



MONEY MONITOR

Doing renovations? Update your home insurance

CRAIG WONG

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Homeowners need to regularly check and update their home-insurance policies or risk having insufficient coverage when disaster strikes, insurance experts say.

The need to review and update a policy is especially important for those who have done renovations because changes to the property could render the policy void if the insurer hasn't been informed.

Craig Richardson, vice-president of claims operations at TD Insurance, says the insurance company should be contacted even before a contractor starts work.

He noted that renovations also provide an opportunity to make other improvements that might help save a few dollars on your home insurance at the same time.

Things such as a sewer backup valve or an alarm system can be more easily installed if other major work is already being done.

"If you're already in the process of doing renovations, it may be cheaper to do it while work is ongoing," Mr. Richardson said.

But even without major changes to the property, policies should be reviewed annually just to be sure they match the homeowner's needs.

Insurance broker Matthew Carr says standard coverage generally includes fire, plus things that are specifically named on a policy, but other options can include a broader range of risks, subject to certain exclusions.

"What we're doing from an insurance standpoint is evaluating the house for a reconstruction purpose – what would it cost in the event of a loss to rebuild that home," said Mr. Carr, president of Carr & Co. Insurance Brokers Ltd. in Ottawa.

Home insurance isn't regulated like auto insurance, so it's important when comparing prices to also compare the coverage that's being offered because it may vary from company to company.

Different insurers may offer different limits on coverage, so it's important to know what is best for you.

Mr. Carr said those who have valuable art or jewellery or expensive sports equipment might want to consider paying for extra coverage.

Mr. Richardson added that people are likely not going to have a list of everything in their home, but having a list of the more meaningful and valuable items is important.