

# STAYING in Touch

Tips, strategies, and advice to help you choose the right insurance coverage from your Insurance Shopper



**MCCALLUM & MISALE**  
INSURANCE BROKERS LTD.

## Protect your high value items

Ask us about adding a Personal Articles Floater

A typical homeowner's policy provides all encompassing coverage for your furniture, clothing, appliances, etc., but only limited coverage for some of your more personal belongings. All losses are subject to a deductible, and certain items may have a specific limit. On many policies, this limit can range from \$3,000-\$5,000.

High value items such as jewellery, silverware, furs, cameras and coin collections, may require additional coverage. As your insurance broker, we can easily provide you with a **Personal Articles Floater** at a "guaranteed" peace of mind price. With a Personal Articles Floater, you get protection for those items that hold great importance to you, both in value and sentiment.

A **Personal Articles Floater** (depending on the item) can be purchased with or without a deductible and provides coverage for specific items on an all-risk basis subject to reasonable exclusions. If you lost the stone out of your engagement ring or accidentally broke an antique statue, a personal articles floater would cover what otherwise could be excluded.

To get started, take an inventory of your high value possessions. Then, hire the services of a qualified appraiser to establish the value of your items. A valid appraisal should include eight basic elements:

1. Your name and address.
2. Purpose of the appraisal or its intended use: donation, estate, insurance, etc.
3. Type of evaluation used: Replacement Value or Fair Market Value (for insurance purposes, Replacement Value should be used).
4. Market in which valuation is applied (CDN, U.S. dollars).
5. Statement of professional qualifications of appraiser.
6. Date of Appraisal.
7. Statement of physical inspection or method used in determining value, noting all qualifications (description, cut, clarity, size, weight, etc.)
8. Statement of belief in authenticity.

Appraisals should be updated at least every five years to ensure that values are not over or understated.

Peace of mind can also be bought for other collectibles such as paintings, oriental rugs, rare books and manuscripts; stamps and even wine collections to name a few.

Take time to review your personal property policy and talk to us about protecting your cherished assets with a Personal Articles Floater. When in doubt just ask – we are here to help.



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Don't underfund your Co-Insurance coverage

## Don't underfund your Co-Insurance coverage

For many commercial property and business insurance policies, Co-Insurance is a fundamental principal of your contracted coverage. It is important you understand how it works.

With Co-Insurance, you agree to maintain coverage up to a percentage of the value of the property you wish to insure – 80%, 90% or 100%. This percentage is stated on your policy form. As a result of this promise, a significant reduction in the premium charged is given.

In the event a total loss occurs, the Co-Insurance requirement is waived and the policy limits are paid. However, should a partial loss occur, consideration is given to the amount of insurance carried compared to the value of the property prior to the loss.

If the amount of insurance is within the agreed Co-Insurance percentage requirement, the loss is paid in full, up to the policy limits. If however, the amount of insurance carried is below the agreed percentage, you and the Company then share the loss.

EXAMPLE: Assume the value of the property you are insuring costs \$1,000,000 to replace and the policy contains a 90% Co-Insurance clause. This means you should be carrying at least \$900,000 coverage. If you only carried \$500,000 coverage and had a loss of \$400,000, the Insurance Company would pay based on the following formula:

$$\frac{\text{Amount of Insurance Carried}}{\text{Value of Property} \times 90\%} \times \text{Amount of Loss} = \text{Claim Payment}$$

$$\frac{\$500,000}{\$1,000,000 \times 90\%} \times \$400,000 = \$222,000$$

In this example, you would suffer a \$178,000 Co-Insurance penalty!

Don't let this happen to you. Make sure your insurable values are reviewed by a competent, independent appraisal company, then talk to us to ensure you are properly protected.

## Deep snow is deep trouble

Every winter, many roofs collapse due to heavy snow or ice. Add rain or heavy, wet snowfalls on top and you've got a dangerous combination. Often roofs collapse suddenly, giving occupants little, if any, warning to evacuate the building.

Roof collapse can happen to new or old buildings alike and cause extensive damage to the building and contents. Low pitched, flat roofs are most susceptible to collapses.

Most roof designs can handle snow loads of 20-40 lbs per square foot, but as the chart below shows, packed snow with ice can easily overload a roof.

