



## ENHANCED Water Damage Package

# BROKER FAQ

### 1. What is the Enhanced Water Damage Package?

The Enhanced Water Damage Package is currently offered to Intact Insurance and Novex Homeowners' customers. We will now offer the same great coverage (depending on the risk type and Overland Water territory) to customers with a condominium, tenant and rented dwelling policy (except for Ground Water coverage).

#### COVERAGE OVERVIEW

	Sewer Backup	Overland Water		\$1,000 SBU Loss Mitigation	\$10,000 Water & Sewer Lines	Ground Water
		Territories	Limit			
Homeowners	Y	Low	Policy	Y	Y	Optional
		Medium	\$10,000 +			
		High	n/a			
Condos	Y	Low	Policy	N	N	N
		Medium	n/a			
		High	n/a			
Tenant	Y	Low	Policy	N	N	N
		Medium	n/a			
		High	n/a			
Rented Dwellings	Y	Low	\$30,000	Y	Y	N
		Medium	n/a			
		High	n/a			

### 2. What is included in the Enhanced Water Damage Package for condo, tenants and rented dwellings?

- Sewer backup and Overland Water (if eligible) coverage is available for condominium and tenant policies
- Sewer backup, Water and Sewer lines, and Overland water (if eligible) coverage is available for rented dwelling risks. At the time of an SBU loss, rented dwelling risks will also receive \$1,000 SBU loss mitigation coverage.
- Ground water coverage is not offered for non-Homeowners risks.

### 3. How is coverage determined by customer?

Customers will receive some or all components of our Enhanced Water Damage Package, depending on what type of Overland Water territory is assigned to them and the risk type.

For customers in eligible Overland Water territories (1 – 4), the package for:

- Condominium and tenant risks will include Sewer Back Up and Overland Water
- Rented dwelling risks will include Sewer Back Up, Water and Sewer Lines, and Overland Water

For customers in high risk Overland Water territories (5 – 7), the package for:

- Condominium and tenant risks will include Sewer Back Up only
- Rented dwelling risks will include Sewer Back Up and Water and Sewer Lines

If more than one component is applicable, they are sold together as a package.

### 4. Can a broker delete the Overland Water coverage from the Enhanced Water Damage package?

The Overland Water coverage (if eligible) is sold as part of the package to make the product easier for the customer to understand by linking similar water damage coverage together. It also helps to limit your potential Errors and Omissions exposure. Risks eligible for the Overland Water coverage cannot delete it from the package.

### 5. What are the key dates for the condo, tenant and rented dwelling Enhanced Water Damage Package?

System implementation takes place Sunday, March 19, 2017. The new package is available to customers for new business and endorsements effective Wednesday, April 19, and for renewals Friday, May 19.

### 6. How will the Enhanced Water Damage Package be launched for current condominium, tenant and rented dwelling customers?

By following the liberalization clause in our policy wordings, as of Sunday, March 19, 2017, all Intact and Novex customers with Water Escape/Back-up coverage currently, will automatically receive the benefits of the Enhanced Water Damage Package that is applicable to their dwelling. This will allow customers to benefit from the new product offerings prior to their renewal without any premium increases.

At renewal, customers will renew with the Enhanced Water Damage Package, which will also show on their renewal declaration pages.

### 7. How do we determine eligibility for Overland Water coverage?

We use the existing geo-coding tool for Homeowner risks to determine the Overland Water eligibility for the non-Homeowner risks. Risks will be categorized into three main categories:

- low risk (Overland Water territory 1)
- medium risk (Overland Water territories 2 to 4)
- high risk (Overland Water territories 5 to 7).

Risks in low and medium Overland Water territories will be eligible to receive the Overland Water coverage. Risks in high risk Overland Water territories will not be eligible for the Overland Water coverage.

## 8. How much Overland Water coverage can eligible non-Homeowners customers renew with?

Customers in Overland Water territories 1 to 4 will receive the following Overland Water coverage:

- 1) Up to the coverage limits as shown on the Coverage Summary Page for tenant risks
- 2) Up to the coverage limits as shown on the Coverage Summary Page for condominium risks (subject to a maximum limit of \$250,000 for condominium protection coverage)
- 3) \$30,000 for rented dwelling risks

Brokers will be provided with lists of the risks in high risk Overland Water territories so that you can discuss coverage restrictions with these customers.

