

# SIMPLY INSURANCE



Dan Hill

## BUYING A HOME?

### WHAT DO INSURANCE COMPANIES LOOK FOR?

Buying a home can be one of the most rewarding, exhilarating and exhausting things you can do. There are many highs and lows as you go through the process. As in the boy scout motto, it pays to "be prepared". As exciting a time as this is, you do not want to overlook the insurance requirements necessary to obtain coverage on your new home. One of the conditions of your mortgage will be to obtain property insurance. Insurance companies have areas of concern that brokers will review, and these items will be discussed in our article today.

**Plumbing:** Check to be sure that your plumbing lines are copper or plastic. Grey metal water lines indicate galvanized piping and most companies have concerns with this type of material as it has been proven to corrode from the inside out, causing a pipe to burst when you least expect it. Most companies will want the galvanized piping replaced with copper or plastic lines.

**Heating:** Your furnace should be current and well maintained. Furnaces that are 20 years and older should be inspected and you should obtain an inspection certificate that indicates it has been checked and that it is safe. Don't forget to check the furnace filter, as this is a good indicator of maintenance. Look for signs of rust around the bottom of the furnace. This is an indicator of potential previous water in the furnace area.

**Electrical:** Be sure to find out if you have at least a 100 amp electrical service in the home. Fuses or breakers are fine. If a 60 amp service is present, it may have to be upgraded to 100 amp. This can be costly depending on location, so be sure to find out before you purchase. Beware of Aluminum wiring. This was used in homes built from the late 1960's until about 1978, and has been known to be a cause of concern. Many companies will not insure a home with aluminum wiring. Several companies will, but with conditions that may be costly. Be sure to check this out.

**Roof:** Signs of curling or wear on the roofing shingles are indicators that the roof has likely reached the end of its time. Insurance companies like the roof to be in good condition and kept that way. If the roof is in disrepair or is visibly in need of replacing, they may limit the coverage available if the roof fails and, for example, leaks. They do this by adding a "roof exclusion". This will remain in place until you can show that a new roof has been put on the home.

**Also:** Be sure that all stairways have secure hand rails. Be sure that the home has functioning eaves troughs as insurers want any water to be moved away from the home, not collecting by the foundation as this could create problems for you. It is law to have functioning smoke alarms. Be sure to check this out also. Be sure any woodstoves are installed to current code.

By using this guide, you should be well on your way to making sure you won't be disappointed when it comes to insuring your new home. Remember ... "be prepared".

*Dan Hill is our Commercial Business Specialist at McKie & Farrar. He has been serving our community for over 30 years. If you have any business insurance questions, please feel free to drop by the office or call Dan for a no-obligation consultation.*

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