



**Know your policy**



## **Know Your Policy**

*A car collision, a basement damaged by water and a business interrupted by vandalism are risks that people face each day. After a loss happens, everyday life can change in big ways. Now is the time to Know Your Policy and better protect yourself.*

KYP is an online campaign designed to promote insurance literacy. As consumers, many of us often spend more time researching purchases for household or personal items than we do researching our insurance products.

If you don't have insurance for your car, home or business, now is the time to ask questions and protect your most-valuable assets.

And, if you do have insurance, learning about your policy, coverage and limits should happen before any potential disaster strikes.

We encourage you to contact your insurance broker or agent to review your existing policies, or start new ones, and ask questions to ensure you're properly protected.

In the meantime, review these tips and the insurance information below, or look to the left navigation bar of this page for more info.

When people buy insurance, they put money into a [premium](/on/insurance-101/insurance-basics/how-premiums-are-calculated) pool with many others. Some of that pool of money helps people who suffer an unexpected insured hardship due to loss from a home fire, vehicle collision or [business interruption](/on/business/risk-management/business-interruption) in that year. Payouts for these hardships are called claims.

Insurers are required by law to have sufficient funds to pay for claims. To better understand this concept, read our piece on insurer solvency.

## 4 Steps in the Insurance Process

1. Your insurance company estimates an annual cost or premium to accept the risk of covering your home, business or car. Premiums are based on how much money insurance companies think they will need to pay for the coming year's claims.
2. On a monthly or annual basis, you pay a premium to your insurer for assuming this risk on your behalf.
3. Your insurance company puts all premiums into one large pool. Your insurance is an annual contract, so the pool operates for only one year at a time.
4. Your insurance company uses the pool of many premiums to pay for the losses of the few who make claims in that year.

## How To Buy Insurance

You can buy auto, home and business insurance from private insurers. When driving a car, buying a home or establishing a business, insurance can give you peace of mind.

Insurance protects you and your property against risk by covering unforeseen damage or mishaps. When securing insurance coverage in the province, you can choose which insurance representative best suits your needs. Options to consider include:

- Buying direct from a [private insurance company](/on/insurance-101/public-versus-private-auto-insurance).
- Purchasing through an insurance agent or broker. They sell products and packages for more than one insurance company.
- For unique or a difficult-to-place risk, a coverage package may be necessary. Retail brokers may work with wholesale brokers who have specialized knowledge and work as intermediaries with insurers and brokers.
- To [help control your insurance costs](/on/insurance-101/buying-tips/cost-control), shop around and ask your insurance representative for more information about the savings opportunities.

Need help in getting started? [Here's how to find an insurance representative.](/on/insurance-101/how-to-buy-insurance/insurance-vendors)

## How to Read An Insurance Policy

Here are the four sections you can expect to see in an insurance policy:

<b>Declaration</b>	<b>Insuring agreements</b>	<b>Policy conditions</b>	<b>Exclusions and special limits</b>
<ul style="list-style-type: none"><li>• What risks are covered – a list of coverages purchased</li><li>• Policy limits – limits of insurance, and deductibles purchased</li><li>• The amount of premium due</li><li>• Others who have an interest in the policy (e.g., mortgage holders, lenders)</li><li>• A list of form numbers and endorsements that add to or alter the policy</li></ul>	<ul style="list-style-type: none"><li>• What losses are covered</li><li>• The subject matter of the insurance and description of the property covered</li><li>• The perils insured against – circumstances when the insured may receive the proceeds of the insurance</li><li>• For a claim to be valid, it must be covered under the insuring agreement and not stated as an exclusion</li></ul>	<p><i>Requirements the insured must fulfill to maintain coverage:</i></p> <ul style="list-style-type: none"><li>• If the insured breaches a condition, the policy can become void or the insurer may refuse a claim arising out of the breach</li><li>• Statutory conditions that the insured or insurer must comply with</li><li>• Understand how the law affects your policy</li></ul>	<p><i>Certain property and perils are excluded from coverage.</i></p> <p><i>Other insured property may be insured up to a Special Limit.</i></p> <p><i>Understand these exclusions and limits to avoid disappointment after a loss.</i></p>

# Related Services



## Insurance Basics

Without insurance, driving a car, buying a home or starting a business would be an unaffordable risk.

(<http://www.ibc.ca/on/insurance-101/insurance-basics>)



## How to Buy Insurance

When driving a car, buying a home or establishing a business, insurance can give you peace of mind. Learn about the purchasing options available in your province.

(<http://www.ibc.ca/on/insurance-101/how-to-buy-insurance>)

## Buyi

Insurance purchase can help y

(<http://www>)

# Useful Links

## Auto Insurance

Required by law across Canada, auto insurance covers the owner/driver, passengers, pedestrians and property affected by a vehicle collision.

(<http://www.ibc.ca/on/auto>)

## Home Insurance

Owning a home may be your largest single financial investment so it's important to protect your property and contents against unforeseen risks with home insurance.

(<http://www.ibc.ca/on/home>)

## Business Insurance

Having the right insurance is essential for a business to survive and thrive in a marketplace that is full of both opportunity and risk. Liability insurance for an organization, employees and/or volunteers helps protect the organization from financial risk.

(<http://www.ibc.ca/on/business>)

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[Consumer Info \(/about-us/contact-us/contact-us-form\)](#)

[1-844-2ask-IBC \(tel:1-844-2275422\)](#)

[\(1-844-227-5422\),\(tel:1-844-2275422\)](#)

[Stop Insurance Crime \(/about-us/contact-us/crime-reporting\)](#)

[1-877-IBC-TIPS \(tel:1-877-4228477\)](#)

[\(1-877-422-8477\),\(tel:1-877-4228477\)](#)

[Report Cargo Crime \(/business/business-crime/cargo-theft/cargo-theft-incident-form\)](#)



([http://www.essentialaccessibility.com/ibc/en?utm\\_source=ibchomepage&utm\\_medium=iconlarge&utm\\_term=eachannelpage&utm\\_content=header&utm\\_campaign=ibc](http://www.essentialaccessibility.com/ibc/en?utm_source=ibchomepage&utm_medium=iconlarge&utm_term=eachannelpage&utm_content=header&utm_campaign=ibc))

[Privacy \(/privacy-policy\)](#)

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Know Your Policy



Know Your Policy - IBC on the street



**What Is Insurance and How Does It Help?**