Snow Type	Approximate Density <i>(lbs per square foot for every 12" of depth)</i>
Light and Fluffy	5-20
Packed	20-40
Packed with Ice	40-58
Ice	58

Watch for ice build-up on the edge and valleys of your roof. When heat escapes through your attic, it melts the snow. When this water freezes at the edge of your roof, it forms an ice dam and allows water to back up and enter the building under the shingles and wood decking. In addition to adding extra weight to your roof, ice dams can cause extensive water damage inside.

Excessive accumulations of snow and ice will require removal.

For safe removal that won't endanger you or damage your roof, consult a roofing contractor. Be certain the contractor is adequately covered by WSIB (Workers Compensation) and provides you with a current liability insurance certificate.

If you are removing the snow on your own, be very careful, as the roof can be very slippery.

1. Choose a pair of boots with excellent traction.
2. Choose a proper shovel. A plastic bucket (scoop) shovel with a large handle is best to scoop and slide the snow off the roof.



3. Don't pick or chip at ice near the roof surface or dig deep as you may damage the shingles and shorten the roof's life expectancy.
4. Do not pile all the snow in one area before removing it. This may overstress that section of the roof causing it to collapse.
5. Be safe, not sorry. Consider your options carefully.

## Gone in 60 seconds...

### Is it time for an Anti-Theft Device?

The statistics are staggering. A vehicle is stolen every three minutes in Canada... that's over 170,000 vehicles each year!

Auto theft is a global problem. Organized criminals have established theft rings in major Canadian cities, stealing and smuggling vehicles into foreign markets.

Car thieves know how to disable most vehicle alarm systems in a matter of minutes, and they know exactly what markets will buy the type of vehicles they steal. This has proven to be not only a problem for high-end and rare automobiles, but also for expensive contractor's equipment.

### How can you protect your vehicles from smart and skilled car thieves?

First, **never** leave your keys in the ignition. Almost 20% of all stolen cars have keys in them. Always lock your car (even in your own garage), park in well-lit and busy areas and →

## Flashing lights ahead... What would you do?

*"Recently my husband and I were driving along a local two-lane expressway when all of a sudden we found ourselves coming to a screeching halt. We noticed there was an emergency vehicle up ahead. A police car was stopped on the right shoulder with its lights flashing. All the vehicles traveling in our direction were promptly pulling over into the left lane.*

*We passed the minor fender bender and traffic immediately went back to normal, but our conversation did not. In fact, I don't recall what we were talking about before the brief interruption, but afterwards our discussion focused on road safety. We quickly discovered that we weren't sure what the law required us to do. Were we required to pull over into the left lane or could we just slow down? We decided it was our responsibility to look into it and here is what we discovered."*

There are two situations where motorists will encounter an emergency vehicle on a road or highway:

- When a police, fire or ambulance vehicle is approaching from either direction, or
- When any of these vehicles, with their lights flashing, is stopped in the same direction on the road or the shoulder ahead.

Under the Highway Traffic Act, here is what you are required to do in each of these situations.

### When an emergency vehicle approaches you

- Motorists must clear the way;
- Motorists are required to pull to the right and if possible, stop;
- Motorists must yield at intersections.

Failure to react correctly can result in a FINE of \$90 (\$125 in a Community Safety Zone), plus 3 demerit points on your driving record upon conviction.

### When you approach a stopped emergency vehicle

- Motorists must slow down and pass with caution;
- If the road has two or more lanes, motorists must move over into another lane if it can be done safely.

Failure to respond correctly can be costly:

First offence: fine of \$400 to \$2,000 plus 3 demerit points upon conviction;

Subsequent offence (within 5 years): fine of \$1,000 to \$4,000, possible jail time up to 6 months and possible suspension of driver's license for up to 2 years.

For additional information regarding these Rules of the Road, visit

<http://www.mto.gov.on.ca/english/safety/topics/emergency.htm>

## Protect your business against Burglary, Robbery and Theft

For businesses, such as jewellery stores, burglary, robbery and theft are an all too common problem. From an insurance perspective, there are policies or contracts that distinguish and protect against these types of crime.

**Burglary** is defined to mean the unlawful taking of property from premises involving visible, forcible entry.

This narrow definition restricts burglary coverage to a particular class of criminal act. The most common burglary policy relates to safes. Often the damage to the safe from the

use of explosives and other devices is as great as the loss of the money, jewellery, or securities it contains. Accordingly, these policies cover claims for the safe as well as its contents.

