

PREMIUM COVERAGE

Premium Coverage is a seasonal newsletter created and issued by Western Financial Group Insurance Solutions.

The information provided in this newsletter is intended to be general in nature and should not be taken as advice or as a recommendation about insurance.

For specific details regarding insurance protection, refer to the Terms and Conditions of your policy.

If you have any questions please call 1-800-665-8990.

Cold Weather and Frozen Pipes

Cold weather can be a big problem for home owners and commercial property owners – especially if a building is sitting empty for a period of time. **Why? Plumbing!** If you are planning on taking a winter vacation or have moved and the new owner/tenant is not moving in right away, be sure to take the below precautions.

Freezing Pipes:

If your home or building gets too cold, the water in your pipes can freeze overnight. When the building warms up again during the daytime, the expanding ice can break connections or burst pipes. This has the potential for extensive flooding and water damage.

The pipes that need the most concern are those exposed to the cold – outdoor hose faucets, plumbing in unheated basements, crawl spaces, attics, garages. Insulate pipes in areas that may be susceptible to freezing.

Water lines or hot water heating lines that run close to exterior windows and doors can also be at risk. There have been many cases where apartments or hotel rooms with hot water heat registers under the windows get too warm, and tenants or room guests open a window (even in very cold weather) to cool off the room, so they can sleep. If the temperature drops very low and they forget to close the window, the water lines can freeze and burst. When the hot water in the rest of the line melts the ice, plugged water shoots out from the burst pipe – flooding the room.

How to keep it from happening:

- Turn off the inside valve to your outside water tap, then open the outside tap and let it drain. (New installations may have a frost proof tap that shuts the water off inside the building rather than at the outside tap).
- Hotel housekeeping should check each room in the morning during cold spells to ensure windows are closed and thermostats have not been turned off.

If you are going away for an extended period during the winter:

- Shut off the tap to main water supply coming into the building.
- Shut off the taps for the water lines to your clothes washer and dishwasher.
- Flush toilets and open water taps to drain water. Leave taps open a little to allow any remaining water to drain out.

Healthy Eating in a Fast Food World

It's five o'clock. You're tired, hungry and can't wait to get home. On the way you pass a string of drive-thru restaurants. Unable to resist the hunger pangs, you stop in for a quick pick-me-up snack.

In today's world, time is precious and convenience is essential. More than 20% of all meals are eaten somewhere other than home and come from fare not found in the four food groups. The increase in developing obesity, diabetes and other serious health problems can be traced back to poor eating habits and over-processed foods.

The tips below can help you get out of the fast food lane and hop on the path to better health.

Shop smart.

Healthy eating starts in the grocery store, but healthy choices can easily be sabotaged by a trip down the candy aisle. To lessen the chance of piling up on unhealthy choices, try shopping around the perimeter of the store – less processed foods like fruit and vegetables are usually found there. If you must venture down the "riskier" inner aisles, bring a list and stick to it. Get the whole family involved by pre-planning meals and letting everyone contribute to the menu. Most importantly, don't go shopping on an empty stomach – you may leave the store weighed down with quick-fix junk foods.

Fool fast food.

Choose healthier options when you do go to fast food restaurants. Skip the processed cheese, order sauces and dressings on the side and opt for smarter choices like grilled chicken, fish or even a small hamburger. By picking foods from the lighter menu, you can cut fat intake by half. Never super size your meal and skip the French fries altogether. Research shows that French fries are the most eaten vegetable and are also loaded with the unhealthiest of saturated fats.

Slash sugar.

Spice might be nice, but sugar sure isn't. Loaded with calories and devoid of nutritional value, this culprit contributes to Type 2 Diabetes, obesity and puts you at greater risk of heart attack, stroke and cancer – not to mention causing tooth decay. Avoid sugary breakfast cereals, candies and store-bought baked goods. Remember that pop is stacked with sugar and should be a treat, not an everyday drink.

Juice, even unsweetened, also contains a lot, so reduce your intake by watering it down. Better yet, eat your fruit instead of drinking it and you'll gain the added benefit of fibre. Drinking water is the best option of all. Aim for eight glasses a day.

