



# Staying in Touch

Tips, strategies, and advice to help you choose the right insurance coverage



**MCCALLUM & MISALE**  
INSURANCE BROKERS LTD.

## Drinking and Driving Don't Mix

It doesn't matter how old you are, drinking and driving is a recipe for disaster.

Alcohol was a factor in the deaths of more than 1,200 Canadian road users in 2003.

Disturbingly, young drivers are the worst offenders. Recent statistics show that 56% of all drinking and driving incidents are caused by people between the ages 19 and 24.

### Knowledge is the best defense

Take the time and talk with your children about drinking and driving, especially if they have access to the family car. Inexperience and peer pressure can cause even the most responsible young adult to make foolish choices. Choices, that in a split second, could have significant physical, emotional and financial consequences.

- **Reduced Coverage** – your insurance coverage may be reduced or denied if you allow your vehicle to be used in an **unlawful manner**, e.g. driving while under the influence. If someone is involved in an alcohol-related **accident** while using your car, there is no **coverage** for your vehicle and only limited coverage for the injured operator. Impaired drivers automatically forego income replacement benefits and, when there is loss of life, most policies will cover only the minimum death and funeral expenses.

- **Law Suits** - in accidents where people are seriously injured, it is not uncommon for

a lawsuit to follow. Although your policy provides liability coverage, it may not be enough, and you could be personally exposed to catastrophic financial loss.

- **Higher Premiums** – impaired convictions can cause insurance costs to increase by up to 500%. This could mean tens of thousands of dollars in excess premium over 5-7 years.

Over the past decade, increased media awareness, education programs and non-profit groups such as Ontario Students Against Impaired Driving (OSAID) have helped reduce the number of drinking and driving related instances almost in half. By arming our youth with the information to make educated decisions, we hope these numbers will continue to decline. [www.osaid.org](http://www.osaid.org)

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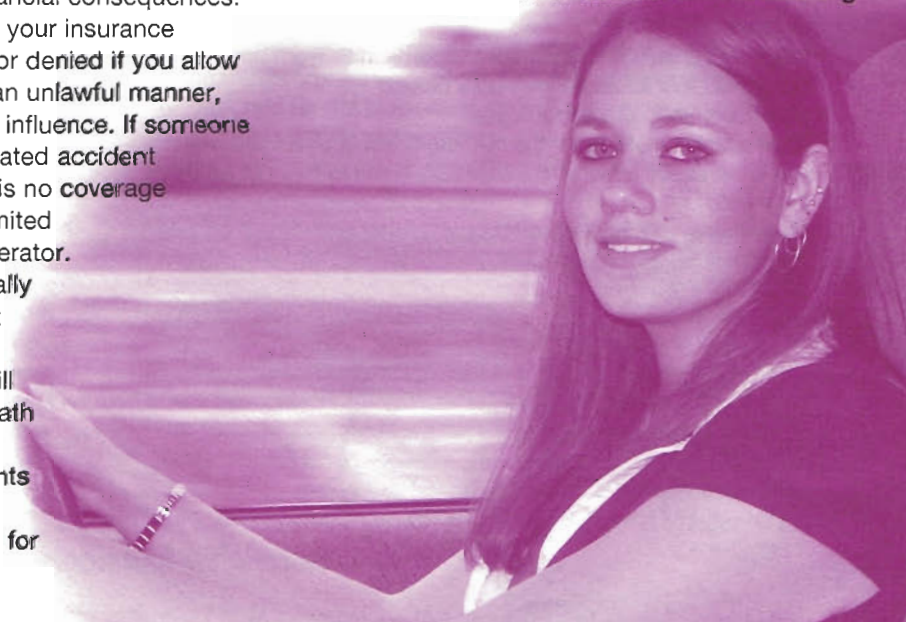
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## Did you know...?

Did you know you must have a working smoke detector on every level in your home and outside of sleeping areas? As of March 1, 2006, it is mandatory under the Ontario Fire Prevention Code to have a smoke detector installed on every floor. Tenants and homeowners who fail to have a working smoke detector on every level in the house could face fines up to \$235.

