



Submitting An Insurance Claim Homeowner

If you have been impacted by an event, and have insurance coverage, this fact sheet will provide you with some helpful tips on the insurance claims process.

The Canadian Red Cross is a neutral party and is not a licensed insurance professional. The information contained within this document is not intended to advocate for or against filing insurance claims. The decision whether or not to do so is unique to the policy holder based on factors such as the coverage afforded under your policy, the size of loss experienced, loss history, deductible amounts, personal finances etc. You should seek professional advice if you unsure as to whether or not to initiate an insurance claim.

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When Should I Notify My Insurer of a Claim?

- Contact your insurer to report your loss and open a claim.
You should do this as soon as possible following an event that is covered under your policy. Insurers may refer to an event that is covered under your policy when initiating a claim (i.e. a flood) as an "insured peril" or a "triggering event". Most insurers have a 24-hour claims assistance hotline.
- Ask what coverage you can take advantage of immediately such as Additional Living Expenses (ALE).
 - Be sure to ask what dollar limit and time period under ALE you are entitled to.

ALE provides reimbursement for reasonable additional costs of living elsewhere when your home has been destroyed or is uninhabitable due to an insured peril (which means an event you have coverage for under your policy). **There will likely be a time and dollar limit for ALE coverage.** ALE only covers costs of living which go above and beyond your normal costs.

EXAMPLE

IF THE ALTERNATE ACCOMMODATIONS YOU ARE STAYING IN WHILE YOUR HOME IS BEING REPAIRED DOES NOT HAVE A KITCHEN AND YOU HAVE TO PURCHASE MEALS IN A RESTAURANT – ALE WILL TYPICALLY COVER THE ADDITIONAL AMOUNT THAT IT WOULD COST YOU TO BUY MEALS OVER AND ABOVE YOUR USUAL GROCERY COSTS.

See CRC's '*Understanding Your Insurance Policy – Homeowner*' for more information.

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I had to leave my home as a result an event, what will be covered by insurers in terms of hotel stays and additional costs for food?

- Contact your insurer if you are forced to leave your home due to an evacuation order.
Most ALE coverage will begin immediately (if due to an insured peril) if you have had to evacuate your home due to a Civil Authority Order.

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When would funds be provided?

Most policies provide coverage for ALE on a reimbursement basis, however if you are subject to extenuating circumstances inquire if your insurer will provide you **with a lump sum or advance payment** towards ALE.

IMPORTANT TIPS:

- ⚠️ **MAKE SURE TO UNDERSTAND THE DETAILS OF YOUR ALE COVERAGE, INCLUDING: ANY DAILY LIMIT, OVERALL MONETARY LIMIT, TIME LIMIT FOR COVERAGE.**
- ⚠️ **IF YOU ARE A LANDLORD, PLEASE ALSO REVIEW CRC'S 'SUBMITTING AN INSURANCE CLAIM-BUSINESS' FACT SHEET.**
- ⚠️ **IF YOU ARE A TENANT, PLEASE ALSO REVIEW CRC'S 'RENTER IN A FLOOD – FACTS AND TIPS' FACT SHEET.**

Steps:

Open a Claim

- Immediately notify your insurer of the event. Most insurers have a 24hour claims reporting line.
- Ask your insurer what to do next. **Ensure that any next steps are taken only when it is safe to do so and following any orders or advisories by the relevant authorities.**
- ❓ SHOULD YOU REMOVE CONTENTS BEFORE THEY BECOME FURTHER DAMAGED? (POLICIES USUALLY REQUIRE THAT YOU TAKE MEASURES TO MITIGATE, MEANING YOU HAVE A RESPONSIBILITY TO PREVENT THE DAMAGE FROM GETTING WORSE WHERE POSSIBLE, SO DOCUMENT CONDITIONS BEFORE AND AFTER, THEN ADVISE YOUR INSURER.)
- ❓ WILL A CONTRACTOR COME OUT TO YOUR HOME TO ASSESS THE DAMAGE OR COMPLETE ANY TEMPORARY REPAIRS?
- ❓ WHAT ARE YOUR MITIGATION RESPONSIBILITIES?
- ❓ WHAT ARE YOUR RESPONSIBILITIES WITH RESPECT TO SECURING YOUR PROPERTY?
- ❓ IF YOU ARE UNDER AN EVACUATION ORDER BE SURE TO ASK HOW THAT AFFECTS YOUR MITIGATION AND SECURING PROPERTY RESPONSIBILITIES.

What can I do now?

Make sure you understand your insurance policy, and more specifically, **1)** what you are covered for and **2)** what your obligations are (such as securing your property, keeping receipts, filing a report).

For further information on understanding your insurance policy, please see CRC's '*Understanding Your Insurance Policy – Homeowner*'. Some questions you should be able to answer about your policy are:

