

HOME INSURANCE

What you need to Know if you live in a flood zone

New mapping shows that your residence is located in a FLOOD ZONE and there are a few things you'd like to know IF:

➤ Does your home insurance policy cover damage resulting from an overflow of a body of water?

Overflow of a body of water can be covered by an endorsement under the home insurance policy. A number of insurers offer this coverage. Underwriting rules and premiums can vary from company to company. Whether or not a company accepts to insure a property against flooding generally depends on the risk it represents.

Unless you have private insurance or adequate coverage, a policyholder who suffers a loss after a flood could have access to Ministry of Public Safety's Financial Assistance Program.

➤ Will your home remain insurable?

Yes, your home remains insurable for other types of risk. Even if you live in a flood zone or a Special Planning Zone (SPZ), you maintain the coverage specified in your insurance policy, including for fire, theft or vandalism. Contact your insurer or broker to find out whether you have or wish to purchase flood insurance coverage.

➤ Is your home insurance premium likely to go up?

The insurance premium is based on the risk to which the insurer is exposed. The cost of flood insurance may be higher or not available when you live in a flood zone.

➤ Do you have to let your insurer know that your home is located in a flood zone or a Special Planning Zone (SPZ)?

Yes, it is recommended you inform your broker or insurer to discuss adding overflow of a body of water coverage or by-law endorsement coverage to your policy (see the following section).

BY-LAW ENDORSEMENT COVERAGE

As a result of the mapping, it is likely that your municipality will prohibit reconstruction of your home on its current site. If this is the case, contact your insurer or broker to find out about the by-law endorsement coverage which guarantees, among other things, replacement cost compensation for the reconstruction of a home elsewhere than on the current site.

If your residence was destroyed as a result of a fire, you can thus rebuild your property at replacement cost thanks to this coverage. Note that this additional coverage only applies to a loss covered under the policy. If your home was damaged as a result of a flood, and you do not have this coverage, the by-law endorsement coverage does not apply.

IBC is there to inform you and to assist you

You have questions regarding your insurance contract? Insurance Bureau of Canada's Insurance Information Centre can assist you.

You can contact the Information Centre at 514 288-4321 or 1 877 288-4321.

Visit infoinsurance.ca