Since electric smoke detectors will not work if there is a power outage, anyone with smoke detectors that plug-in or are wired to the home's electrical system are reminded they also need a battery back-up model.

Check your smoke detectors regularly. They can save lives only if they are working properly.

## Is it possible to over-insure your house?

Sometimes we are asked, "why is the dollar amount of my home insurance more than the market value of my house?" It's a good question and the answer relates to the cost to replace your home after a total loss.

**Replacement value** is defined as the cost to replace an entire building with one of like kind and quality without deduction for depreciation. How this value is calculated is quite different than the market value of a home – in some cases, it could even be higher than the purchase price of a newly completed home.

In many subdivisions, homes are built at the same time using bulk-purchased materials and efficient construction methods.

If one of these homes were destroyed, the cost to reconstruct is often higher than the original build cost.

Extra costs are incurred for the demolition and removal of debris including dumping fees. Site access problems, the loss of bulk-purchasing power and the desire to rebuild quickly, can all lead to higher labour and material costs. In this situation, it's easy to see why the cost to rebuild one house can easily be more than when it was first built.

If you are unsure about the amount of coverage needed to replace your home, please contact us. We have the tools to assist you in calculating your home's replacement value.

## Vrooom – Ride Smart, Stay Safe

If you are planning to buy or currently own an All Terrain Vehicle (ATV) or snowmobile, you can look forward to lots of fun and excitement.

Although the number of serious accidents has declined over the past several years, we would like to remind enthusiasts to do their part to make this sport safe and enjoyable for all.

Please follow these common sense safety tips.

### Before you set out:

- Inform others of your destination and when you plan to arrive or return.
- Inspect your ATV or snowmobile for broken or worn parts. Bring your tool kit and extra spark plugs.
- Make sure you have enough gas.
- Wear suitable clothing for the climate. Dress in layers with warm protective boots. Children are especially prone to the cold, so dress them well.
- **Always wear your DOT rated full-face helmet, even for a short ride.**
- **Carry first aid and survival kits.**

### On the trails:

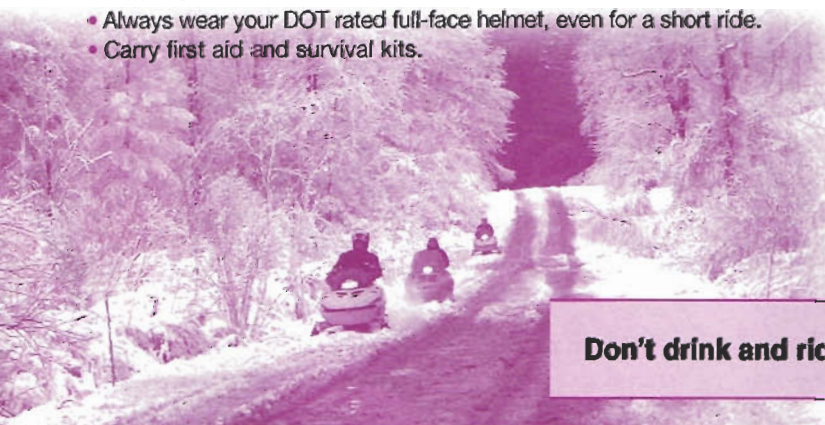
- Ride within your ability and according to trail and weather conditions.
- Respect private lands.
- Follow trail signage and ride defensively – stay to the right.
- Obey speed limits and reduce speed in unfamiliar territory.
- Exercise care when crossing roadways and railway tracks.

### At night:

- Slow down! Your headlight limits how far ahead you can see. The slower you are traveling, the less distance you need to stop.
- Avoid driving along road shoulders.
- Maintain enough stopping distance between riders.

### Riding on Ice:

- Be aware of ice conditions. Ice is never totally safe and conditions can change rapidly.
- Wear a floatation suit and carry ice picks.
- Never ride alone, it is safer and more fun with a buddy.
- If someone goes through the ice, stay calm and have them grab as far up the edge as they can and kick their feet to help keep them afloat.
- Look for something to pull them to safety such as a rope, jacket or tree branch. If others are around form a human chain.
- Never walk or stand near the opening, lie down and proceed with caution.



