

A Publication By:



Get Ahead of Rising Alberta Insurance Rates

Lanes Insurance

Lane's Insurance gets ahead of rising Alberta Insurance rates.



1 - Get Ahead of Rising Alberta Insurance Rates

At [Lane's Insurance](#) we see it as our responsibility to keep you apprised of any upcoming changes in the market that may affect your premiums, and will work with you to help stay ahead of the curve. We are a matter-of-fact insurance brokerage that believes customer service is still important, and our goal is quite simply to get to know you and your insurance needs and ensure your assets are protected.

There have been a number of recent reports in the news and by insurance professionals that indicate Canadians can expect their home and auto insurance rates to rise some time in the near future. Extreme weather across the country in 2012

resulted in massive numbers of insurance claims being paid out, with one single fierce Calgary hailstorm in August accounting for almost half of the \$1.2 billion in claims across the country last year. And there doesn't seem to be a reprieve in sight. The Insurance Bureau of Canada (IBC) predicts the province will endure even more severe weather catastrophes in the coming years. Experts suggest a warming climate will lead to even more frequent severe weather events in the province.



2 - Severe Weather Damage Costs Going Up... Especially in Alberta

On Sunday, August 12, 2012 a wild and hairy hailstorm pounded Calgary with hailstones measuring up to six centimeters in diameter. It has thus far caused \$552 million in insured damage. Claims include roof and water damage to homes as well as millions for damage to vehicles – especially in Calgary's car dealership lots, which saw hundreds of new windshields smashed to pieces.

And another storm that pummeled southern Alberta from Cardston to Nanton on July 26, 2012 cost insurers another \$74 million in claims.

The IBC has reported watching with growing concern what seems to be the more and more common occurrence of extreme weather across the country.

Storms have caused more than \$1 billion of damage annually in Canada for three of the last four years.

Claims are more severe and more frequent, and unfortunately the IBC has warned that insurance customers may soon be feeling the affects. Alberta home insurance companies have been paying out substantially more for claims than they collected in premiums for approximately five years now. When insurance underwriters calculate risk and determine the cost of home and vehicle insurance policies, rates are calculated based on overall losses and then spread amongst many policy holders – regardless of whether or not you have filed a claim.

Using a an insurance broker like Lane's is absolutely your best bet for keeping your premiums as low as possible. As proud members of the [Independent Insurance Brokers Association of Alberta](#), Lane's works with numerous [carriers](#) to ensure your insurance needs are met. Our pricing is always competitive – if not the best on the market.

3 - Future Weather Expectations for Alberta

The Institute for Catastrophic Loss Reduction recently suggested that Albertans should expect a 10 per cent increase in the number of severe weather events by 2050. Essentially, the province is warmer than it used to be, which means more hot, sticky days. Although it sounds nice, the added heat will affect a lot more than your tan. More moisture will evaporate out of Alberta's soil, lakes, rivers and wetlands to be suspended in the air in the form of clouds. Once the clouds fill up and become too heavy, it will rain. And rain hard.



Instead of light sprinkles we will see more prolonged downpours. The dry, hard ground will then not be able to absorb precipitation properly and begin to erode, causing landslides and floods.

The Institute also predicted that the warmer weather combined with moisture in the air will increase lightning occurrences by 20 per cent in Alberta. That's a recipe for catastrophe when combined with extremely dry conditions.

“The likelihood of wildfires such as the Slave Lake disaster in 2012, which caused an estimated \$700 million in damage to the town and surroundings, is then also increased, and the fires will be stronger and move faster.”

~Chad Mullen, Lanes Insurance

4 - Why Use an Insurance Broker

As proud members of the [Independent Insurance Brokers Association of Alberta](#), Lane's works with numerous [carriers](#) to meet your insurance needs while maintaining competitive pricing.

1. You Will Receive Independent, Non-Biased Advice As independent insurance brokers Lane's works with a number of providers but is not affiliated with or beholden to any one. We will ensure complete clarity when it comes to the terms of your coverage, and help customize your policy so that you are getting the protection you require.

2. One-Stop Shopping Visiting Lane's is having one appointment with several different insurance providers at once. Lane's works with dozens of providers and can quickly ascertain which ones will suit your needs best.

3. We Do The Work For You As insurance brokers our job is to negotiate on your behalf. We are always able to secure the most competitive rates and terms that benefit you in the long run.

4. Incentives By using an insurance broker such as Lane's you may reap the benefits of insurance companies vying for your business. Often they offer incentives to win you over, and we are able to access them for you.

5. It's Free! There's absolutely no charge for our services for most home and auto insurance transactions. Like many other professional services such as mortgage broker, insurance brokers are commission-based and generally paid a finder's fee by the provider when we introduce dependable customers to them.