## 9. Why is the Overland Water coverage limit for Condominium Protection subject to a maximum of \$250,000?

The restriction has been imposed to limit our exposure in the event the insurance policy for the Condominium Corporation does not carry Flood coverage. This is an optional coverage.

## 10. How much will the new coverage cost non-Homeowners customers?

Premiums for this coverage are influenced by individual customer characteristics and risk types which can be discussed in greater detail with your underwriter or in a training session with your Business Development Manager.

## 11. Will customers be able to choose how much Overland Water coverage they want?

For risks in eligible Overland Water territories (1 to 4), customers will not be able to increase or decrease the Overland Water coverage limits.

## 12. Will there be any changes to the existing Water Escape/Back-up coverage endorsement?

We have not made any changes to the eligibility and limits for the Water Escape/Back-up endorsement for non-Homeowner risks. However, we have made some changes to the coverage wording to clarify the true intent of the coverage and better align with the existing IBC wordings and the Enhanced Water Damage Package for Homeowner risks. This includes clarifying that SBU losses caused directly or indirectly by flood are not covered under this section, but are now covered by the Overland Water coverage. We have also changed its name from Water Escape/Back-up to Sewer Back-up.

## 13. What deductible will apply to the Enhanced Water Damage Package?

The deductibles for all applicable components will be subject to the Water Damage Deductible for Condominium and Rented Dwelling risks. Tenant risks will continue to be subject to the policy deductible for Water Damage losses.

## 14. How will we advise customers of the upcoming changes to their coverage?

Intact and Novex will begin to include endorsement wordings with a Communication page for all new business / new risks effective April 19, 2017 and renewals effective May 19, advising customers of their change in coverage. Various supporting marketing materials, including updated content on [Intact.ca](http://Intact.ca) and [Insurance is Evolving \(insuranceisevolving.ca\)](http://InsuranceisEvolving.ca), will be available for brokers to utilize.

## 15. How will the changes appear on the Declaration Page?

Customers will see one premium and a description of the applicable coverage (depending on the risk type and Overland Water territory) for the Enhanced Water Damage Package on their declaration page.

## 16. When will the Overland Water territories be available?

Halcion, Savers and the vendor quoting systems will be updated to include the new product features, including limits, territories and deductibles, effective March 19, 2017.

## 17. When does the \$1,000 loss mitigation for a Sewer Back-up (SBU) loss need to be used?

If a customer with a Rented Dwelling risk chooses to install an SBU loss mitigation device at the time of a SBU loss, we will contribute an additional \$1,000 (in excess of the SBU loss payout) towards the installation of the SBU loss mitigation measure; subject to municipality regulations (e.g. sump pump with a back-up power system or a backwater valve on the main line). This loss mitigation applies at the time of an SBU loss. Ultimately, this benefit is designed to prevent a future sewer back-up loss.

## 18. Is broker training available?

Yes, broker training for the new coverage is available. Please contact your Business Development Manager to arrange a session.

19. What marketing and communications material is available to brokers in support of the new package?

Existing materials will be updated to help you explain and educate customers. These materials will be posted on the Broker Portal, the Business Box and will be available through our microsite. There is also valuable information on our Insurance is Evolving and Intact.ca websites.

20. Is the \$10,000 Water and Sewer Lines for Rented Dwelling risks available per term or per loss?

As with all the applicable coverages available under the Enhanced Water Damage Package, claims made under the Water and Sewer Lines Coverage will not impact the amount of insurance available on a subsequent loss.

21. Can the Overland Water and Sewer Back-up limits differ?

Yes, the limits can differ. All non-Homeowner customers will continue to receive SBU coverage up to the coverage limits (as shown on the Coverage Summary page). However, the Overland Water coverage limits will vary by risk type.

22. How many deductibles will apply in an event if multiple coverages apply in the Enhanced Water Damage Package?

Only one deductible applies.

23. Will brokers have the option to add the Enhanced Water Damage Package to non-Homeowner risks as part of a portfolio?

Yes, Halcion will automatically apply the applicable Enhanced Water Damage Package code (depending on the risk type and Overland Water territory).

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