

PRESS RELEASE

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Home insurance: a loss doesn't only happen to others

Montreal, April 15, 2014 – This past February, Insurance Bureau of Canada (IBC) mandated SOM to survey more than 600 insured homeowners in Quebec to evaluate their knowledge of home insurance and their perception about the risk of suffering a loss.

Because it only happens to others...

When policyholders were asked whether they thought their home was at risk of suffering wind, hail, earthquake or sewer back-up damage, more than 65% of respondents said they did not think their home was at risk.

“Only eight percent said they were worried about sewer back-up, which is surprising given that this type of loss has significantly increased in the past 10 years”, noted Line Crevier, Supervisor, Technical Affairs and Insurance Information Centre.

Not only did several of the homeowners surveyed say they did not consider themselves at risk, many thought their policy covered them for sewer back-up (81%), water seepage through the roof (73%) or an earthquake (33%). It should be noted that, while available, this coverage is not automatically included in a home insurance policy and must be added in the form of an endorsement.

The survey results also revealed that, even today, one in two policyholders believe their home insurance covers them against damage from an overflowing body of water, a risk that is not insurable.

Insurance and water damage: be well informed to be well insured

Well aware of the challenge that understanding all aspects of a home insurance policy represents, IBC has just come up with its new on-line quiz on insurance and water damage. “This tool allows us to help consumers become more conscious of water-related risks, the leading source of home insurance claims,” reiterated Ms. Crevier.

Available on infoinssurance.ca, this new tool will allow consumers to have fun testing their knowledge, find out about the water-related risks and thus make sure they have the coverage that meets their needs.

Water damage: prevention through appropriate maintenance

One cannot mention water damage without tackling the whole issue of regular home maintenance, which can prevent many major water-related losses.

This recent survey, in fact, noted that only one in five homeowners inspected their roof, foundation and water heater, or their washing machine or dishwasher hose every year. Yet, these basic steps would help prevent water damage and thus avoid losses and a lot of inconvenience for residents.

These results confirm the need for IBC to remind policyholders that while their insurance policy offers them protection against these sudden and accidental events, it is not a maintenance contract.

About IBC

For the past 50 years, IBC has been working with governments across Canada to make communities safer, championing issues that directly affect Canadians and the property and casualty (P&C) insurance industry. IBC is the national industry association representing Canada's private home, car and business insurers.

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