Pay attention.

Many people will keep eating when food is in front of them, even if they are full. Try not to eat when your attention is elsewhere. If you must, then ration your food so you can't overeat. Understand portion sizes – one serving of meat looks like a deck of cards and one cup of potatoes, rice or pasta, like a tennis ball. It's a long way off from a 20 oz. steak, or that massive plate of fettuccine alfredo served at restaurants.

Snack often.

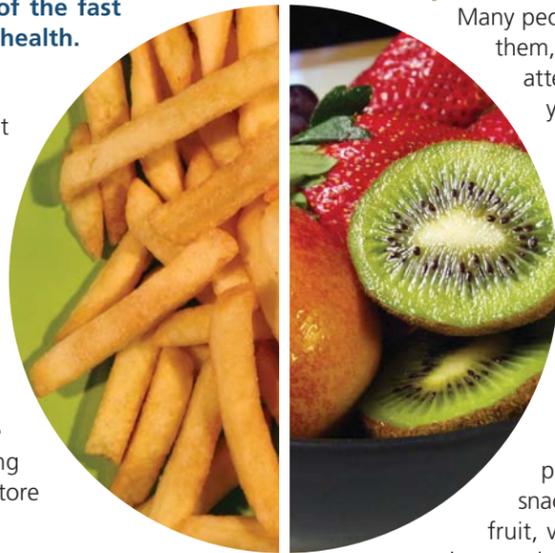
Snacking is important for the body, fueling it between meals. Without a boost, you wouldn't perform at your best. To avoid those pit stops at fast food restaurants, pack healthy snacks from home such as whole grain crackers, fruit, vegetables, yogurt and nuts. Satisfying your hunger during the day will quell overeating at mealtime because you won't be overwhelmed by your hunger.

Break the cycle.

Sugar, fat and salt create an addiction-like craving if consumed frequently and in large amounts. Eating fast food more than triples the intake of these ingredients as opposed to homemade counterparts. Like caffeine, if you don't get your regular dose of sugar, salt or fat, you'll crave it. But just as your body gradually got used to high levels of these foods, it can adjust to life without fast food and the unhealthy additives that come with it.

Follow the suggestions above, avoid eating out and soon you'll be craving fruit instead of French fries.

– Shepell-fgi, www.shepellfgi.com



EMPLOYEE BENEFITS

Treat Yourself to Healthy Eating

Most people think eating healthy means boring, tasteless food. This couldn't be further from the truth. There are endless great-tasting healthy food options around to nourish your body and mind.



Be sure to follow the 90/10 rule. Make healthy choices 90% of the time and leave the other 10% for indulgences. By eating a healthy, well balanced diet, your body is guaranteed the nutrients it needs. In return, you get higher energy levels, increased brain function, stronger bones and muscles and protection from disease.

– Shepell-fgi, www.shepellfgi.com

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Cold Weather and Frozen Pipes

Have a responsible person check your home or building regularly while you are away:

- Check your insurance policy for requirements – some policies require buildings to be checked daily during heating season.
- Have them check all rooms with plumbing fixtures and log time and date on a calendar.

In the event of a frozen pipe:

- **DO NOT** use any sort of open flame to warm up the pipe. Using open flames in confined spaces creates a carbon monoxide poisoning hazard, as well as a fire hazard, because pipes are usually near combustibles.
- Locate the frozen area then use a space heater, hair dryer or electric heating pad to thaw the pipe. Keep the faucet open as you work so the water can start to flow as the ice thaws. Running water will help melt the ice faster.
- If in doubt or if you cannot thaw the pipe, call a licensed plumber before the pipe breaks.

– Ken Fingler,
Director, Risk Management

COMMERCIAL INSURANCE

Co-Insurance: What Is It and How Does It Work?

