAGE

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.

- 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.

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%



