



MRD TRAINING & CONSULTING INC.

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www.mrdconsulting.ca

RIBO LEVEL ONE ONLINE

CASE STUDY TWO

John and Jane Smith recently purchase a cottage and will be taking possession of it shortly. They currently have a Comprehensive Homeowners Policy and an automobile policy for a new Cadillac Escalade through your office. They would like to arrange insurance for the cottage.

1. What do you tell them is insured under Coverage A of the Seasonal Dwelling policy added to their existing Comprehensive Homeowners policy?
2. Jane tells you there are a number of trees close to the cottage and she wonders if there is coverage if a tree fell on it. What would you tell her?
3. John asks if their policy will protect them from possible burglary and malicious damage at the cottage. What is your response?
4. They plan to buy a boat with 25 HP outboard motor. Will it be covered if they accidentally injure a swimmer in the water?
5. John asks if the policy will cover them if they accidentally start a fire that spreads and damages their neighbour's property. What is your response?
6. They have a son Jimmy who will be turning 16 in a few months and will be getting his drivers license.
 - a) Does Jimmy need his own automobile coverage to drive John's car?
 - b) Does John need to make arrangements with you for Jimmy to be able to drive?
7. John advises if they are in an accident and their vehicle is damaged in the collision, they would need another car to drive while theirs is being repaired. John asks:
 - a) Is the loaner car automatically covered?
 - b) Is there a better method to cover this situation?
8. Jane says she heard that if a person is injured in an automobile accident, they are compensated under their own policy. John has argued this with her as he heard this is only true if the person injured is responsible for the accident. What do you tell them?