



How do I choose the right policy for my home?

Make sure you purchase a policy that reflects the unique qualities of your home, its contents and the people who live there.

Your home should be insured from the moment you take legal ownership—even if it is under construction. Your broker's expertise is particularly useful at this stage when you really need to match policy features with needs. Here's a primer to get you started:

Home insurance covers the building, its contents and liability

There are usually three parts to your homeowner's policy. For condominium owners and tenants, just the contents and liability coverages apply:

- 1. Building** insurance covers the main dwelling, garage and any out-buildings.
- 2. Contents** insurance covers the cost of replacing furniture, carpets and personal possessions. Valuables such as art, jewels and furs may require additional coverage. Note that most contents are insured even outside the home, for example, if stolen while you are on a trip.

- 3. Liability** policies insure against the costs incurred if, due to negligence, you are held responsible for an act causing injury or property damage to others.

Policies range from comprehensive to "bare-bones"

You can save money by scaling down your policy but be careful not to under-insure. There are three general policy categories from which to choose:

- 1. Comprehensive** policies cover the building and its contents for normal risks to which a home is exposed. Some risks will be excluded, such as acts of terrorism or flooding.
- 2. Basic/Named Perils** policies help you save by letting you carry more of the financial risk. You will be covered for just the perils that are specified, for example, lightning and explosion.

- 3. Broad** policies takes a blended approach by providing named perils coverage on big items such as your dwelling and all-risks coverage on contents.

Take the time to understand what's covered and what isn't.

Don't assume that once you have a policy you are covered for everything. Ask your broker to explain the details.

