

Insurance in Quebec

What You Need to Know



KNOW YOUR POLICY

Insurance is an important part of your **financial security**.

INSURANCE CAN HELP YOU WHEN:



- you have been involved in an **automobile accident**;

- a severe weather event **leaves you with no place to live**; or



- property damage **interrupts your business**.

It's important that you **take the time** to carefully choose an insurance policy that best suits your needs and finances.

It's equally important that you **read your policy** to know what is covered and what is not covered. If you have any questions, don't hesitate to **ask your insurance broker** or **call your insurance company**.



DID YOU KNOW?

Insurance is all about pooling risk. The premiums of the many pay for the losses of the few. Regardless of whether you've made a claim or not, sometimes your rate will change because of the actions of others.

COMPETITION AND CHOICE

Competition works!

Consumers are best served when insurance companies compete for business by offering different products and services at the lowest rates possible.

SHOP AROUND



A competitive marketplace allows consumers to shop around for the products, prices and services that best suit their needs. It pays to shop around for insurance in the same way you would for other important goods or services.

There are two ways you can buy insurance:

1. From a **broker** who deals with a number of insurance companies and who tries to find you the best deal; or
2. From an **agent** who sells insurance for just one company

If you buy your insurance through a broker, make sure to ask which companies your broker represents.

Because there are so many companies authorized to sell property and casualty insurance in Quebec, insurers try to stand out from their competitors by offering consumers attractive products at the lowest possible price.

FACT: In Quebec, 186 insurers are licensed to sell property and casualty insurance.

WATER IS THE NEW FIRE

Today, water is the leading cause of property damage in Canada. Losses related to water damage now cost Canadian insurers and policyholders at least **\$1.3 billion** annually.



Water damage caused by sewer backup is covered with an endorsement added to your home insurance policy. Sewer backups can happen during intense rainstorms when aging municipal sanitary and storm sewer infrastructure becomes overloaded. **Talk to your insurance representative to see if you're covered.**

What to do after water damages your property:

- Be careful!** Don't turn on any electrical switches until your electrical system has been checked. If you have gas service, check for fumes.
- Protect your property from further damage.** Board up holes or shut off water supplies to ensure your belongings are not damaged further. Move items out of wet basements and away from flooded parts of your home.
- Call your insurance representative.** Let your insurance representative know what has happened as soon as possible. Your representative will work with you to assess the damage and see that you are compensated as quickly as possible for any losses covered by your policy.

WHY ISN'T OVERLAND FLOODING COVERED BY HOME INSURANCE?

Insurance is designed to spread risk among many policyholders. Generally, flooding is a risk for only a small percentage of the population – those who live on flood plains or in flood-prone areas. As a result, the price of flood coverage would be very high for the small number of people who would need it.

UNNATURAL DISASTERS

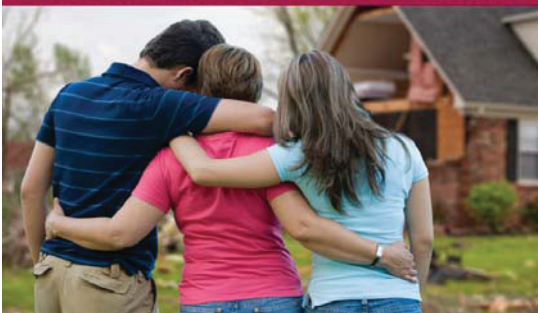
The year 2010 proved to be another record-breaker for weather-related events. Severe weather across the country caused personal suffering and tremendous economic losses for Canadians. Unsurprisingly, the increased severity and frequency of weather events also led to a significant rise in insurance claims costs.

As we have seen in the last year, the consequences of a natural disaster can effect anyone, anywhere. In Quebec, severe forest fires developed near a number of inhabited areas, and high tides accompanied by strong winds battered coastal communities in the Gaspé, Bas-Saint-Laurent and Côte-Nord regions in December.

Other parts of Canada experienced nature's fury too. Calgary and southern Alberta were pounded by severe hail and wind, tornadoes caused damage in Ontario, and the Maritimes felt the force of Hurricane Earl and Hurricane Igor.



Community Assistance Mobile Pavilion



When disasters do strike, IBC's **Community Assistance Mobile Pavilion (CAMP)** can assist victims by providing insurance information on-site or via the Consumer Information Centre. Officially launched in May 2010, CAMP is deployed by IBC in cases of significant insured losses to help Canadians with their insurance questions.

