

Insurance



What is it?

- ◆ Protection against something going wrong
- ◆ We arrange insurance all the time! For example:
 - ◆ To *ensure* you have a good vacation in Mexico, you make sure to pack suntan lotion and aloe vera cream.

Financial Insurance

- ◆ Insurance you arrange for by paying **premiums** ahead of time
- ◆ If something goes wrong, you can **claim monetary compensation**

Premiums

A premium is **the amount of money you pay for being insured** for a specific period of time, usually one year.

Your premium is calculated using a number of criteria: the probability that a loss might occur; the number of risks being insured (the more people pay for the same type of insurance, the amount charged each person can be lowered); and the cost of operating the insurance business, including production costs, overhead and profit.

Insurance is a Pool



The money we pay in the form of **insurance premiums** goes into a big **pool** with money from other insurance consumers. Then, in the event that something happens, **the money needed to recover from an insurance loss can be withdrawn from that pool.**

Most of us never pay enough money through our premiums to cover the amounts needed to pay for our own losses. By pooling all the money from all the consumers, the insurance company is able to **spread the losses of the few among the premiums of the many.**

Deductibles

An insurance claim is usually subject to a deductible. **This is the portion of the loss that you agree to pay.**

Insurance companies use deductibles to control the cost of small claims and, by doing so, keep premiums affordable.

Is Insurance Mandatory?

Insurance is essential for most people and businesses. Most importantly, it provides peace-of-mind for the people and things we value.

Many people have **life insurance** and **critical illness insurance**. **Automobile insurance** is mandatory in Canada for all people who drive a motorized vehicle, such as a car, truck or motorcycle. **Property insurance** protects the owners of a property from the financial impact of damage or loss. **In order to run a business, a sporting event or a concert, special insurance must be obtained.**

Types of Insurance



EI (Employment Insurance)

Sample company Name, 123 My Home Street, WINIPEG MB CANADA, R2W 2Y8

EARNINGS STATEMENT

John Smith

EMPLOYEE ID	PERIOD ENDING			PAY DATE	CHECK NUMBER	
123456	2013/11/25			2013/11/20	321654	
INCOME	RATE	HOURS	CURRENT TOTAL	DEDUCTIONS	CURRENT TOTAL	YEAR TO DATE
REGULAR	20	80	1,600.00	CPP	65.03	1,495.69
OVERTIME	25	5	125.00	EI	28.62	658.26
				INCOME TAX	305.90	7,035.70
				UNION DUES	10.84	249.32
				LIFE INSURANCE	4.94	113.62
				LONG TERM DISABILITY	7.01	161.23
				CANADA SAVING BONDS	8.00	184.00
YTD GROSS	YTD DEDUCTIONS	YTD NET PAY	CURRENT TOTAL	DEDUCTIONS	NET PAY	
39,675.00	9,897.82	29,777.18	1,725.00	430.34	1,294.66	

EI (Employment Insurance)

Every paycheque, a percentage is deducted for EI, an insurance program run by the government.

If you are ever **unemployed not by choice**, you can **claim EI** and be paid some money until you find new employment. (After a 2-week waiting period.)

