

WE HAVE YOU COVERED:

- Auto
- Home
- Business
- Trailers
- Motorcycles
- Boats
- Cabins
- Secondary Residences
- Condos
- Tenants
- Personal Umbrella
- Rental Properties
- Travel
- Vintage Cars

V O L . 1 4

Let our family take care of yours

Featured Claim...

Since we had over 300 claims reported to our office after the July 12, 2010 hail storm, we won't highlight just one. Rather, we'll relay some facts about hailstorms in Alberta and the insurance industry.

The July 12, 2010 hailstorm is now on record as being the single most expensive hail storm in Canadian history, with claim payouts for that outburst of hail of over \$400,000,000.00.

Not surprisingly, a portion of Southern Alberta is known as 'Hailstorm Alley'. It is one of the worst areas in the world for property-damaging lumps of ice created by thunderstorm clouds. Hail is most common in mid-latitude areas such as Alberta during summer where surface temperatures are warm enough to create the water vapor and convective activity necessary for thunderstorms but the higher atmosphere is still cool enough to support the formation of ice.

In the 1990s, in response to increasing hailstorms and the resulting property damage, insurance companies looked for ways to reduce the frequency and severity of hailstorms.

They developed the Alberta Hail Suppression Project (AHSP) and contracted a company to provide hail suppression via cloud seeding. The objective of cloud seeding is to reduce the formation of hail and change the precipitation to rain or snow.

The program employs meteorologists, Canadian pilots, and aircraft maintenance staff. Thanks to high speed Internet Service, pilots are able to monitor developing storms via a feed from the weather radar at the Olds-Didsbury airport. Environment Canada's radar at Strathmore and Carvel provide a backup in case of radar failure.

The AHSP has been in operation since 1996 and runs 24/7 from June 1st to September 15th. In 2007, about 76 cloud-seeding sorties were flown.

Good timing and having aircraft in the right area at the right altitude are crucial factors in effective cloud seeding.

While nothing is fool proof, as evidenced by the recent hail storm, the success of the AHSP is best reflected in the reduction in insurance claims of about 50% since the program came into effect. Savings of approximately \$50 million per year makes the \$2M annual investment in the AHSP very worthwhile for the insurance companies and helps to keep insurance premiums down.



Hail stones
Photo taken July 12, 2010
Courtesy of Larry Konschuh

INSIDE THIS ISSUE:

- Auto Insurance Rates 2
- How to safeguard your sentimentals 3
- A Note from Rob 3
- Tips from our Client Protection Team 3
- Contact Information 4
- Spread the Word Referral Program 4

Clearing up the confusion about Auto Insurance Rates

Auto insurance can be confusing. If you've actually read your insurance policy (which everyone should, but few actually do) you know what I'm talking about. While your policy explains what the insurance company will—and, more importantly, will not—pay for, it does not explain how prices are determined.

In practice, insurance rating is quite complex; handled by actuaries who compile and analyze mountains of data. But the foundation of this whole pricing process is really quite simple... Insurance companies are concerned about risk—the risk that an event they'll have to pay for is likely to occur. High risk equals high price. Low risk equals low price. Simple. Here are some of those risk factors that affect you and your auto insurance:

- ◆ Previous Accidents and Claims—The statistical truth is drivers with previous accidents and claims are more likely to have additional accidents. The driver with no claims is likely to continue that way. 
- ◆ Age—When it comes to driving there are high risk and low risk age groups. For example, drivers age 16 to 24 are among the highest risk drivers on the road. It's statistically proven. That's why their rates are higher.
- ◆ Where you live—Insurance rating is all about statistics. In some places accident rates are much higher than in others. Accident severity also varies from location to location. 
- ◆ Population density, traffic congestion, speed limits, dangerous traffic patterns—If you live in a statistically high accident area, your auto insurance rates will reflect that.
- ◆ Vehicle usage—How you use your car is a big factor, too. For example, the driver who commutes 1 mile to work is much less likely to be involved in accidents than the driver who commutes 30 miles. The risk they represent is different and so are their rates. Other such usage factors affect rates, too.
- ◆ Type of Car—Cars that are more expensive to fix, replace or are more commonly stolen represent higher risk to the insurance company. So, the price for insurance is higher for those cars. 
- ◆ Your driving record—People who drive unsafely represent a greater risk of accidents. Speeding tickets and other violations tell the company a driver indulges in unsafe driving habits.

Taking these and other factors into consideration, an insurance company essentially categorizes drivers by risk level and charges them according to the level of risk they represent. This is not done individually. Rather, the insurance company has filed its rates with the Alberta government rate board. Whichever filed rate level the individual falls into, those are the rates he or she gets.

Hopefully that helps clear up some of the confusion about why auto insurance rates vary so much from person to person and from place to place.



How To Safeguard Your “Sentimentals”

Insurance can provide you with the coverage you need to replace pretty much everything you own and protect everything you care about ... except those keepsakes we label as being of "sentimental value."