HELPING CONTROL YOUR PREMIUMS

To ensure you're getting the most out of your home, car or business insurance, review your policy carefully and follow these premium-saving tips:

TIPS

- ✓ **SHOP** around and compare. Think carefully about the type of coverage you need. Details matter.
- ✓ **REQUEST** a higher deductible. Your premiums will be lower if you agree to increase the amount of a claim you are willing to pay out of your pocket.
- ✓ **MANAGE** your risks. For example, install a monitored burglar or fire alarm system in your home or business and install an approved theft deterrent system in your vehicle.
- ✓ **LOOK** for policy-bundling discounts. If you already have auto insurance with one company, ask about buying home insurance from that company.
- ✓ **SPEAK** to an insurance professional when purchasing business insurance. They will work to understand your particular business and give you the best advice.

DO RENTERS NEED INSURANCE? The answer is **Yes**.

Tenant insurance can offer you protection in several ways: by insuring your contents, by protecting you from liability and by providing additional living expenses should your rented premises become uninhabitable.

DID YOU KNOW?

You should insure your home according to what it would cost to rebuild it in the event it is destroyed. This amount is called the **replacement cost**, and it is different from the market value of your home and even from your tax assessment value. An accurate assessment of your home's replacement cost is essential to making sure you have enough coverage. Talk to your insurance representative.

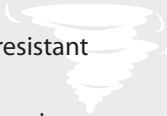
LOSS PREVENTION

To prevent or minimize water damage:



- Install a sump pump.
- Where by-laws allow, install a sewer backup or backflow valve.
- Use a rain barrel to catch water runoff.
- Ensure proper grading around your home.
- Remove or elevate valuables from basement floors.

To prevent or minimize wind damage:



- Install impact-resistant windows.
- Reinforce garage doors.
- Keep trees and shrubbery well trimmed.

To keep water in pipes from freezing:

- Fit exposed pipes with insulation sleeves.
- Open all cabinet doors during a cold spell to allow warm air to circulate.



DON'T FORGET TO:

- Develop a **disaster preparedness plan** and create an **emergency preparedness kit** for your family.

To learn more about what to include in your emergency kit, visit infoinsurance.ca.

- Make an **inventory** of your possessions, include photos, keep it in a safe place and update it at least once per year.
- Report any **home renovations** to your insurance company.
- Make sure your home is properly insured. Start by completing a **home assessment checklist**.

You can use the checklist available on infoinsurance.ca to make an inventory of your possessions.

- Install an **approved theft deterrent system** in your car. Keep valuables in the trunk or glove compartment.
- **Never** leave your car unlocked and running.
- **Don't drive distracted!** Distracted drivers can be just as impaired as drunk drivers.

FOR MORE INFORMATION about home, car or business insurance, please contact Insurance Bureau of Canada.

QUEBEC CONSUMER INFORMATION CENTRE

Hours: M-F 8:30 a.m. – 4:30 p.m.

Montreal area: 514-288-4321

Elsewhere in Quebec: 1-877-288-4321

CLIMATE ADAPTATION

Canadians are witnessing the devastating effects of extreme weather from coast to coast.

IBC has been an active champion of climate adaptation across Canada, developing new ways to help consumers and communities prevent water-related losses, sharing important adaptation messages and calling on governments to improve municipal infrastructure.



IBC is developing the world's first and only **MUNICIPAL RISK ASSESSMENT TOOL** to help municipalities identify sanitary and storm sewer infrastructure weaknesses and allocate funds where the risks are greatest.

To help Quebecois withstand extreme weather events, IBC continues to:

- ✓ Advocate for the improvement of current sanitary/storm sewer infrastructure in the most vulnerable communities.
- ✓ Promote regular maintenance of infrastructure in communities less at risk.
- ✓ Encourage sound water management and land-use policies to control runoff that enters wastewater systems.
- ✓ Research ways to make homes and buildings more resilient to rain, extreme wind and fire.



WATERSHED
awards



Insurance Bureau of Canada's Watershed Awards were created to recognize Canadian municipalities that have taken proactive measures to adapt to the effects of climate change and reduce their vulnerability to storm and wastewater damage.

The 2010 award for Quebec was presented to the Ville de Saint-Jérôme for its Parc Schulz retention pond project.

GET THE INFORMATION YOU NEED FOR THE INSURANCE YOU NEED

Annual education campaign

Each year IBC, in cooperation with the Groupement des assureurs automobiles (GAA), runs an education campaign designed to inform and educate consumers about insurance and loss prevention.



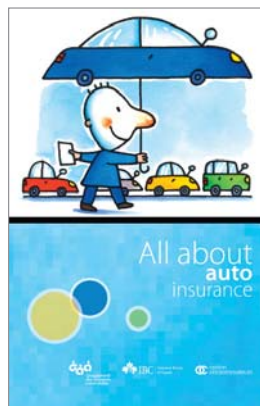
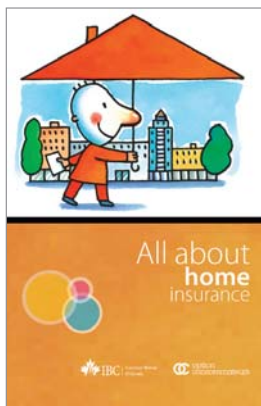
The current campaign stars the eternally unlucky Pat Lachance, who shares the stories of his many misadventures as they relate to questions about insurance and prevention.