Examples of Qualifying EI Claims

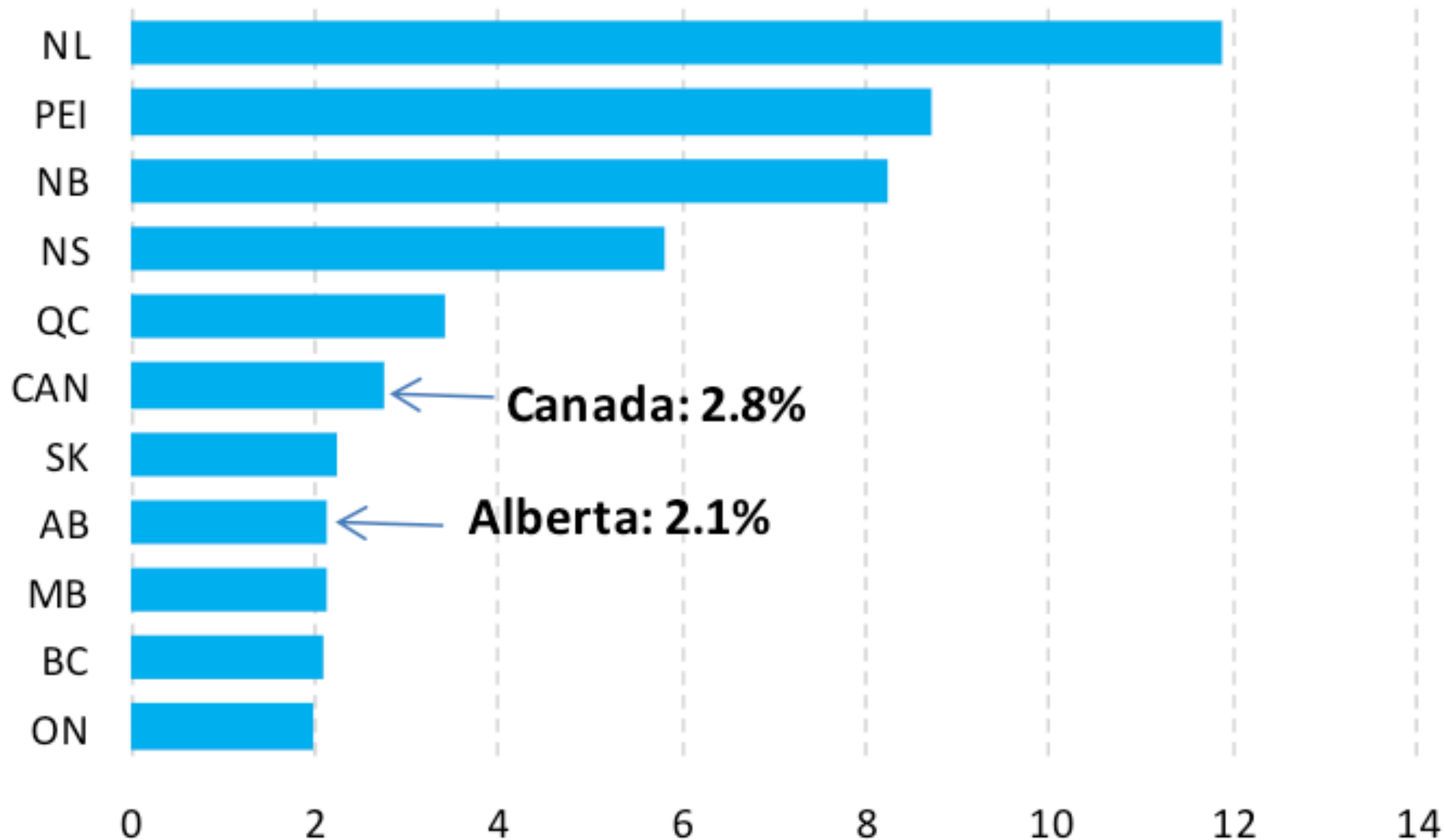
- ◆ You are laid off when the company doesn't need a worker anymore (e.g. seasonal work, or a business closing down)
- ◆ You take time off for maternity or parental leave, or if pregnant
- ◆ You are a fisherman (generally, this is seasonal work)
- ◆ You temporarily take time off to provide care to a family member who is gravely ill with a significant risk of death

What You Need to Apply to EI

- ◆ Social Insurance Number (SIN) (if your SIN begins with a 9, you need to supply proof of your immigration status and work permit)
- ◆ your complete bank information (for Direct Deposit)
- ◆ the names, addresses, dates of employment, and reason for separation for all your employers for the last 52 weeks
- ◆ Your version of facts if you quit or were dismissed from any job in the last 52 weeks
- ◆ the dates and earnings for each of your highest paid weeks of insurable earnings in the last 52 weeks or since the start of your last EI claim. This is used, along with your Record(s) of Employment, to calculate your weekly EI benefit rate
- ◆ Other documents to support your claim (e.g. medical records)

Percentage of Labour Force collecting E.I.

June 2015



Source: Statistics Canada CANSIM tables 282-0087 and 276-0022

Property Insurance



House Insurance

House insurance covers your home and the property in it. It may include protection against: **fire, theft, windstorms, water damage** (as from a leaking appliance), and **strata assessments**.

The objective of the insurance company is to put you back into the same position you were in before the loss. It will cover the costs of repairing damage to the house and replacing the contents that were destroyed.

Tenant Insurance

Many landlords require you have insurance on your belongings and the living space in case of accident or theft.

If you are found **liable** for any damage to the rental space, you may be required to pay the bill to fix it. Tenant insurance may cover this.

Business Insurance

In addition to providing coverage for loss, damage and liability issues, business owners buy protection for the indirect loss of business costs associated with having to suspend operations while recovering from an incident.



Liability Insurance



Covers claims of injury, malpractice and negligence caused by things such as:

- ◆ Product malfunction
- ◆ Accident

Liability insurance is often purchased by event organizers and businesses that work with the public.

