

## Some Albertans put insurance coverage on the chopping block to save money

-- *The 2<sup>nd</sup> Annual TD State of Insurance Report unveils a serious disconnect between what Albertans think and what they do when it comes to insurance --*

**Calgary (June 27, 2012)** — Most Albertans consider insurance an integral part of their overall financial health, but some admit they have cut corners with their coverage to keep costs down. According to the TD Insurance State of Insurance Report, 21% of Alberta residents have cancelled or forgone insurance altogether in an effort to save money. As a result, nearly one-quarter of Alberta residents now admit they don't think they have enough insurance (23% versus 10% in 2011).

The report – an annual study by TD Insurance to understand Canadians' habits, attitudes and knowledge about insurance – also found some Albertans have decided not to make claims in order to keep their premiums low (33%) or to avoid a high deductible (29%).

“If you want to save money and preserve your personal finances, the last thing you should be doing is curbing your insurance coverage,” says Dave Minor, Vice President, TD Insurance. “For working families, insurance is one of the best ways to ensure your assets and income remain intact in the event that something unexpected happens. Speaking with your insurance provider is the first step to cutting costs. They can help you look for additional savings and tailor your coverage to ensure you're getting the best value.”

According to the report, the majority of Albertans (75%) say they consider insurance an integral part of their financial planning. Yet, 34% of Alberta residents don't have any life insurance, a product Minor says should be an important component of Canadians' retirement planning solutions.

“Our report unveiled a serious disconnect between what Albertans *think* and what they *do* when it comes to insurance,” Minor says. “Residents of Alberta say they understand the importance of insurance, yet many admit they don't have enough insurance to protect their assets and loved ones, now and into the future.”

### ***Not all Albertans think honesty is the best policy***

Over one-fifth of Alberta residents (21%) now admit they have not been completely truthful or omitted information when filling out an insurance application, compared with only 13% in 2011.

“Telling a little white lie or failing to disclose important information to your insurance provider can put your insurance coverage at risk, and may even be considered fraud. It's very important to be open and honest with your insurer, so you have the peace of mind knowing you are covered if something unexpected happens,” says Minor.

According to the Insurance Bureau of Canada, organized insurance crime – which includes insurance fraud, auto theft and filing fraudulent claims – costs insurers and policyholders about \$542 million annually.

### ***Albertans are concerned about how extreme weather may affect their coverage and are taking precautions***

With household expenses under the microscope, many Albertans admit they're concerned about external factors that may affect their coverage, including extreme weather. Water damage is now the leading cause of property damage in Canada, amounting to approximately \$1.7 billion in claims annually.

According to the report, 70% of Albertans are concerned that a natural disaster won't be covered by their insurance policy. As a result, many are taking precautions to help protect their homes and valuables from severe weather and natural disasters:

- 64% ensure they have an adequate number of working smoke detectors and fire extinguishers
- Albertans are most likely to check their properties for blockages that prevent water draining away from their home (56% versus 46% nationally)
- 39% remove weak branches and trees on their properties that could fall on their homes or on power lines
- Albertans are most likely to keep a detailed inventory of their valuables in a safe place (29% versus 24% nationally)
- 21% choose landscaping that helps resist soil erosion

"Some extreme weather-related damage may not be covered by a basic home insurance, like water damage caused by flooding, damage to antennas and satellite dishes as a result of strong wind, and damage caused by earthquakes," says Minor. "Speak to your insurance provider if you're unsure about your coverage."

### ***Albertans are learning more about their coverage but many are still confused***

"Understanding exactly what you are covered for is the key to protecting yourself and your loved ones," says Minor. While the State of Insurance Report found fewer Albertans are not sure what they're covered for in comparison to last year, over a quarter still aren't fully informed (26% versus 29% in 2011). Furthermore, 62% of Alberta residents don't bother to read the fine print of their policies thoroughly (compared with 79% in 2011).

"It's unrealistic to know your policy line by line," says Minor. "But just like you wouldn't buy a car without knowing what features you're paying for, it's important to understand what protection your insurance can offer. At the end of the day, insurance should give you peace of mind."

### **About the TD Insurance 2nd Annual State of Insurance Report**

TD Insurance commissioned Environics Research Group ([www.environics.ca](http://www.environics.ca)) to conduct an online omnibus survey of 1,012 Canadians 18 years of age or older, including 128 respondents in Alberta. Responses were collected between February 15-21, 2012.

### **About TD Insurance**

TD Bank Group's insurance companies and operations carry on business under the TD Insurance brand. TD Insurance offers a wide range of products to help protect clients from the 'accidents of life' including credit protection, life, health, travel, home and auto insurance. With more than 3 million clients, TD Insurance authorized products and services are available through a network of more than 1,150 TD Canada Trust branches, the Internet and telephone. For more information, visit [www.tdinsurance.com](http://www.tdinsurance.com).

###

**For further information:**

Liz Christiansen / Caitie Croza

Paradigm Public Relations

416-203-2223

[lchristiansen@paradigmpr.ca](mailto:lchristiansen@paradigmpr.ca) / [ccroza@paradigmpr.ca](mailto:ccroza@paradigmpr.ca)

Samson Yuen

TD

416-308-8905

[samson.yuen@td.com](mailto:samson.yuen@td.com)