

# Tips for Buying Adequate Property Insurance for Insurable Perils in Alberta

## Disaster financial assistance for Albertans

You need insurance if you cannot afford to replace everything you own or cover evacuation costs after a disaster event.

Insurance protection for all your property is the best available option to help pay for unexpected losses. The Disaster Recovery Program (DRP) is not available for loss or damage from perils for which insurance companies offer coverage.

DRP is a final resort to assist after a disaster. You must access your own insurance coverage first.

## Insurable perils in Alberta

At this time in Alberta, **all natural perils with the exception of overland flooding are insurable** with readily and reasonably available coverage. While insurance for overland flooding is becoming readily and reasonably available, it is not for those in high-risk flood areas in the province.

When shopping for insurance, you should check with your insurer, agent or broker to find out whether the coverage being offered to you can include overland flood risk.

## Options for buying adequate insurance in Alberta

- Research and compare coverage limits, sub-limits and deductibles yourself, and purchase coverage to address your level of risk directly from an insurer.
- Purchase coverage through a licensed insurance broker that covers your properties' level of risk. They sell products and packages for more than one insurance company and can compare different coverage options for you. You can find a broker through the Insurance Brokers Association of Alberta at [www.ibaa.ca](http://www.ibaa.ca).

## Why buying adequate property insurance is important

- Educating yourself on what your insurance policy covers – and what it does not - is one of the most important tools to help your family, home or business recover from a disaster.
- The premiums you pay for insurance coverage depends on where you live and will vary by insurance product.
- As insurance products vary between providers, you must check with your insurance provider on your

coverage amounts, limit maximums, deductibles and exclusions.

- Most home, condominium and tenant insurance policies provide coverage for evacuation costs. Contact your insurance provider for more information.

## Tips for insuring your home and contents

- You should purchase insurance coverage for repair and rebuilding costs. With severe weather events and building material costs on the rise, confirm with your provider that you have appropriate coverage.
- Ask your broker/agent about insurance products that, if you do suffer a loss, will help you build back better. *For example, if a hailstorm damages your roof and siding, your insurance may help pay for the increased cost of rubber shingles and composite siding.*
- Consider separate add-on products, called endorsements or riders, for any valuables such as jewelry, art, collectibles, outbuildings, fences, equipment, or tools.
- Notify your insurance provider if you do renovations to your home, add a pool or hot tub, set up a home-based business, or lease/rent out a portion or all your property.

## Questions to ask yourself, and your insurance provider

- Does my policy cover evacuation expenses for my family? For how long? What is the sub-limit on these expenses, and do they cover food, clothing, medication and lodging?  
*Is this amount enough to meet my family's needs?*
- Does my policy have deductibles? How much are they?
- Does my policy cover the following, and what is the sub-limit on these expenses?
  - Wildfires or other fires?
  - Damage from overland flooding and flooding caused by ice jams?
  - Does my policy have a sewer back-up endorsement?  
*Is my sewer back-up sub-limit amount enough to replace everything in my basement – both contents and building repairs?*
  - Damage from hailstorms?
  - High wind events including tornadoes and funnel clouds? *Does my policy apply depreciation to the cost of replacing building components such as roofs and*

*siding damaged by certain perils such as wind and hail?*

- Damage from snowstorms, blowing snow?
- Damage from ice storms?
- Damage from earthquakes, landslides, mudslides, sinkholes and other land movements?

*Are these amounts enough to have your roof, siding, windows and doors, and interior ceilings and any other building damage repaired, and your contents in affected rooms replaced?*

- Does my policy cover detached structures like sheds, outbuildings and fencing? Is there a sub-limit on these detached structures?
- Does my policy pay to build back better? If so, in what circumstances?
- For amounts that are not covered by insurance, such as depreciation, deductibles, and loss amount over any sub-limits, what is your plan to finance these uninsured amounts?

#### **Other tips**

- Once per year, do a video walkthrough of your home and property to verify that you have an accurate inventory of your belongings.
- You can reduce the impact of flooding damage by keeping your eaves troughs clean, installing window wells around basement windows, re-grading your property, and by installing a sump pump or backflow valve.
- To mitigate against flood and sewer back-up losses, consider leaving your basement as an unfinished living space, and moving expensive mechanical components like furnaces, electrical panels and hot water tanks to the main floor.

#### **Condo insurance resources**

- Information for condominium owners that covers the rising cost of condominium insurance, the government's role regarding property insurance, and what condominium corporations and owners can do in response to these rising costs, is available at <https://open.alberta.ca/publications/insurance-premium-increases>.
- Further details on condominium insurance is available at <https://open.alberta.ca/publications/consumer-tips-owning-a-condominium>.

#### **For more information**

- You can find out your property's flood risk, or the flood risk of a property you may be interested in buying, by searching the maps available at <https://www.alberta.ca/final-flood-maps.aspx>.
- For more information on protecting yourself and your property with insurance, review this informative brochure from the Insurance Bureau of Canada, at <http://assets.ibc.ca/Documents/Brochures/Home-Insurance-Q-and-A.pdf>
- The Alberta Insurance Council provides information on licensing and regulation of insurance agents, brokers and independent adjusters at <https://www.abcouncil.ab.ca/>