Business Insurance



Commercial Insurance

Every business has unique risks. Have our commercial insurance specialists create a customized



Liability Insurance

Protect your business from potentially devastating costs with one of our comprehensive



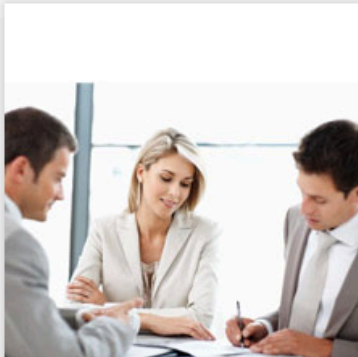
Construction Insurance

From high rise towers to cabins, our insurance plans reduce risks on construction projects of all



Small Business Insurance

Get affordable insurance for your business that gives you adequate



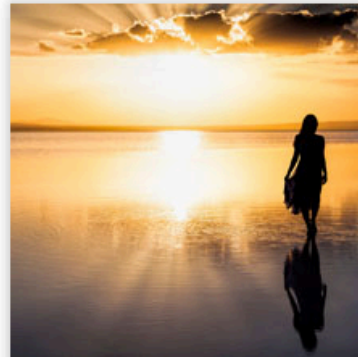
Contract Surety

We are well equipped to match you with the bonding company best suited to your needs.



Care Providers Insurance

Protecting those who deliver much-needed help to the elderly and the infirm is an important part of specialty insurance for care providers.



Church Insurance

we understand the importance of your place of worship as well as the unique risks and exposures faced by religious organizations.



Community Living Association Insurance

The clients you help have special needs. Make sure you're able to meet those needs by protecting your services against unforeseen challenges with community living insurance.

Business Insurance



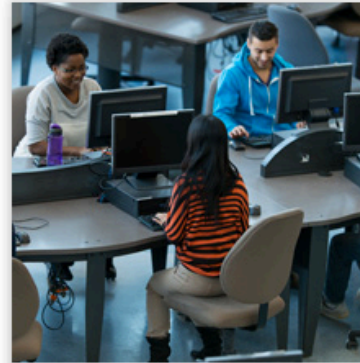
Drycleaners Insurance

Your ability to satisfy your customers and their unique needs can depend on how you protect yourself with insurance



Home Builders Program Insurance

Residential building contractors work in hundreds of different ways and locations, which is why



Information Technology Insurance

Residential building contractors work in hundreds of different ways and locations, which is why



Manufacturing Business Insurance Plus Importers and Exporters Insurance

The unique risks faced by the sector and how you handle those



Restaurant Insurance

Pubs, delis, cafes, cafeterias and restaurants all benefit from tailored restaurant insurance coverage.



Retail & Office Insurance

Despite an environment that is usually less physically dangerous, retail and office spaces possess their own potential risks that can be minimized with retail business insurance.



School Insurance

Educational facilities face unique challenges as you work with students, teachers and other members of your community.



Winery Insurance

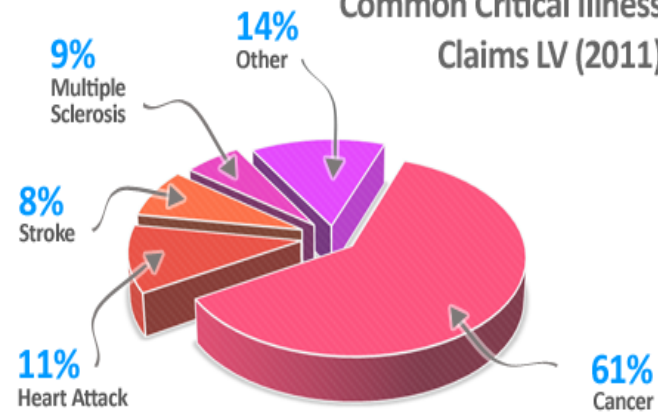
The factors that make each wine different also make each winery precious too.

Life Insurance

Many people have **life insurance**, which provides money to their loved ones in the event of their death. This helps to pay outstanding debts, including mortgage payments and any funeral arrangements.

Critical Illness & Disability Insurance

Common Critical Illness Claims LV (2011)



One in four

of today's working 20 year olds will experience a long-term disability during their careers.

Critical illness insurance is paid out on proof of life-altering illness, such as cancer or a stroke, after a specified waiting time. This is often a lump-sum payment you can spend as you wish, such as your choice of medical treatment or to cover your bills if you need to take time off work.

Disability insurance is paid out when you are unable to work for an extended period of time due to disability of some kind.

Travel Insurance

May protect against:

- ◆ Trip cancellation and interruption
- ◆ Emergency medical service
- ◆ Baggage and personal effects loss, theft or damage
- ◆ Flight or travel accident



Automobile Insurance

Automobile insurance is mandatory in Canada for all people who drive a motorized vehicle, such as a car or truck.



A basic plan covers medical expenses and rehabilitation costs, and up to \$200,000 for damages claimed by other drivers.