5 - Planning Ahead

Aside from ensuring you have comprehensive home and auto insurance, there are several steps you can take on your own time to prepare for severe weather...and thus limit your losses.

Weather warnings systems are improving in many ways. Weather detectors are using tools like radar to see as far as they can into our weather future, and municipalities are taking advantage of new technologies such as social media to keep people informed about upcoming storms. One way to avoid having to make a claim for hail damage is to keep your ear to the ground and be aware of changing weather conditions.



Individual homeowners can further safeguard their home and valuables by:

- Installing sewer backflow valves.
- Re-caulking windows.
- Fixing improperly graded foundations.
- Ensuring gutters are clear, in good condition, and draining to an appropriate place.
- Repairing or replacing damaged or old roofs.

6 - Flood and Sewer Insurance

Usually caused by floods from heavy rainfalls or sewer backups, water damage accounts for about 40 per cent of all home insurance claims. Home insurance policies in Canada do not automatically include coverage for these types of occurrences, and considering they are becoming more and more common, Lane's recommends all homeowners add water damage coverage to their home insurance policies.



According to the IBC, water damage accounts for about \$1.7 billion every year in claims. Even if you have been lucky enough to have never experienced a flood or sewer incident in your area, it doesn't mean it won't happen. As our municipalities grow, sewer systems are put under increasing pressure to keep up. When they are overloaded they can "back up" through household sewer lines and into your

basement – causing severe damage. And when it's bitterly cold out Calgarians also often have to suffer through the consequences of frozen water pipes bursting and causing floods as well.

Make your home less susceptible to expensive loss incurred through a flood or sewer backup by never storing valuable items in your basement and ensuring your floor drain is clear of obstructions.

7 - Aspects of Homes and Property That Can Affect Your Policy

Properties that have amenities and features that increase their risk for accidents usually incur higher homeowners insurance rates. Homes that have any of the following on their land may be assessed higher than normal.

- Swimming pools
- Guest houses
- Trampolines
- Guns
- Home businesses
- Fireplaces
- Exotic pets
- Treehouses
- Lack of a fence or fence in disrepair
- Unusually large pathways and driveways

Other factors that may affect your home insurance rates are:

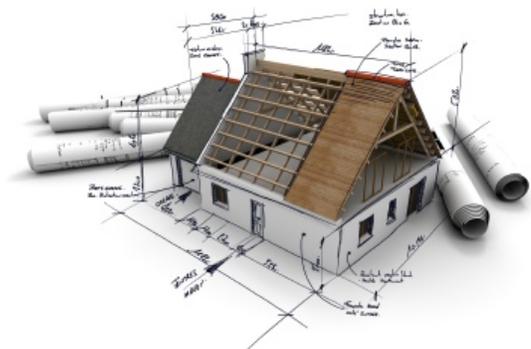
Age of the home: Newer homes are generally preferred by insurance companies.

Materials Used Building the Home: Houses built with fire-resistant, eco-friendly and energy-efficient materials are attractive to insurers. They are not only safer, but also tend to easily retain their value long into the future.

Address: Homes and automobiles in areas that have high occurrences of burglary are potentially susceptible to higher insurance rates. An easy solution to this problem is to have a security system installed in your home and auto by a known specialist.

Age of Plumbing and Electric Systems: Both of these are integral parts of your home that need to be regularly maintained and updated. Older electrical systems can sometimes cause fires, and older plumbing systems can back up and flood your home. Newer systems are preferred due to their added fail-safes.

Roof Condition: Those in the roofing business are getting better and better at dealing with Calgary's wacky weather, and newer roofs and getting stronger and more durable. A good roof can save you from myriads of problems, including high heating bills, leaks and mold.



Outbuildings: Your detached garage and shed are both property additions that your insurance builder will want to know about in order to make sure you are covered properly in case of a loss. And if you plan to use either to run a business, let your provider know. They will talk you through what your potential perils may be and how you can prepare for them.

“Make sure you let your insurance broker know about ANY changes or upgrades you may make to your home. This is added value you need to ensure is included in your policy.”

~ Chad Mullen, Lanes Insurance

8 - Keep Your Insurance Low - Use Lane's!

Several aspects of both your home and life can also help keep your insurance payments where they are easily handled but still completely comprehensive for you.

- Install water sensors
- Install a home security system
- Combine your policies (such as home and auto)
- Those that are mortgage- and claims-free may qualify for discounts
- Mature owners over 50 may qualify for discounts
- Those that have lived in the same location for some time may qualify for discounts
- Use a broker like Lane's!

