
GETTING HOME INSURANCE RIGHT

Home insurance can feel like a “necessary evil,” but it serves a saintly purpose — it protects you. Since you’re required to pay it every month (or annually), the goal is to pay as little as possible for as much protection as possible. Here’s how to make sure you’re getting the right coverage at the right price.

Do You Have to Carry Home Insurance?

If you own your home outright, you’re not required by law to have home insurance. However, if you have a mortgage, your lender will require it as a condition of the loan. The insurance protects their investment as much as yours. Even without a mortgage, maintaining a policy is smart protection against fire, theft, or major weather damage — all of which can be financially devastating without coverage.

What Is a Home Insurance Quote?

A quote is an estimate of what you’ll pay for a policy. It’s usually presented as a yearly, six-month, or monthly amount. When comparing quotes, make sure you’re comparing apples to apples — look carefully at the coverage limits, deductibles, and optional extras included in each.

Quotes are based on details like your home's size, location, replacement value, age, and distance from a fire station or hydrant. Each insurer uses its own formula, so prices can vary widely. The best way to find a competitive rate is to get at least three quotes. The difference in premiums for similar coverage can be hundreds of dollars per year.

Keep in mind, a quote is only an estimate. The final premium won't be confirmed until your policy is issued, but it's usually close to the quoted amount.

Who Provides Home Insurance?

Many companies offer home insurance — including some that may already insure your vehicle. Popular Canadian insurers include Wawanesa, Desjardins, Intact, Aviva, Economical, The Co-operators, Allstate, and RBC Insurance. Independent brokers can also help you compare multiple providers at once, often saving time and money.



What Does Home Insurance Cover?

Home insurance protects you financially if your home or belongings are damaged or lost. A standard policy typically includes:

- Dwelling coverage – to repair or rebuild your home after a covered event.
- Contents coverage – to replace personal belongings such as furniture, clothing, and electronics.
- Personal liability – to protect you if someone is injured on your property or if you accidentally damage someone else's property.
- Additional living expenses – to cover temporary housing and related costs if you can't live in your home after an insured loss.

Coverage limits and options vary widely. For example, one policy might include \$8,000 CAD in additional living expenses while another offers only \$6,000 CAD. Comparing at least three quotes helps you see which company offers the best protection for your premium.

Why Prices Differ

Your premium depends on several choices and risk factors. When comparing quotes, make sure you're using the same assumptions across all companies. Here's what can affect your price:

- Deductible – the amount you'll pay out of pocket before the insurer covers the rest of a claim. Typical deductibles range from \$500 CAD to \$2,000 CAD.

- Flood, earthquake, or wildfire coverage – standard home insurance doesn't cover flood or earthquake damage, and wildfire coverage may be limited in high-risk areas.
- Replacement cost vs. actual cash value – upgrading to replacement cost coverage ensures you receive enough to replace damaged or stolen items with new equivalents.
- Extended or guaranteed replacement cost – protects you if rebuilding costs exceed your policy's limit, which can happen after large-scale disasters or inflation spikes.

How to Get a Home Insurance Quote

You can contact a local insurance broker, who will gather quotes from multiple companies on your behalf. A broker can explain coverage differences and recommend options specific to your area. You can also request quotes online from most major insurers, but speaking with an agent or broker can often save time and ensure you're comparing accurately.

Once you've received a few quotes, review them carefully for differences in deductibles, limits, and exclusions. Then choose the policy that offers the best balance of price and protection for your needs.

***KNOW SOMEONE WITH QUESTIONS
ABOUT BUYING A HOME? PUT THEM IN
TOUCH WITH ME FOR HELP.***