

This check list is available at <http://www.chad.ca/en/consumers.html>

10 QUESTIONS TO ASK YOURSELF

when renewing an automobile or home insurance policy.

Montreal, April 13, 2010 – Did you do a major renovation of your kitchen last year? Have you recently transformed your basement into a home theatre or had a new hot tub installed in the backyard? Does your new job require you to use your car on a daily basis? Has anyone new moved into your home? A consumer's residential and transportation needs may change frequently and these needs will certainly evolve over the years.

Summer is almost upon us, spring cleaning is in full swing and the season of home and automobile insurance policy renewals has definitely arrived. That's why the Chambre de l'assurance de dommages (ChAD) would like to remind consumers that they are the ones who are best able to clearly identify any changes that have occurred over the course of the year.

"Buying a home or a car are both significant life investments for which proper insurance coverage is indispensable in the event of a loss or an accident," explains Maya Raic, President and CEO of the ChAD. "Unfortunately, there are still very few insureds who think to check whether their insurance policies have kept up with their current needs. Even changes made many months ago that have almost been forgotten can have a significant impact on our insurance coverage requirements," she goes on to say.

The Data Speak Volumes

It is absolutely normal to improve your home, buy a new car or make lifestyle changes. And it should be just as normal to review these changes to ensure that you have sufficient property insurance coverage.

According to a CROP-Express omnibus survey,¹ only 54% of respondents mention taking the time to verify whether their insurance policy still meets their needs.

The Cost of Rebuilding a Home vs. the Amount of Insurance: A Misunderstood Concept

When consumers are asked "What would you base your decision on when establishing the amount of insurance for a home?" over half of respondents (55%) choose the wrong criterion. The correct answer is neither the price paid, nor the municipal evaluation nor the house's market value; it is the evaluation of the cost of rebuilding the home.

Some consumers may find that the amount of insurance they have is insufficient to rebuild their residence. According to the ChAD's president and CEO, you must go beyond appearances when evaluating the risks that could affect a residence. "You must take into account all the improvements that have been done over the years, for instance, the addition of a deck, kitchen or bathroom renovations, adding an extra room or powder room in the basement, or new interior or exterior finishes. You must also take into consideration the original construction materials as opposed to those used today," says Ms. Raic.

According to Ms. Raic, "The best home evaluations are done by professional evaluators. Ideally, an insured should have an evaluation of the cost of rebuilding the home done every five years, for example."

In fact, the *Code of ethics of damage insurance representatives* explains that while it is the responsibility of the representative to conscientiously advise his client with respect to both the evaluation of his property and

¹ The CROP-Express omnibus survey was based on 1,000 telephone interviews carried out between January 14 and 24, 2010. The margin of error was plus or minus 3%, 19 times out of 20.

the amount of insurance needed to provide the best coverage, he should also encourage the client to avail himself of the services of a professional evaluator.

Take the Time to Properly Renew Your Insurance Policies

Although the damage insurance representative has a professional obligation to provide advice, it is the consumer who is in the best position to clearly identify the changes that he has made to his immediate environment during the course of the year and to provide an accurate assessment of his situation at renewal time. This information is essential to the insurance professional; without it, the professional will not be able to provide useful advice and offer the insured an insurance policy that best suits his needs.

Two of the tools that the ChAD has designed for consumers are the “**Ten questions to ask yourself**” checklists that can found at www.chad.ca, under the “**Consumers**” tab. These user-friendly checklists are always there to help consumers verify their needs and ensure that when insurance policy renewal time arrives, their homes and cars will continue to enjoy sufficient insurance coverage.

The ChAD encourages consumers to take full advantage of these checklists and, if necessary, contact their damage insurance professional before renewing their damage insurance policies.

“Your damage insurance representative (agent or broker) is there to advise you,” concludes Maya Raic, President and CEO of the ChAD.

About the Chambre de l’assurance de dommages

The mission of the Chambre de l’assurance de dommages is to protect the public, in particular through overseeing the compulsory professional development and the ethical conduct of over 14,000 damage insurance brokers and agents, and claims adjusters. In addition, it provides preventive oversight and disciplines individuals working in the field of damage insurance. For further information, please visit the ChAD’s website at www.chad.ca.

- 30 -

Source : **Chambre de l’assurance de dommages**
Luc Belhumeur, Project Manager, Communications and Public Affairs
lbelhumeur@chad.qc.ca
Telephone: 514 842-2591 or 1 800 361-7288
www.chad.ca