Yes, you can recover their money value but precious family heirlooms, from photographs and letters to jewelry and furniture are irreplaceable. Their loss, whether from natural disasters, fire or burglary is heartbreaking.

To protect small items, store them in a bank safety deposit box or a waterproof, fireproof home safe that cannot be moved and has a high security rating.

If you don't like the idea of them being out of sight, make copies of documents, have replicas made of jewelry, and take photos of other items, like clothing or weapons, that you can display on your walls.

Larger items like furniture are a bigger challenge. If you can afford it, you can have replicas made (or again take photos) and put the originals in fireproof storage. At the very least, position them where they're secure but least easily damaged and most easily rescued.

And if you're moving to a new home, transport them yourself.

A Note From Rob...

Students attending school away from home

September is when we get back into routine after the summer. If you have children, they're excited about the start of a new school year.

While children are living at home and going to school, their belongings are covered under the parent's home policy. But what about your son or daughter who is attending school at the University of Alberta or some other institution? How will their belongings be insured?

If your son or daughter stays at a dorm on campus and you, the parents have insurance on your home; your insurance will extend to cover their belongings. The amount of insurance varies from insurer to insurer but generally is around \$10,000. The lowest limit with the insurers we represent is \$7,000. Make sure you check with us to make sure the limit is adequate for your son or daughter.

If your student son or daughter lives in his or her own place off campus, or shares an off campus house or apartment with friends,

things get a little trickier. You might have to set up a separate renter's policy for your student. That will not only cover his or her "stuff", but also provide liability coverage in case somebody gets hurt in their place or tenant legal liability in case there is a fire in the dwelling and they are held liable. In fact, many Landlords make renter's insurance a requirement of a lease.

We do recommend that if your son or daughter has a lap top, that it be scheduled on the policy. The cost is \$2.50 / \$100 of value and if it were stolen or lost, there would be no deductible applied.

Depending on your son or daughter's particular situation, there might be some other variables that need to be considered. This is where we can help you get the best value and protection. Give us a call to discuss your son or daughter's particular situation.

Rob Young, CAIB



Tips From Our Client Protection Team

Furnace Inspections

Winter is on its way! Now is the perfect time to have the health of your homes heating system inspected to ensure it's ready for the long winter ahead. **An Inspection will:**

- ◆ Reduce risk of carbon monoxide poisoning
- ◆ Save you money by ensuring your furnace is running at peak efficiency
- ◆ Improve the air quality in your home by reducing dust, mould and allergens
- ◆ Result in more airflow and better delivery of warm air throughout your home
- ◆ Ensure your thermostat is working correctly
- ◆ Ensure your furnace motor, belt, & fan are up to the task ahead
- ◆ Reduce the risk of fire

If you've recently had your furnace replaced let us know so we can update your file!

Mike Clark, CAIB



Eaves Troughs

Eaves troughs can get cluttered and clogged with leaves, twigs, water and dirt. Now that fall is here (sad to say) the winter months are coming and that means the usual snow and ice accumulation. If your eaves troughs are too full to properly drain the water and debris away from the house, it can cause damage to your roof & siding. This could cause the ice to build up on the ground below causing a slippery walkway for you and anyone that comes to your home. Cleaning your eaves troughs can be dangerous so use caution or hire a handy man to clean them for you.

Karrie Wright, CAIB



School Zones

School is back in so make sure you obey the speed limit, and no passing in school zones. Safety of children is paramount, and any ticket in a school zone results in a surcharge on your insurance premiums.

Don't Forget—school zones go into effect a half hour earlier this year—they now start at 7:30am!

Pam Dacey-Roach



Young & Haggis
Insurance Services Ltd.
Let our family take care of yours

Suite 205, 11420 27th Street SE
Calgary, Alberta
T2Z 3R6

Phone: 403-255-7781

Fax: 403-258-2138

E-mail: info@young-haggis.com

Web: www.young-haggis.com



Your Best Insurance
Is An Insurance Broker

Spread The Word Referral Program

And the winner is...

April: Adam Karpoff

May: Hiesem Amery

June: Olivier Labelle

July: M. Christie

Our lucky winners have already received their gift card for The Keg, and their names will be entered into our grand prize drawing December 2010 for a \$500 gift certificate for the Delta Lodge at Kananaskis!

Please keep referring your friends & family to our office for a free no obligation quote, and **YOU** could win next month!

With every referral you send our way, your name will be entered into the following draws:

- Monthly draws for a \$150 The Keg gift card
- Annual draw for a \$500 gift certificate for the Delta Lodge at Kananaskis

If you have any questions, concerns, or comments about our referral contest please give us a call or drop us an email.



The intent of this newsletter is to highlight certain areas of insurance. It is important that you refer to your policy wordings for specific information regarding your limits and coverage.