**Robbery** is defined as the unlawful taking of property from another person either by force or fear of force. Commonly known as a "hold-up", personal contact is necessary.

**Theft** involves any act of stealing including larceny, burglary and robbery.

Most business in today's market is written on a commercial property - broad form that is an all risk policy that includes burglary, theft and robbery of real and personal property subject to limitations.

For many businesses, a comprehensive crime policy is the best way to protect employee dishonesty as well as losses on money and securities both inside and outside the premises, losses from counterfeit money or money orders, and losses from forgery.

No matter what business or industry you're in, we'll assess your risks, advise you of your options and assist you to get the best protection at a competitive price.

keep your vehicle registration certificate and proof of insurance on you at all times – **not in the glove box.**

Some newer cars use coded keys that make it impossible for thieves to start your vehicle without the key. Known as immobilizers, these electronic devices interrupt the power to the starter, ignition and fuel pump until the correctly coded key is used. Other anti-theft measures

include steering wheel locks, alarms, parts marking and vehicle tracking systems.

Tracking systems, either GPS, GPS-cellular or wireless-based systems are becoming popular. When a vehicle is stolen, the system is activated and a monitoring centre is notified of the location of the stolen vehicle. The tracking company then dispatches their recovery team to the vehicle. GPS and GPS-cellular systems

typically use satellites to alert officials to the location of the stolen vehicle. Not all systems can track vehicles underground, in parking lots, or in shipping containers. Wireless-based systems boast that their coverage is broader and their signal is stronger so they can track vehicles where others cannot. Whatever you do to make a thief's life harder, is one step closer to preventing a loss.

## Storing your motorized toys for winter

It is very important when storing anything with a motor that you make sure you take the following steps to avoid any unnecessary damage:

1. If you don't have access to the vehicle, disconnect the battery and remove it, and make sure not to store the battery on a **metal** shelf.
2. There are gas additives you can buy that will keep the gas from going bad depending on how long the vehicle will be stored.
3. For outboard motors, it is important to make sure you blow out any water from the lower unit to avoid freezing and cracking.
4. Make sure air pressure is good and you don't have any slow leaks in any tires.
5. If storing outside, it is better to have your vehicle off the ground with blocks to avoid excess snow load on the suspension.
6. It's a good idea to put mothballs in a vehicle that is stored indoors to avoid mice and squirrels from chewing the upholstery.
7. In extreme cases, you can remove spark plugs and add engine oil to each of the cylinders to avoid rust.
8. Vehicle covers are a great way to reduce the chance of damage from dust and dirt.
9. Make sure the place you're storing your "toy" has the proper insurance to avoid any coverage gaps.
10. It's better not to start your vehicle unless you can let it run for at least 15 to 20 minutes to avoid condensation from building up.

## Winterizing your home

**A**s the warm weather comes to an end, it's time to prepare your home for the winter months ahead. Performing a few quick and easy maintenance items now, could save you time and money down the road.

The following property maintenance checks will help ensure a properly winterized home:

- Make sure the furnace filter is clean and sized properly. Check the thermostat to be sure it is working and that the pilot light is functioning. Have a qualified specialist clean and check your furnace, replacing and cleaning the necessary parts. Vacuum hot and cold air registers if necessary.
- Check your chimney. If you haven't used your fireplace in a while, check for animals, debris and leaves. Consider having a qualified professional install a screen over your chimney opening.
  - Clean your eaves trough and downspouts. When they are clogged, rainwater backs up. When the temperature drops below freezing, the standing water freezes causing the eaves trough and downspouts to expand and crack. Remove any leaves, dirt and debris.
    - Check for broken, damaged or loose shingles, small holes, and loose nails. Check flashing around all dormers, vent pipes, chimneys and any other projections where the roof covering meets an adjoining surface.
    - Make sure your smoke alarm and carbon monoxide detectors are in working order. Check the batteries regularly.

Remember to change the batteries whenever you change your clocks.

- Check weather stripping around windows, doors and between the foundation and siding. Replace where needed. If the caulk is cracked or peeling away, it allows your home's heat to escape.
- Clean and repair cracks, fissures and joints in concrete surfaces. Repairing sidewalks and driveways helps with snow removal.

If you don't have the time or the expertise for your winter home maintenance contact a qualified professional.

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