Pat tells his tales in a series of short videos that can be viewed on the pat.infoassurance.ca microsite. The campaign is also supported by television advertising.

Keeping consumers informed

Xpress Infoinsurance is a monthly newsletter for consumers in Quebec. Each issue focuses on a topic relating to home and auto insurance and provides practical tips on prevention.

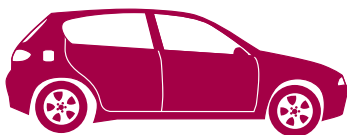
As part of its efforts to inform and educate consumers, IBC also produces a variety of brochures, including the “All About” guides to home and auto insurance.



IBC and the GAA have partnered to create the infoinsurance.ca website, where consumers can find information that will help them to understand their home and auto insurance and learn more about the various types of coverage available.

QUEBEC AUTO INSURANCE

More than 30 years ago, Quebec adopted a unique structure for auto insurance that provides definite advantages for motorists in this province.



Insurance for bodily injury

- Everyone who uses the road is insured for bodily injury (public plan);
- A no-fault plan compensates road accident victims regardless of liability;
- Prohibition on the right to sue.

Insurance for property damage

- A private plan for property damage and third-party liability;
- Guaranteed access to insurance;
- Direct compensation for property damage;
- Insurers cannot take legal action against one another.

Advantages worth preserving

- Citizens are properly protected and better served;
- Insurance is accessible and affordable;
- Costs are controlled by rules regarding compensation.

In fact, Quebec had the lowest average auto insurance premiums in the country in 2009. Over the last 10 years rates have remained stable and affordable. The total average premium in 2010 was \$717 (bodily injury and property damage).

In addition, for property damage only (private insurers), the average premium in Quebec has dropped by 7.3% over the last six years.

INVESTING IN OUR COMMUNITIES

Insurance has been called the “**oxygen of the economy.**” It facilitates economic growth by helping individuals and businesses take risks they couldn’t otherwise take. When tragedy strikes or accidents happen, Canada’s P&C insurers are there to help Canadians recover. In 2009, insurers paid out over **\$26 billion** in claims, including more than **\$4.7 billion** to policyholders in Quebec.

Canada’s P&C insurance industry leaves a significant **economic footprint.** Across Canada, in 2009, the insurance industry:

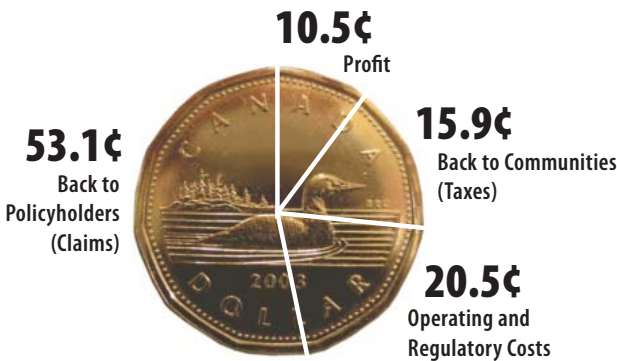
Invested over **\$88 billion** in government and corporate bonds.

Employed over **114,000** Canadians.

Paid **\$7.3 billion** in taxes and levies to federal, provincial and municipal governments.

THE INSURANCE DOLLAR

Where does your money go?
7-year national average (2004–2010)



DID YOU KNOW?

Canada’s P&C insurance industry is one of the most highly taxed and regulated industries in the country.

Canada’s P&C insurers are very conservative investors, with 83% of their investment portfolio in secure bonds and debentures making them less vulnerable to stock market fluctuations.



THE FACTS YOU NEED, AT A GLANCE.

Insurance in Quebec: What You Need to Know provides important information at a glance about home, car and business insurance.

Inside you'll find updates on **key trends** affecting insurance in Quebec – such as severe weather – and learn what the industry is doing to help.

Also inside are facts about the **industry's economic footprint** – how private insurers contribute to Quebec's economy through jobs, investments and claims paid to policyholders in the wake of misfortune.

Finally, you'll find **tips and advice** on how to control your premiums, get the best coverage and protect yourself, your family and your property against loss.

Insurance Bureau of Canada – representing Canada's private home, car and business insurers and promoting consumer understanding for over 45 years.

QUESTIONS? WE'RE HERE.

Our Consumer Information Centre responds to thousands of inquiries each year on all aspects of home, car and business insurance.

If you have questions or require additional copies of this booklet, please contact:

Insurance Bureau of Canada's
Consumer Information Centre

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or visit infoinsurance.ca

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