

Insuring Your

# World



*"Insuring Your World" is a Lackner McLennan Insurance Ltd. publication providing information you need to make informed insurance choices.*

## Is Your Home High-Risk?

**F**rom outdated wiring or a wood stove to renters or the wrong pet, homeowners need to be aware of what can make a home high-risk.

A \$60 billion loss for the insurance industry in 2001 led insurance companies to redefine risk. Now, even with a claims-free home, excessive risk can lead to increased premiums, or even policy cancellation.

For example, more than 1.5 million Canadian homes were built with knob-and-tube wiring, an early form of electrical wiring that was used until 1945. This kind of electrical wiring is now considered outdated and thus homes that have it are an insurance risk. Similarly, homes that use a wood stove as a primary heat source or have an oil tank that is more than twenty years old are also considered too risky. Homes that have aluminum wiring or galvanized plumbing are viewed in much the same way. In such scenarios, homeowners are issued a warning by their insurance provider and are required to replace the cause of the risk by their next renewal, when an inspection will be conducted.

Whether a house is occupied by the owner or by tenants and whether it is a single-family dwelling or has multiple tenants also affects perceived risk. In addition, Pitbulls, Rottweilers and German Shepherds are classified as short-tempered breeds of dogs that could harm someone, and thus are seen as an insurance risk when kept in a home.

There are several easy steps that you can take to manage risk, and protect your home and your home insurance:

### 1. Maintain Your Home With Regular Repairs

As things age around your home, make sure they are maintained, repaired, and when the time comes, replaced. Important areas to think about are the foundation, roof, bricks, plaster, siding, oil tank, and sump pumps.

### 2. Update Electrical Systems

Do a visual inspection of your home for loose wires, burn marks, and improper use of electrical cords – for example, electrical cords should not be run under carpets. It is also important that you not overload electrical outlets. Especially in older homes, you should have a licensed electrician inspect your electrical system, and upgrade as required. These steps can make your home much safer.

*continued*

## It'll Be Here Before You Know It!

Winter is inevitable. Avoid high heating bills, costly repairs and water and ice damage that often isn't covered by home insurance policies – take steps to protect your home:

### Inside

- Install a clean furnace filter
- Check that the thermostat and pilot light are working properly
- Ensure the pipe bringing fuel to the furnace is tight and insulated
- Check that heating ducts are clean and clear
- Check caulking around doors and windows to ensure a good seal
- Drain hose bibs
- Maintain an indoor temperature of at least 65°F to prevent pipes from freezing

### Outside

- Trim trees and remove dead branches that could break in winter storms
- Clean out eaves troughs to prevent water from backing up and freezing
- Ensure downspouts are directed away from the building foundation
- Check that shingles are in good condition so water can't seep in
- Drain gas from lawnmowers, weed whackers and other stored equipment

For more information about winter property insurance issues, contact us.

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# Smart Guidelines for Home Insurance

## Be Prepared...

Nobody wants to imagine their home being burglarized or damaged by fire or sewer backup, but unfortunately we all need to be prepared for such mishaps. Taking the right approach before and after making a claim is essential in recovering your losses.

The Insurance Bureau of Ontario recommends following these key steps before and after making a claim:

### Before a Claim:

- Create an inventory of your home's contents using a list, photographs, or videotapes – be sure to store these items away from your home (i.e. safe deposit box).
- Ensure that your high-priced items such as jewellery, paintings etc. have additional insurance coverage – don't risk being under insured.
- Keep receipts of high value and high target items off site.
- Regularly have high-value items appraised to record the most current value.

### After a Claim:

- You are obligated to prevent further loss or damage by securing your home or having emergency repairs done without delay. Visit [www.lacknermcLennan.com](http://www.lacknermcLennan.com) to access 24-hour claim information in case of an emergency.
- Prepare an inventory of items lost with the estimated cost to replace them. Be prepared to visit the prospective stores that sell such items to receive the estimated value. Having the appropriate receipts for items lost are most beneficial.
- Present receipts of all expenses paid as a result of the loss as part of your claim (i.e. hotel, food etc.).
- Help your Insurance adjuster to get a fair claim settlement processed quickly by providing him/her with everything they need to achieve a positive result.

## Is Your Home High-Risk? (Continued)

### 3. Have Your Chimney Professionally Cleaned and Your Furnace Serviced Annually

Even if you have the tools to do these jobs yourself, it is recommended that you have a professional do them at least periodically. A clean chimney reduces the risk of fire as well as obstructions that can cause smoke damage, and a properly maintained furnace results in improved efficiency and reduces the risk of carbon monoxide emissions.

### 4. Be Concerned About Security

Home security systems can provide peace of mind as a deterrent to home intruders and help prevent against one of the most common types of insurance claims: burglary. A monitored system provides dependable security even when you're not home.

### 5. Take Preventative Measures

Smoke and carbon monoxide detectors can help to control potential disasters before they get out of hand and minimize associated losses.

### 6. Fence in Pools and Keep Pets Under Control

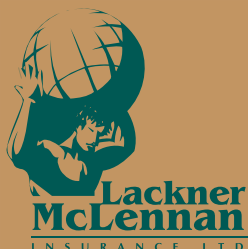
It is essential that your pool is completely inaccessible when no one is there to supervise. To prevent tragedy, pools should be fenced in with a gate that can be locked. Similarly, while outside, dogs should be kept in a fenced-in area or pen, or on a secured rope or chain.

### 7. Maintain Your Property

Keep your yard, stairs, and entrance-ways clear, particularly in the winter when snow and ice can cause accidents.

If you would like more information about managing risk and ensuring you have the home insurance you need, talk to us. As always, for the protection of your home and all of your insurance needs, you can count on Lackner McLennan.

**For more information contact your Lackner McLennan Insurance professional today!**



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