**Don't drink and ride! Never ride on railway tracks! Never ride alone!**

## Keep your Christmas gifts safe

Parking lot break-ins are a common problem during the holiday season. With a few common sense practices, you can help prevent these thefts. Always place your purchases in the trunk of your car and lock the vehicle. If you drive an SUV or pickup without a trunk, use the privacy cargo shade or cover your gifts with a blanket.

Once you get home, make sure your purchases are not visible from a window. If your Christmas tree is near a window, criminals can easily look in, see the gifts, and be tempted to steal them. While your insurance policy will cover the theft of your gifts (keep your receipts), it is a nuisance to have to repeat the buying process.

Use caution and have a safe and happy holiday.



## Be wary of offers too good to be true

Be careful of offers of big discounts on Auto insurance, even if in print; it may be a SCAM!

Last year in Ontario, several newspaper ads ran throughout the province offering a 50% discounts on auto insurance. Consumers called and were asked to provide their personal information, along with a credit card number to purchase coverage. To their astonishment and disappointment, they later found out that no policies were issued and the phone number was out of service. To add further insult, some of the advertisements were paid for with the consumers' own credit cards!

Another common insurance scam is unscrupulous people selling counterfeit insurance pink slips. They pose as brokers on the phone and arrange to meet you in libraries and coffee shops. They will take your personal information, along with a credit card

number and leave you with an insurance pink slip, promising to mail the final policy to you in a couple of weeks. You will never see the "broker" or the policy, or your money again.

Toronto Police Services have been paying close attention to these fraudulent activities of late, and have recently made 8 arrests of individuals posing as agents or brokers who are issuing pink slips but never providing insurance. In their press release the 8 are collectively facing 97 charges.

It is illegal to drive without auto insurance. Whether you are aware or not, you could be fined up to \$5000 for driving without insurance on your first offence. By trusting your insurance needs with us, you can be confident you are well protected.

## Identity Theft is a Growing Problem

Every year, thousands of people become victims of identity theft. Most people do not realize how easily criminals can obtain personal data. Fraudsters capture PIN numbers by looking over shoulders at checkouts and ATMs. Credit card numbers are recorded by eavesdropping on telephone conversations. And all too often, people become victims of "dumpster divers" by throwing away credit card receipts, bank statements and other records showing their name, address and financial information without even thinking how they could be used by thieves.

Your name, date of birth, credit card number, and especially your social insurance number can be used to open credit cards and bank accounts, obtain mortgages, rent vehicles, hotel accommodations and even secure employment. When someone steals your identity you could be left with bills, charges, bad cheques and tax implications that can easily cost thousands of dollars in lawyer's fees to clear up.

### How to fight identity theft

- Be careful about sharing personal information. Be sure you know who you are dealing with and how it will be used.
- Sign all credit cards and bank cards as soon as you receive them.
- Protect your Social Insurance Number (SIN) - it is an important key to your identity.
- Do not give your credit card number over the telephone, by e-mail or to a voicemail box unless you are absolutely sure you can trust the person receiving it.
- Immediately report any lost or stolen credit cards and any discrepancies in your monthly statements to the issuing credit card company.

- Ask that your accounts have passwords for all enquiries and do not use obvious passwords like your mother maiden name. Memorize your passwords, change them often and do not write them down, do not leave them in your wallet. Strong passwords contain a combination of numbers, upper and lowercase text and have a minimum of 10 characters.
- Shred important documents before you throw them out.
- Avoid mail, email or telephone solicitations disguised as promotions or surveys offering instant prizes or awards designed for the purpose of obtaining your personal details including credit card numbers.



### What is Identity Theft?

Identity theft is a crime in which someone wrongfully obtains and uses another person's personal data in some way, which involves fraud or deception, typically for economic gain.