- ❓ IS YOUR POLICY AN ACTUAL CASH VALUE OR REPLACEMENT COST/FULL REPLACEMENT VALUE POLICY?
- ❓ DO YOU HAVE OPTIONAL FLOOD INSURANCE?
- ❓ DO YOU HAVE OPTIONAL SEWER BACKUP INSURANCE?
- ❓ DO YOU HAVE ANY WATER EXCLUSIONS IN YOUR POLICY?
- ❓ WHAT IS THE MONETARY LIMIT OF YOUR POLICY?
- ❓ DO YOU HAVE ANY SUB-LIMITS THAT ARE APPLICABLE TO YOUR CLAIM/TYPE OF LOSS (I.E. FLOOD SUB-LIMIT)?
- ❓ WHAT ARE YOUR DEDUCTIBLES?
- ❓ WHAT COSTS ARE YOU RESPONSIBLE FOR?
- ❓ DO YOU HAVE OPTIONAL REBUILD TO CODE COVERAGE (ALSO KNOWN AS OPTIONAL BY-LAW)?
- ⚠️ **REBUILDING TO CODE:** ANY HOME REBUILT MUST BE TO PRESENT BUILDING CODES. IT IS SPECIFIC LOCAL BY-LAWS THAT ARE NOT COVERED IN BASE HOME POLICIES, BUT A HOMEOWNER CAN BUY OPTIONAL COVERAGE FOR IT. I.E. VANCOUVER HAS A FIRE SUPPRESSION SPRINKLER BY-LAWS FOR ANY NEW OR REBUILT HOME. THIS IS NOT A BUILDING CODE REQUIREMENT BUT A LOCAL BY-LAW REQUIREMENT.
- ❓ WHAT EXPENSES ARE COVERED?
- ❓ CAN YOU OBTAIN ANY ADVANCED PAYMENT FROM YOUR INSURER TO COVER IMMEDIATE EXPENSES?
- ❓ IF YOU HAVE TO REBUILD, ARE YOU OBLIGATED TO REBUILD AT THE SAME SITE?

I Have a Good Sense of My Policy, and Have Opened a Claim; Now What?

- Once you have opened your claim, complete an inventory of your lost belongings
 - ⚠️ **USE CRC'S 'HOME INVENTORY CHECKLIST'**
 - ⚠️ **GATHER RECEIPTS FOR ITEMS OR PROOF OF COMPARABLES IF AVAILABLE.**
- Depending on the circumstances of your loss, your insurer may immediately send an adjuster or contractor to assess the damage required to stop the damage from continuing to occur to your property. Be sure to confirm your coverage and terms as well as your related **eligibility requirements/responsibilities** at the time of reporting an event to your insurer.
- Once it is safe to return to your home, **take photographs** of all damaged items and the damage to your home and property inside and outside. **Secure your property** to avoid any further damage or injury to others. Contact relevant organizations/sources to **replace documents you will need for your claim** if they have been missed or substantially damaged (mortgage documents, notices of assessment, etc.)
- Once you have reported your event, a claims adjuster will contact you to investigate your claim. You will be asked to **complete a Proof of Loss** which itemizes your claim and will help your insurer determine the extent of your loss.
- **You do not have to file a Proof of Loss right away.** A Proof of Loss is a formal statement made by you to your insurance company regarding a claim. This document sets out what items you are making a claim for against your policy and the values of those items. A Proof of Loss form **helps the insurer quantify the amount of your claim.**
- You are obligated to notify your insurer as soon as possible following the event/damage, but you can only provide the details required to complete the Proof of Loss form once you have knowledge of what damage has been done. **Make sure you ask how long you have from the date you experienced the loss** to submit your Proof of Loss to your insurer.
- Ask your insurer if you can hire a contractor to undertake the work on your home. **Request that your insurer approve, in writing, the hiring of a contractor and the contractor's work plan before any work begins.** You should always ask your insurer to pre-approve the hire of any service providers or the purchase of any large items you expect to be reimbursed under your insurance policy.
- **Take notes** of all verbal discussions with your insurer and note the date and time. **Keep a calendar** of all time spent on preventing further damage and cleanup of your property. **Save all receipts** of items purchased to assist you in these tasks. **Keep all estimates** of work from service providers. All of these items may not be reimbursable under your insurance policy, however, may be reimbursable under other assistance programs, if available, or for use in your future emergency preparedness planning.

❗ *If your insurer does not agree that you have suffered a loss to your property, for instance structural damage that seems minor from the surface, consider hiring an independent engineer to assess your property damage and draft a report to provide to your insurer.*

Steps (continued):

❖ Closing Your Insurance Claim

- In the aftermath of a disaster it is common to miss something. Leave your insurance claim open for a few months after filing your Proof of Loss. During this time you might remember and add losses to your claim. **You have 2 years from the date you suffered the loss before your claim will be closed. Before this date your insurer will request your consent to close your claim.**
- **Make sure you read all documentation.** Look for statements that ask for your agreement to close your insurance claim (e.g. “acceptance of the enclosed payment will close your claim”). If you see a statement like this and do not wish to close your claim, cross out the statement and sign or initial next to it. Send a copy of the document back to your insurer and advise that you wish to keep your claim open. Accepting payment from your insurer does not mean your claim must be closed.
- **The settlement of your insurance claim is a negotiation.** You may disagree with how much your claim is being valued at. You can provide evidence demonstrating the size of your claim and any extenuating circumstances. You do not have to take the first offer.

❖ How to Escalate Your Insurance Claim

- If you are unhappy with the level of service received from your insurance adjuster you can escalate to a supervisor. Your insurer has an ombudsman to address any complaints. You can also receive assistance with respect to your insurer’s decision by contacting IBC, the General Insurance Ombudsman Service or your Provincial or National Superintendent of Insurance.

GOOD TO NOTE

- 💡 **YOU CAN REQUEST THAT YOUR INSURER PROVIDE YOU WITH AN ADVANCE TOWARDS YOUR ULTIMATE SETTLEMENT, IF NEEDED**
- 💡 **KEEP PAYING YOUR INSURANCE PREMIUMS TO ENSURE CONTINUOUS COVERAGE DURING THE CLAIMS PERIOD.**

NOT PROFESSIONAL ADVICE

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ADDITIONAL SUPPORTS

Disasters and emergencies can cause significant disruption and add stress to your life. If you experience stress reactions that make it impossible to function normally over a long period of time, seek help. One option is to contact your local health facility, or a local crisis support line. For immediate **assistance support** anywhere in Canada, **please call Crisis Services Canada** at 1-833-456-4566.