

THE BEST POLICY

Insurance advice for your home renovation



By Brenda Rose, Vice President, FCA Insurance Brokers

Nothing beats the excitement of a new building project – whether a minor renovation or a complete new home, it’s the chance to conjure something truly personal and unique, tailored in every aspect to your own vision and preference. But before anyone breaks down any partition walls, it makes sense to pause and make one more phone call – to your professional insurance advisor, to discuss your plans and ensure that your dream project doesn’t compromise your homeowners insurance protection.

There are a few insurance issues that can arise with renovations, depending on the scope of the intended project. In general, policy holders must advise their insurers of any significant change in the occupancy or the nature of a property, and most policies contain some limitations during construction or vacancy. Often, underwriters will be comfortable with purely cosmetic changes. On the other hand, however, structural or major work requiring your family to temporarily vacate will likely call for a separate Builders

Risk or Course of Construction policy, designed for building projects and including specific coverage for items such as building materials on-site. Certainly total insurance amounts need to be reviewed. The most important thing is to call well before work is to begin, so there is time to address any Insurer concerns or special requirements.

“Planning is the key,” advises Darlene Leggett, Toronto Underwriting Manager for the Guarantee Company of North America, an insurer specializing in high-value and unique homes. “Nothing is more frustrating than having a crew ready to start, and then having to delay to sort out the insurance coverage or security arrangements.”

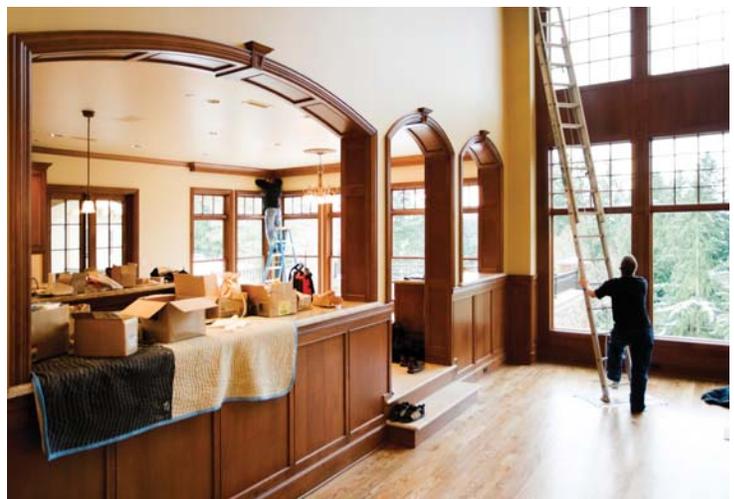
But before anyone breaks down any partition walls, it makes sense to pause and make one more phone call – to your professional insurance advisor, to discuss your plans and ensure that your dream project doesn’t compromise your homeowners insurance protection.

Underwriters’ concerns are legitimate. Many people do not realize the increased hazards posed by renovations, stemming from construction processes like soldering or electrical work, the presence of unsupervised individuals, or the possibility of injuries to passers-by. Construction sites are common vandalism and theft targets, so check that your alarm service will not be interrupted. Night lighting and extra fencing are also recommended as deterrents to the dishonest or the merely curious.

Property owners can also protect themselves against potential injuries or damage caused to others by the contractors.

Always ask the architect and contractor to provide liability certificates confirming their own insurance details, and adding you as an “Additional Insured” with respect to their work for you.

Then, finally, once the renovation is complete and every last minute adjustment is finished, it’s prudent to consult your broker once again, to discuss the complete replacement cost of your new and improved home, and possibly arrange a professional appraisal. This way you can ensure that your insurance protects the full amount of your investment.



Custom homes need customized attention, with specialized expertise and resources. Ultimately, each project is unique and your insurance solution will be as well. Professional brokers, like the experts at FCA Insurance Brokers, not only know the challenges, but how to solve them. Helen Xenidis, a specialist in FCA’s Private Client Division, sums it up, “We work for you!” With that peace of mind, you can then sit back, relax, and enjoy your masterpiece – at least until the idea for the next renovation project hatches!

Founded in 1919, Firstbrook, Cassie & Anderson Ltd. is one of Canada’s leading independent insurance brokerages, providing security and value through innovative custom insurance solutions. Licenced across Canada, the firm is headquartered in Toronto with two branch offices, and offers full international capacity.



The Guarantee Company of North America is a Canadian owned property and casualty insurance company serving the insurance needs of North Americans since 1872 and a leading underwriter of surety and fidelity bonds in Canada. In Canada, the company specializes in Commercial and Contract Surety, Fidelity, Credit, Directors’ and Officers’ Liability and Personal Lines insurance including its high value Guarantee GOLD® coverage.

For more information visit www.fcainurance.com or email vips@fcainurance.com

