

*"If A is success in life, then A equals x plus y plus z. Work is x; y is play; and z is keeping your mouth shut." Albert Einstein*



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## Auto theft

Today, vehicle theft accounts for more than 13% of all property crime in Canada. Much of this is attributable to the rise of organized theft rings in Canada. The highest theft frequencies were observed in British Columbia, the western region and Quebec. The total cost of theft claims in Canada for 2003 was \$612 million.

Some car models are more theft-prone than others because they are easier to steal, more desirable, or both. The 4-door, 4-wheel-drive Subaru Impreza WRX is the most frequently stolen vehicle, with a number of others close behind.

## Vehicle recovery

AutoFind is a joint project between the Insurance Bureau of Canada's Investigative Services and police services in Toronto, Calgary, Edmonton and Halifax. IBC was instrumental in the recovery of \$16 million in vehicles last year.



# The hidden power of insurance

The shuttle that thunders into space depends on it. The robots that work on automobile production lines need it. Without it, surgeons in state-of-the-art operating theatres would be vulnerable. It's insurance, the world's silent service. Hidden, yet vital.

## Taking risks

In earlier times, merchants in Italy and England who financed the voyages of ships to gather silks and spices knew well the terrible dangers their vessels would face. Pirates, navigation errors and storms often conspired to threaten their investment. In Italy, however, an early form of marine insurance was devised to counteract these dangers. In 1063 merchants in the trading port of Amalfi introduced what became known as the Amalfi Sea Code. Under the Code, any merchant whose ship was lost was reimbursed from a pool of money to which they all contributed. The Code held sway throughout the Mediterranean for over 500 years. Then as the trading and military might of Great Britain grew, so did the need for more sophisticated insurance protection.

## Deadly scourge of fire

While marine insurance played a pioneering role, it was the deadly scourge of fire, and one disaster in particular, which triggered the early growth of insurance. That event was the Great Fire of London in 1666,

which destroyed more than 13,000 homes and 100 churches. With it arose demands for better protection and a year later, a local dentist, Dr. Nicholas Barbon, opened an office to transact fire insurance on selected dwellings in London. By 1706, the Sun Fire Office in London was offering coverage on contents as well as the dwelling themselves. Insurance companies opened for business in Scotland by 1720, in Germany by 1750, in the United States by 1752.

## 19<sup>th</sup> century Canada

The Phoenix Assurance Company opened in Montreal, Canada in 1804 and five years later, a group of Halifax businessmen, priding themselves on local knowledge and a concern for the citizens of Nova Scotia, formed the Halifax Fire Insurance Association. In 1836, Upper Canada authorized the creation of mutual insurance companies—owned by the holders of the company's policies. Three years later, the Gore District Mutual Fire Insurance Company was formed and today, it is Canada's oldest continuously operating fire insurer. In the olden days, many insurance companies owned and operated fire brigades until 1866, when local governing bodies assumed that responsibility.

How's that for a long and colourful history? Hat's off to a future of enormous promise!

# Spotlight On



It's hard to believe that Patsy Surette has been with Vaughne Assurance for 15 years! She started off as the bookkeeper, and for the past six years, has held the title of Commercial Lines Supervisor—a role she loves. “I feel by giving my clients the time and attention they require on an individual basis that this reflects that I not only appreciate their business but that I actually care about who they are,” says the perky brunette, who takes her role as CSR (Customer Service Representative) to heart.

Patsy's day starts off with a rigorous 5 km walk in Eel Brook, a routine she's done with a friend every morning for the past eight years, rain or shine. She also manages to find time after work to volunteer by serving

## Client's corner ~

Retired bookkeeper, Meredith Vickery, has been with Vaughne Assurance for the past 13 years. “They always answer all of my questions and they've been very good to me.” This Yarmouth homeowner once had an incident when lightning struck her house and she lost things like the alarm system and her TV. “They were very prompt with my claim and getting things fixed up. It means a lot to know they are there. I am very happy with them.”

