

# FAQ Insurance

- ◆ There is insurance for many things:

Property, including your vehicle (truck, trailer, boat, motorized wheelchair), home (if you purchase home insurance), and the contents of your condo or apartment (if you get condominium/tenant insurance);

Health (for medical treatments and, sometimes, for loss of wages), including out-of-country medical (medical treatments when you are out of Canada and need medical assistance);

Travel/cancellation (if your tickets are not honoured or if you need to cancel your trip for specific serious reasons);

Disability (if you become disabled and perhaps cannot work);

Life insurance (which pays out to your dependants when you die).

- ◆ Personal insurance protects you from financial damages when something happens to you personally, including injury or death.
- ◆ Property insurance protects you, and sometimes others, from financial damage to property.
- ◆ Liability insurance protects you from being sued for property damage, or injury or death to other people.
- ◆ A policy is the written agreement between you and the insurance company.
- ◆ A premium is the amount you pay for the insurance.
- ◆ Coverage is the protection you get from the insurance you have purchased.
- ◆ A deductible is the amount you must pay on a claim before the insurance kicks in.

- ◆ Perils are the things that can happen that may be covered by your insurance and can include fire, lightning, theft, explosion, water damage, vandalism, windstorm, hail, glass breakage and many more incidents. However, it is very important to understand the policy before you buy because it will tell you specifically what is covered. Do not just assume that you have coverage for a bunch of perils.

- ◆ A claim is the contact you make with the insurance company when something has happened. It includes an accurate description of what has happened. A claim is made so that the insurance company can honour its agreement with you.

- ◆ An adjuster examines the damage or injury and makes a decision about the amount of money paid out by the insurance company.

- ◆ Replacement value is a coverage which will give you the amount of money needed to replace the lost or damaged items at today's prices. There is a higher premium for this type of insurance. Otherwise, there is a cash settlement for the depreciated value of your items. For example, coverage for a ten-year-old TV will not likely get you enough money to buy a new TV.

- ◆ An appraisal is a judgement of the value of an item, usually made by an expert.

- ◆ Some items, such as expensive jewellery, fur coats, and stamp or coin collections are not covered by general insurance policies and must be appraised and then insured separately.

- ◆ A rider, or floater, can be purchased to cover these items which are appraised and must be insured separately. These can be attached to your policy so that it will include all the items you want to insure.