Most commercial policies covering property (building, stock, equipment, and business interruption) contain the following clause or similar clauses known as the Co-insurance Clause:

The Insured shall maintain insurance concurrent with this form on the property insured to the extent of at least the Co-insurance percentage stated in the Declarations (face page of your policy) of the actual cash value thereof, or as modified by the replacement cost coverage, and, failing so to do, shall only be entitled to recover that portion of any loss that the amount of insurance in force at the time of loss bears to the amount of insurance required to be maintained by this clause.

The Co-insurance percentage is usually stated as 90% for building, stock and equipment; 50%, 80% or 100% for business interruption.

What Is It?

The Co-insurance Clause requires you to insure for the amount of insurance equal to the percentage stated in your policy. If 90% is shown you should be insured for 90% of the value of your property. This clause allows the insurance company to penalize you for under insurance by making you responsible for the amount of the shortage. For example, if you insure 50% of the value of your property and you have a partial loss, the insurer will pay you only 50% of your loss.

How Does It Work?

In the course of investigating and settling a loss, an adjuster will determine if you have purchased a sufficient amount of insurance to comply with the Co-insurance requirement. If you fail to do so you will receive less than the full amount of your loss. If you comply with the Co-insurance requirement you will receive full reimbursement, subject to the applicable deductible or other limitations contained within your policy (such as a tobacco limitation).

Co-Insurance Formula

The following formula is used to calculate the amount of payment on a claim with the application of the Co-insurance Clause (Co-insurance percentage of 90%).

$$\frac{\text{what you did insure for}}{\text{what you should insure for}} \times \text{amount of your loss} = \text{amount you will receive}$$

Using an example of a building valued at \$350,000 (90% Co-insurance Clause) with an amount of insurance on the policy of \$200,000 and a loss valued at \$100,000 the calculation would be:

$$\frac{\$200,000}{\$315,000 \text{ (90\% of } \$350,000)} \times \$100,000 = \text{Settlement}$$

$$\frac{\$200,000}{\$315,000} \times \$100,000 = \$63,492$$

You will receive 63.5% of your loss as you insured for 63.5% of the required amount of insurance.

If the amount of insurance was \$315,000 or more, the full amount of the \$100,000 loss would have been paid by your insurer. To under-insure or to be unaware of your insurance to value requirements can be a disastrous mistake for the future of your business.

At Group Insurance Solutions we review your values each year at renewal and strongly encourage you to maintain proper amounts of insurance. Surprises such as under-insurance at time of loss can affect the profits realized by your business and depending on the amount of loss, may ultimately impact its survival. Under-insurance can be controlled with annual reviews of your limits with your Group Insurance Solutions Representative.

– Bert Walker, Assistant Vice-President, Claims & Personal Lines

PRIVACY ACT

Western Financial Group (Network) Inc. is focused on respecting your privacy and maintaining confidentiality of information. We have safeguards in place to protect your personal, business, and financial information which adheres to the Ten Privacy Principles as covered by the Personal Information Protection and Electronic Document Act (www.privcom.gc.ca).



You can now pay your Western Financial Group Insurance Solutions invoice online instead of sending in a cheque. Paying online lets you make payments electronically, eliminating the need for cheques, envelopes or stamps.

Two convenient ways to pay invoices online:

- 1 Internet Banking** – Pay your Western Financial Group Insurance Solutions invoice through most financial institution's online banking services. Click on "Add Payees" and search for "Western Financial Group (Network) Inc." as the company name.
- 2 TelPay** – Pay by TelPay accesses your chequing or savings account from the financial institution of your choice via Electronic Funds Transfer (EFT).

TelPay Visit www.telpay.ca to pay your bill now and/or register to Pay by TelPay!

For more information, please contact your Western Financial Group Insurance Solutions account representative at 1-800-665-8990.

Trivia Contest Winner

Congratulations to the winner of our Premium Coverage Trivia Contest:
Kathy Magnusson

She has won a Group Insurance Solutions Prize Package.

Thank you to everyone who took the time to enter last issue's Premium Coverage Trivia Contest!

Western Financial Group
Insurance Solutions

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RETURN UNDELIVERABLE CANADIAN ADDRESSES TO:



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