Right after Christmas in December of 2004, Emery Smith Fisheries Ltd. in Shag Harbour had a disastrous fire. The company lost \$1.5 million dollars worth of inventory, as well as several buildings including coolers, a workshop and an ice plant. Thanks to Vaughne Assurance, agents were on site within 24 hours. Monty Smith (Manager, Emery Smith Fisheries Ltd.) says, “We have no complaints whatsoever. Within six months to the day of the fire, we had a cheque in our hand and were able to rebuild.” Now that's service.

*“They always say time changes things, but you actually have to change them yourself.” Andy Warhol*

on various local boards, to teaching religion classes. A home, she likes to listen to bands like The Eagles and curl up with a good murder mystery book. Once in awhile she dons some skis, but she sticks to small hills after a hairy experience on the side of a mountain.

But in the realm of work, protecting people by insurance runs deep in her veins and she worries about clients who don't carry enough insurance. “Many people do not look to the future and they could lose their building(s) in a fire... with insufficient insurance they run great danger of not having enough monies paid back to them to rebuild and keep their business in operation.” She points out that if there are not sufficient funds to rebuild, it could cause a business to shut down.

Another concern for Patsy is Directors & Officers coverage. Many non-profit organizations are not protected through insurance and it's not only the organization that is at risk; the directors, officers and trustees, members of the committee, employees, and volunteers could also have their necks in a noose. “Even though lots of us are humanitarians and want to do things out of the goodness of our hearts, in today's society it could backfire and cause financial ruin.” Patsy's advice? “If you are a board member it might be a good idea to encourage your entity to look into acquiring this type of coverage to benefit everyone.”

*Sage advice, indeed.*

## Personal and commercial property insurance

Property Insurance provides protection for losses to buildings and contents. A number of related types of protection are often purchased together with property insurance; these include personal liability for homeowners and tenants, business interruption insurance and temporary accommodation costs.

## Other types of P&C insurance

There are many specialty types of P&C insurance in addition to automobile, property and liability. Some of these are boiler and machinery insurance (protects companies from losses resulting from faulty or malfunctioning machinery); surety insurance (guarantees that an individual or company will complete work that it was promised to do); fidelity insurance (protects organizations against dishonest or fraudulent acts of their employees); and marine and aircraft insurance (includes protection for losses to vessels, cargo and liability to passengers.)

*"A ship in port is safe, but that is not what ships are built for."  
Grace Murray Hopper*



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## Insurance Brokers

There are about 1500 men and women working as Independent Insurance Brokers in Nova Scotia. They have offices in almost every city and town, and have a strong presence in our communities. In fact, they are the faces of your friends and neighbours—sponsoring and participating in local sports and charity events, serving on volunteer fire departments and community organizations, and supporting the local economy.

Independent Brokers help consumers choose from among the insurance products offered by a variety of insurance companies. They navigate clients through the complex insurance marketplace and government regulations, assist in choosing the right product at a fair premium, assist with claims process, and provide professional information and advice. Insurance brokers work for you. Their job is to satisfy your insurance needs.

# Questions & Answers

**Q. Why is the premium for my motorcycle used up in the summer months?**

A. Seasonal vehicles such as watercraft and motorcycles are only used during the summer months and this is when the risk of a claim occurring is the greatest. Also it encourages the clients to keep the items insured year-round to avoid having to cancel and re-add them in the spring and fall.

**Q. Why is so much information required to insure my home?**

A. The first part of determining a home insurance premium is finding out how much it's going to cost to rebuild your home. In order to do this we need construction details such as style, size, construction (interior, exterior) and all the unique qualities of your home. The next part is figuring out the premium and investigating the underwriting criteria of many insurance companies and finding the best possible option for you. It's also based on the amount of coverage required, discounts the individual qualifies for, and additional coverage that you may need like sewer back up, and riders on your jewelry or cameras.

