



# Home Insurance Guide



## HOME INSURANCE

An insurance policy is a contract that defines the obligations of both the insured and the insurer. These documents contain legal jargon and can be hard to understand. So it's important that new homeowners understand their insurance documents and are know what their coverage entails.



## HOME-BASED BUSINESSES

If you operate your business out of your home, you must notify your insurer. You may invalidate your regular policy by using your home for purposes they weren't aware of.

- Home insurance may not cover any equipment or supplies that are damaged or stolen from your home if they are used for business.

## PERSONAL PROPERTY

*Personal property coverage* compensates you for damages to your personal possessions and your car. *Comprehensive coverage* covers all risks to your home and its content, except for any specified **exclusions**.

- Make a list of all your possessions noting the cost to replace the item, make and model. Keep receipts for major purchases and take pictures of your belongings.

Climate change has increased the frequency of severe and unprecedented weather events, and as a result, the costs of property damages are on the rise. Home insurance premiums are increasing and Canadians should be prepared with all the necessary information to protect themselves.

## Questions to Ask

- Are there any exclusions or provisions that eliminate my coverage?
- If the loss is covered, is there a deductible, and how much is it? How much will the policy pay be for each loss?
- What steps am I required to take after suffering a damage in order to receive coverage?

## Tips

- Know your **limit**, or the maximum amount your policy will pay toward a covered loss.
- Adjust your limit to your specific needs by considering the value of your home and belongings, and the risk for your region.
- Know your **deductible**, or how much you will have to pay before the insurance company pays.
- Know your **exclusions**: the insurance may pay for all potential losses except for some exclusions (e.g. flooding). Know these exclusions and consider other options.