



# PERSONAL INSURANCE PANDEMIC FAQs

There is so much uncertainty in the world right now that nearly everything feels like it has changed. As people around the globe work together to slow the spread of the virus, businesses are adapting to a new climate of physical distancing, and adjusting their models to help protect and support their staff and customers.

While insurance might, understandably, not be at the forefront of your mind right now, the risk to your property has not changed, and it is important to keep coverage in place in the event of a natural disaster or emergency.

Designated an essential service, insurance companies and brokers are working hard to ensure that their clients can still obtain the coverage they need and understand the options they have during this time of instability.

Here are answers to some of the most frequently asked questions about personal insurance.

## **YOUR OFFICES ARE CLOSED. HOW DO I RENEW MY POLICY?**

Public access to offices is temporarily suspended, but Megson FitzPatrick is open! Most of our team members are working from home, but a few are still in our offices, keeping us organized and making sure you get the paperwork you need. Everyone is available by phone or email, and ready to help you with your home, boat, travel trailer, and auto insurance.

Although you cannot visit your home insurance representative at this time, they are, as always, available to help by phone or email. Most home insurance policies automatically renew, so you just need to make payment. (If you are unsure how to make payment, call us and we will explain the options available to you.) Of course, if you have any questions about your policy, give us a call or send us an email and we will be happy to help.

To renew your ICBC insurance, call or email our office between 8:30 - 6:00 Monday to Friday, or 9:00 - 5:00 on Saturdays, to connect with an auto insurance expert. They will get your plates renewed over the phone, email you a temporary copy of the insurance papers, and mail you your new decal

### **MEGSON FITZPATRICK INSURANCE**

3561 Shelbourne Street  
Victoria, BC V8P 4G8

101-3531 Blanshard Street  
Victoria, BC V8Z 0B9

Toll Free | 1-888-595-5212  
Office | 1-250-595-5212  
Fax | 1-250-595-2900

[www.megsonfitzpatrick.com](http://www.megsonfitzpatrick.com)





and official documents. Since our call volume has increased, wait times on the phone are longer than normal, so we have added extra staff to make sure all requests are responded to within three business days. We sincerely appreciate your patience as we all work through these challenging times together.

### **I CAN'T PAY MY PREMIUM RIGHT NOW. WHAT DO I DO?**

We know that everyone is facing different challenges right now, and we want to support our community as best we can. If you are unable to pay your home insurance premiums because of coronavirus-related expenses or income loss, please contact our office to go over your payment options, and request further accommodation if necessary.

While they cannot stop collecting premiums (because they need the money to pay out claims), our insurance company partners understand that these are financially and emotionally difficult times, and are providing more flexible payment options to clients who need them.

In some cases, payments can be deferred, and often monthly payment plans can be arranged to spread the payments out. The plans available to you depend on your policy type and the company insuring your home, so you will need to contact our office to review your options in detail.

If you do not pay your premium, and do not arrange for deferment or an alternative payment plan, your policy could be cancelled for non-payment. To ensure your coverage is continuous, and your home is protected, work with your broker to find a payment plan that works for you.

### **DO I NEED EXTRA COVERAGE IF I AM WORKING FROM HOME?**

No, home insurance policies include a small amount of coverage for “business property” (any items used for work, such as your computer) in your home, and liability coverage for your work would be provided by your business’s commercial insurance policy.

If you own a business that you will now be operating out of your home instead of an office or storefront, contact your home insurance broker to adjust your coverage.

Depending on the nature of your work, you may need additional coverage through your home insurance policy if you do continue to work from home on a full-time basis post-pandemic. Your home insurance broker can arrange this for you.

### **DOES THE VIRUS IMPACT MY COVERAGE?**

Not exactly.

Many home insurance policies already specifically exclude coverage for damage caused by communicable



diseases. If you are thinking how would a virus damage my house? Good question. It probably wouldn't. However, your home insurance policy covers more than your house; it also covers your personal liability. Basically, you do not have coverage in place for legal fees or damages awarded by a court if you are sued for transmitting a communicable disease. That is not a new exclusion, but it may feel more relevant now. (Keep in mind, though, that to be found liable, you would have had to acted negligently.)

Where the virus may have an impact on your coverage is if it forces you to change your lifestyle:

- As outlined below, if house you own becomes vacant, your coverages will be reduced.
- If you take a job delivering food in the evenings, your vehicle insurance may need to be updated.
- If your daughter moves in with you and starts running her lion-taming business from your backyard, you will definitely need to speak to your home insurance broker about coverage.

## **MY TENANTS MOVED OUT AND I CAN'T FIND NEW ONES RIGHT NOW. WHAT DOES THAT MEAN FOR MY INSURANCE?**

That depends. If your tenants moved out with no intention to return, your rental property would be considered vacant. If they have left temporarily and intend to return, the house is unoccupied.

Vacant homes are subject to higher premiums and greater restrictions than occupied homes, and are eligible for less coverage. This is because the risk of damage to the home increases when no one is living in it. (For example, if there is a water leak, a resident would likely be able to identify it and start the process to fix it right away. Whereas if the property is vacant, even if it is checked on regularly, it could be much longer before the leak is noticed, and the damage caused would be much greater.)

Generally, houses that are vacant lose the following coverages:

- Vandalism and malicious acts;
- Water damage (including sewer and drain backup); and
- Glass breakage.

If you or a family member can move into the rental property until you secure new tenants, you would not lose insurance coverage.

Should the house be unoccupied – that is, the tenants are gone temporarily but have left their furnishings and intend to re-occupy the home in the future – your insurance policy should be unaffected.

## **BUT WHAT ABOUT MY RENTAL INCOME?**

Landlords whose tenants move out of their property due to COVID-19 cannot claim lost rental income under their insurance property.



Rental income coverage is available when an insured peril (e.g. fire) makes the unit uninhabitable. At any time, tenants may choose to move out of a home, and there would not be coverage for lost rental income, even if the pandemic is making it more difficult to find new tenants.

### **MY TENANT CAN'T PAY RENT. WHAT CAN I DO?**

The BC Government announced a plan to help support tenants and landlords impacted by COVID-19, and have temporarily ceased evictions.

Renters who have lost income due to the virus can apply for a \$500 a month supplement that will be paid directly to the landlord.

Evictions may be permitted during the pandemic in exceptional cases; however, the inability to pay utilities and/or rent is not considered to be exceptional at this time.

### **I BOUGHT A HOUSE. HOW DO I INSURE IT?**

Same as always – call or email us!

We will collect all the information we need about the house, prepare some quotes, and review your options with you via whatever contact method works best for you.

The application can be completed by e-signature, and the policy documents will be emailed or mailed to you.

### **CAN I GET STORAGE INSURANCE FOR MY VEHICLE?**

Yes, anyone who is not driving their vehicle during the pandemic, and who does not park it on public roads, can get storage insurance for their vehicle. However, if you have active insurance on the vehicle, you will have to cancel the policy (paying a \$30 cancellation fee and returning the license plates, then paying \$18 for new plates when you decide to insure the vehicle again). If your policy is coming up for renewal soon, it may be most economical to wait until then, and put storage on the vehicle instead of renewing the policy.

If you are still driving your vehicle to the grocery store or to appointments, but no longer commuting to work, you can change the rate class to pleasure use, and save some money. The premium savings will be pro-rated until the policy expiry, and if you go back to driving to work before then, you can easily switch the rate class back to account for the commute.

These FAQs are generalizations and not meant to be definitive to every situation. Your needs are unique and should be discussed in detail with your Personal Insurance Advisor.