

Insurance

Playing it safe...What insurance is really necessary?

Insurance is important and you should shop around to get the best package for you. Rates and terms will vary depending on your requirements.

Mortgage Life Insurance

This insurance covers the balance owing on the mortgage in the event of the death of the owner or owners of a home. It is considered a type of term insurance and has no redeemable value at the end of its term.

You should consider this type of insurance particularly if you are a family with young children and you do not want to run the risk of their losing their home if the breadwinner should unexpectedly die.

Mortgage life insurance is highly recommended. It is the safest way to protect the survivors from losing their home because they cannot make the mortgage payments.

Fire Insurance

This insurance is an absolute necessity on any dwelling. No one ever expects a fire to happen to him or her but unfortunately this is possible and happens too often.

If you have a mortgage on your home that is insured by the National Housing Act the fire insurance policy you take out must be equal to the full replacement cost of the building. For this reason, when housing costs rise so should the amount of your policy. Your policy should also be large enough for you to recover your own investment.

Policies are usually renewable each year. If you are building then you should consider having insurance to cover the building period as an added security measure.

Third Party Insurance

Civil liability or third party insurance is recommended to cover your personal liability in the event that a visitor to your property sustains an injury. It protects you in the event the visitor sues you for damages.

Third party insurance is often contained in packaged full benefit policy that may also contain fire insurance. Other benefits in this package might offer you protection against theft, loss or destruction of contents as well as property damage caused by Mother Nature.