The growing popularity of email and the internet makes it easy for companies and consumers to reach each other. Unfortunately, these technologies also distribute your personal data more widely, making life easier for criminals. Be aware of the many schemes and scams that try to obtain your personal and financial information.

For more information on this topic, visit [www.safecanada.ca](http://www.safecanada.ca) or call us.



## Planning a winter getaway?

If you plan on leaving your home unoccupied while vacationing this winter, there are a number of things you can do to keep it safe and secure.

Since it is heating season, you must arrange for a competent person to enter your home each day you are away to check the heating system. This is a requirement under your homeowner's policy to maintain coverage for water damage caused by freezing and cracked pipes. Alternatively, you can shut off your water main and drain all the pipes in the house.

An empty home is an inviting target for burglars. To give your home a lived-in look, consider the following:

1. Use timers on a few lights as well as a TV or radio
2. Have someone pick up your mail including flyers, notices and catalogues
3. Arrange to have the snow shoveled from your walks and driveway
4. Ask a neighbour to park their vehicle in your driveway or have them move your vehicle in the driveway to make it seem like someone is home.

Enjoy your vacation with the peace of mind that comes with knowing everything is under control at home.

## Do you run a business from your home?

One responsibility of running a home-based business is maintaining adequate insurance. A recent study found more than half of home-based business owners are underinsured and nearly 40% of those they surveyed thought their homeowner's policy covered their business.

Don't assume that because your business is run from your home, your homeowner's insurance policy will automatically protect you. In most cases, it will not.

Instead, you need to add an extension to your homeowner's policy that offers protection against common business risks. Most home business extensions provide coverage in the following areas:

**Business Property:** Coverage is provided for business property kept on or off your premises. Business property includes inventory, samples, supplies, tools, filing cabinets, computer equipment and software.

**Business Interruption:** Covers any necessary expenses to continue your business from another location if your home is unfit to work in due to an insured loss.

With this protection, your income is not interrupted and your customer base is maintained. Many businesses fail because they are unable to start up again after a business interruption or by the time they do, their customers have taken their business elsewhere.

**Legal Liability Coverage:** Insures your business against exposure to any of your company's products or services, as well as an accident and injury occurring on your premises (e.g. a courier or customer visits your home on business and slips on your steps).

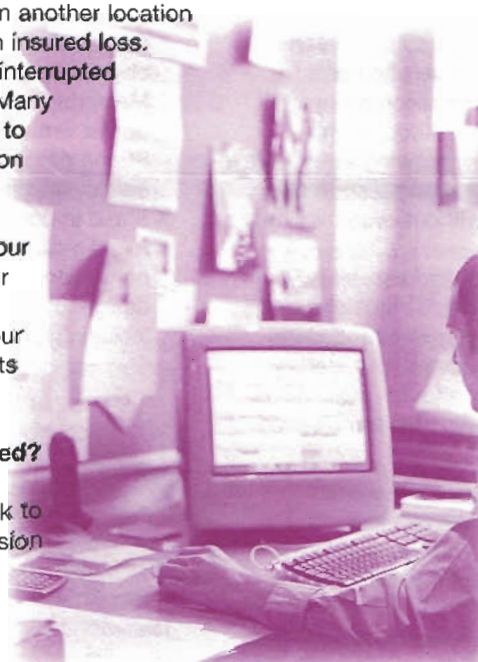
### Is your home business underinsured?

Depending on how you answer the following questions, you may want to talk to us about adding a home business extension to your homeowner's policy.

- Am I making a product?
- What equipment do I own that is specific to the business?

- How do I use that equipment?
- Do I keep an inventory of raw materials and/or finished goods?
- Do I have employees?
- Where do I conduct my business?
- Do I perform a professional service?
- Can someone sue me for providing incorrect information or making a mistake?
- If a fire occurs, will it shut down my business?
- Do people come into my home?
- Will I be doing work off-site?
- Do I use my personal auto for business?
- Do I use my personal computer for business?

Running a business can be a very rewarding experience. Talk to us if you have any doubts about your home-based business insurance needs.



**If you have any questions, please call.**

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