

# Know your insurance and make it work for you

Allstate Insurance Company of Canada wants to simplify your insurance. This list of insurance terms with easy-to-understand definitions will help you better comprehend the protection that is available to you under an insurance policy. We want you to feel confident about your coverage both at home and on the road.

Be sure to call your insurance agent if you have any questions about your policy.

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## DEFINITIONS

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### AUTO INSURANCE

**No-Fault Insurance** is a misnomer. Someone is always at fault for a collision. Instead, it means that no matter who's responsible, you will contact your own insurance provider to make the claim and they will pay to repair the damage to your car or for any health benefits you may need.

**Not at fault** means that according to the standard fault determination rules used by the insurance industry, you were not responsible for a collision.

**At-fault** means you are deemed responsible for a collision. Having an at-fault collision will have an impact on your auto insurance premiums. If your policy has an accident forgiveness clause, your first at-fault collision won't affect your current rate, but if you move to another provider, the collision can still be counted against your driving history and can mean a higher premium.

**Collision** coverage is for the damage you caused to your own vehicle when you're deemed to be at-fault.

**Comprehensive** coverage covers you for damage to your car from events like fire, theft or vandalism. Often this damage happens when your car is parked, but it will also cover the cost of fixing or replacing a chipped or cracked windshield.

**Deductible** is the amount of money that you choose to pay before your insurance policy pays for a claim. If the cost to repair your car after a collision is \$2,000, and you have a \$500 collision deductible, then you will pay the first \$500 and your insurance company will pay the rest.

**Liability Insurance** pays for the damages or losses suffered by others in a collision where you are deemed at-fault.

**Accident Benefits** provides benefits such as medical care and income replacement to people injured in a car collision, regardless of who is deemed at-fault.

**Continuous insurance** looks at how long you've been insured on an auto policy. You don't have to be the primary driver or own the car. Just by being listed on a policy continuously for 12 or more years can help to reduce your insurance premiums.



## INSURANCE DEFINITIONS



# HOME INSURANCE

**Dwelling Value** is the cost to rebuild your home from the ground up. It is not the market value of your home or what you paid for it. Dwelling Value also includes the cost to clean up and dispose of debris on your property after it's been damaged. An accurate Dwelling Value is crucial. If your policy is too low, then you will not have enough money to rebuild your home if it's destroyed.

**Contents Coverage** protects against damage to the things you own, like furniture, clothing, electronics and other personal items. Contents are usually automatically covered for 70% of the policy's Dwelling Value. However, to ensure you have enough coverage, go through your house with Allstate Canada's **Homeowner's Checklist** to calculate the value of your contents. This will help you decide if your home's contents are adequately insured.

**Additional Living Expenses** pays for living expenses when you are forced from your home due to damage caused by an insured peril. It covers the cost of staying in a hotel and your meals which exceed your normal expenditures until you find a temporary house to rent. This coverage will also cover the cost of renting the house until you return to your house.

**Personal Article Floater (PAF)** is a separate policy for a specific item you own. Expensive jewelry, such as an engagement ring, needs a PAF because the value exceeds the limit of coverage in a typical homeowner policy. PAFs can be added to your existing homeowner's or tenant policy.

**Detached Private Structures** are structures on your property like a wood shed, a gazebo or a detached garage. Your homeowner policy automatically calculates 10% of the Dwelling Value to insure these structures for the cost to rebuild them. If this amount is not enough, talk to your insurance provider about additional coverage. The contents are covered by your home's Contents Coverage.

**Single Limit of Insurance** is an additional endorsement on your homeowner's policy. Instead of having separate amounts of money to pay for Dwelling, Contents, Detached Private Structures and Additional Living Expenses, the Single Limit of Insurance will pool your coverage monies together. Then, if it costs more to rebuild your home than your policy's Dwelling Value, you can move money from Contents Coverage or Living Expenses to pay for the additional cost.

**Liability Insurance** will pay for damages or compensation for incidences where you are at-fault. For example, if a person slips on your front steps because you didn't clear the ice, then Liability Insurance will pay for the person's losses. Or, if you break the glass patio door at your friend's house, this will pay for the replacement.

For more information on how to best protect your car or home visit [goodhandsadvice.ca/terms](https://goodhandsadvice.ca/terms)



To get a home or tenant insurance quote visit [allstate.ca](https://allstate.ca)

To speak to an insurance agent directly call **1-800-255-7828**

