

## **WATER DAMAGE**

Brokers generally employ a business model that involves building and developing a relationship with their clients. This, in turn, requires brokers to take time with their clients to explain or clarify insurance matters, through reaching out or touching base with clients multiple times each year.

Water damage is a great and current topic to help your customers understand property insurance and in particular, recent changes in water damage coverage.

Every year in recent memory has had its challenges weather-wise. Ontario, in particular, has seen its share of torrential rainfall in many parts of the Province, resulting in a significant amount of residential flooding and basements with water damage.

The frequency of these incidents and the corresponding increase in claims has led many insurers to dramatically amend the home coverage they offer, for example, lowering basic limits and raising deductibles. However, customers that are experiencing water damage will typically not distinguish between something that was “sudden and accidental” or something caused by spring run off or sewer back-up, or damage resulting from water coming in through foundation cracks or leaks.

The time to educate clients about what is and what is not covered in their home policies is at the time that brokers initially take the application for a policy, and then, any time thereafter that insurers change coverages or the client’s risk changes. It is imperative that brokers understand their clients’ needs as well as the coverages that are available to them.

Take the opportunity to educate your clients on how best to prepare themselves against water damage. As well, document your files to set out what coverage options were discussed and either accepted or rejected.

Remember that not only must brokers advise their clients on selecting proper values for their homeowner’s insurance, but also keep the client current with respect to coverage changes, particularly the changes in water damage coverage, that may well vary from region to region in Ontario, depending on local or other factors.