**Q. Are there ways to reduce my premiums?**

A. Yes, it's a good idea to contact your broker to review your insurance, because as your needs change, so will your insurance premiums. For example, if you are retired and no longer use your vehicle for work, this could reduce the amount you pay. Also, if your children are away at university, most insurers will reduce the occasional driver premium. And there are other ways to get some discounts, including if you are mortgage free, claims free, mature, have a multi-policy... and the list goes on. So check with your broker!

**Q. How come the work tools I use for my business are not covered under my homeowners insurance?**

A. Your homeowner's policy provides coverage for contents that are usual to a home such as a couch, clothing, gardening equipment and tools used for maintenance and upkeep of your home. Tools and equipment used in conjunction with a business must be covered under a Business Type of Policy.



## Client's corner ~

Vernon D'Eon Lobster Plugs Ltd. in Pubnico is a bigger business than meets the eye. In fact, the company has six stores across Nova Scotia, one in Prince Edward Island, and 14 vehicles. Vaughne Assurance is their insurance provider of choice. "They provide excellent service, and are very competitive on price. That's why we made the move," says Brian Surette, the comptroller at Vernon D'Eon's Lobster Plugs Ltd. "I rest assured that we are well covered and that they look after all our insurance needs."

Kevin Redmond is the Financial Secretary of the Lower Ohio Recreational Centre in Shelburne County. He says that the organization's had its building and grounds covered by Vaughne Assurance for over 20 years. This year, they will also have special event liability coverage for the ever-popular Annual Canoe Rally. They love dealing with the staff at Vaughne Assurance. "They've always been there for us. They are very knowledgeable and we are secure and safe dealing with them!"



### **Special company, special year** by Thea Atkinson

A 40<sup>th</sup> anniversary may not be as rare as the gold 50<sup>th</sup>, but it's still uncommon. As Vaughne Assurance Ltd.-Ltée celebrates their ruby year, it's tempting to liken them to a fine but modest marriage. They had humble beginnings in a Belleville home office in 1966, but this French Acadian based business is no longer the small insurance agency that could. It is an agency that will.

Glenna Boudreau, who came to the insurance brokerage in 1984, has held every position within it. She has handled the call from the panicked housewife who has lost her photos in a fire, and has been the one to make a difference for the employee suffering from carpal tunnel syndrome. Now the General Manager, she oversees it all.

Although Vaughne offers everything from auto, home, business, marine, to life and travel insurance, they haven't lost that small town touch. They care about a client's loss. "It is upsetting no matter how minor the accident," Glenna says, "and often people will forget to get the simplest information such as a name of the other party. At this point we put on our PI hats and try and find out who the other party is. This is when living in a small town can have its advantages!"

Like any good union, a balance must be struck to ensure all parties are content. Not

necessarily an easy task in the insurance business, but one Vaughne takes pride in achieving. Says Glenna, "Most times the client is unaware of the processes involved after they've had a car accident or fire at their business or residence. Often there can be miscommunications between the insurer and the client. This is where we step in and become mediators. It can be a tough position to be in at times, as we have to follow the "motto" of every insurance company in Canada."

To put the policyholder in the same position they were in immediately prior to a loss—no better, no worse.

It's this empathetic ear and knowledge of the insurance game that's enabled Vaughne Assurance to grow from a home-based agency to one spread around nearby counties, making it the oldest locally owned insurance brokerage in our area. To date, 23 full time employees work for Vaughne; all enjoy benefits packages as well as individual and group policies.

And after 40 years, folks in a relationship get to know one another. As Glenna says, "Most of the staff have worked together for so long, it's almost like a big, extended family. We share our trials and tribulations with each other but best of all we know how to have laugh, joke and not take ourselves too seriously."

### **Did you know?**

Minor traffic violations such as not wearing your seatbelt, speeding, failure to stop at a stop sign, failing to yield, and similar infractions can affect your premium. Statistics show that driving habits play a role in future losses. People who have bad driving habits are more prone to be involved in serious accidents—and these accidents can have severe consequences. If you're not wearing a seatbelt you are more likely to be injured than someone who is, so even not wearing a seatbelt can increase your premium.

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**years** taking care of customers

