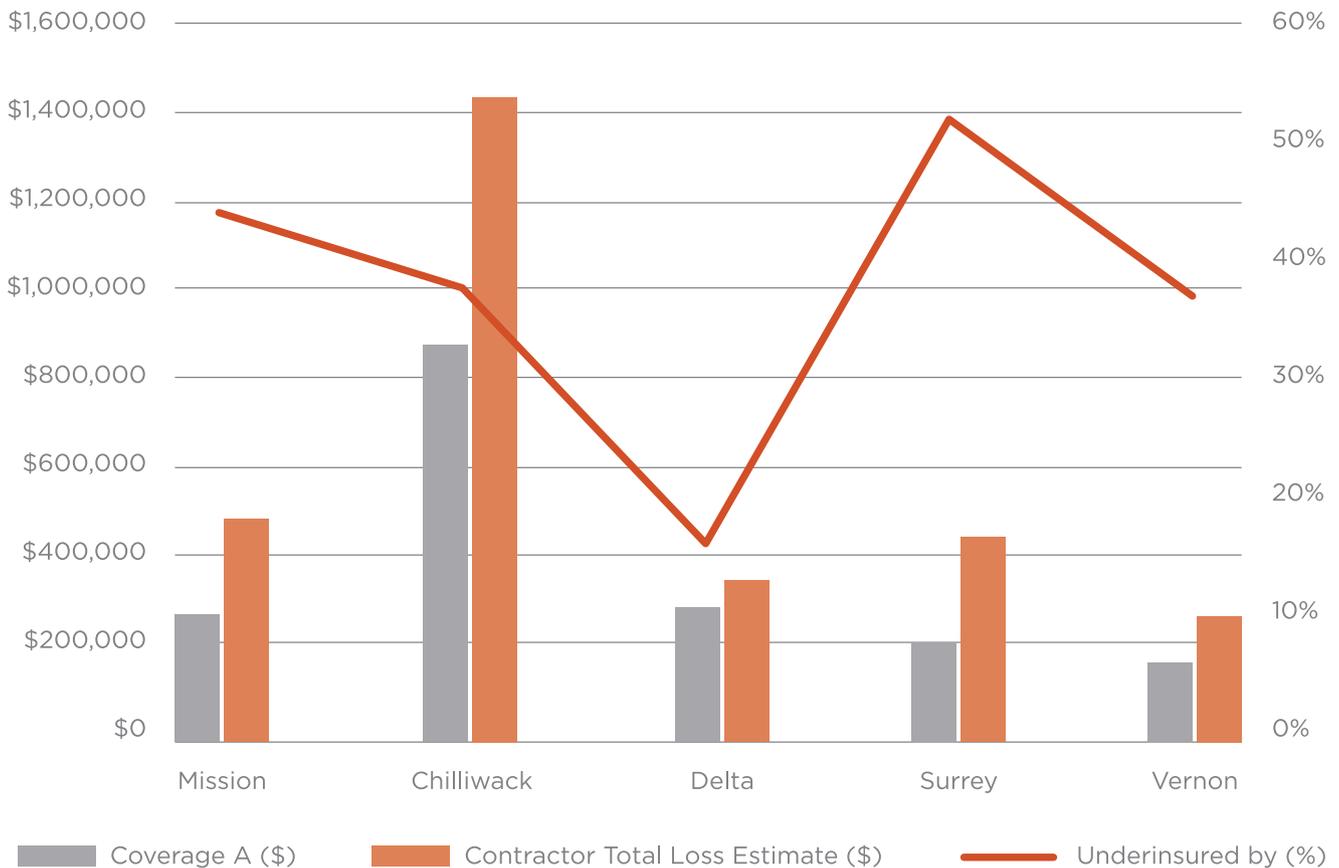


OPTA INFORMATION INTELLIGENCE

Why getting ITV right matters

Underinsurance in B.C.



In Western Canada, underinsurance is proving to be a rising concern as many experts feel underinsurance rates in B.C. are among the highest in the country. Seventy per cent of existing homeowner policies are underinsured by an average of 30 per cent. Given that guaranteed replacement cost prevails in most property insurance policies, the insurance companies remain financially responsible for funding the insurance-to-value (ITV) gap.

For the industry, underinsurance reduces premium, commission and contingencies, and it increases loss ratio and liability exposure. For the insured, it indirectly reduces coverage limits for contents, additional living expense and, in some cases, earthquake.

Opta, creators of the iClarify™ valuation tool, recently conducted a study analyzing urban and rural losses across B.C. to measure the accuracy and variance of iClarify™ replacement costs versus contractor total-loss estimates. The results were extremely positive, with an average variance of one per cent.

These values, when compared to Coverage A on all policies, prove a staggering difference with properties heavily underinsured in B.C. (see graph).

Says Klaas Westera, vp of valuations at Opta Information Intelligence: "iClarify™ valuations have consistently proven to be accurate when compared to actual total-loss costs, the only true indicator of valuation accuracy. iClarify's™ high level

of accuracy results in more accurate policy limits for reconstruction, contents, additional living expense and even earthquake in some policies."

iClarify™ provides a unique approach to addressing the problems associated with insuring to value. Developed from the largest repositories of total-loss claims and property construction feature data nationwide, it is the only validation tool that provides instant access to precise geocoded property intelligence, valuation data and streetscape imagery.

This powerful tool enhances customer experience, significantly reduces the home-valuation process from about 20 minutes to just two minutes and provides the most accurate insurance-to-value information.

To learn more, visit optaintel.ca. **IP**