

Vehicle Insurance

Ontario law requires that all motorists possess automobile insurance. Failure to possess coverage can result in fines ranging from \$5,000 to \$50,000; your licence can be suspended and your vehicle impounded.

In Ontario, automobile insurance is regulated by the [Financial Services Commission of Ontario](#), with the private insurance companies deciding the premiums to charge clients. Insurance is primarily there to protect you against losses resulting from an auto accident, theft, vandalism, or other event that cause damage, liability or injury.

Coverage

At a minimum, Ontario law requires that you insure your vehicle for at least \$200,000 'Third Party Liability' coverage. This is to cover you in the event that you injure someone or damage property if in a collision. It does not cover you or your vehicle.

If you are involved in a serious auto accident, \$200,000 will not go far to cover damages. You will be held responsible for any shortfall in coverage, hence \$1 million or more of liability coverage is common. Collision damage to your own vehicle is optional. You can customize your policy to give you the coverage you need.

Please note, vehicle contents/valuables are not normally covered by auto insurance. Any such losses would need to be claimed through your home contents insurance policy, if you have one.

Since auto insurance in Ontario is private, you are advised to shop around for the best rates, as the cost of premiums can vary considerably between insurers. Consider obtaining a quote from the University's preferred insurer, [TD Meloche-Monnex](#). Some insurers will give you a premium reduction on written proof of a claim free history from your former licensing authority. If possible, request this letter from your insurer before you leave for Canada.

Mandatory Insurance Coverage:

- ❑ Liability (damages/losses by others), and
- ❑ Accident Benefit/Bodily Injury (medical care and income replacement).

Optional Insurance Coverage:

- ❑ Collision (repair vehicle damage), and
- ❑ Comprehensive (also known as 'all risks all perils' e.g. covers theft, vandalism).

Shopping for Automobile Insurance

You may purchase insurance from a licenced:

- ❑ [Insurance broker](#) (sells on behalf of many [insurance companies](#))
- ❑ Insurance agent, (sells for one company)
- ❑ [Canadian Association of Direct Response Insurers](#) (an insurance company that sells its own insurance products directly to customers).

Quotes can readily be obtained via internet or phone. A few sources are listed below:

- ❑ [Insurance Brokers Association of Canada](#)
- ❑ [Kanetix](#)
- ❑ [My Insurance Shopper](#)
- ❑ [Belair Direct](#)
- ❑ [Insurance Hotline](#)
- ❑ [Grey Power](#).

In order to provide a quote, information about you, your vehicle and driving habits are required. For example:

Your Car		
Make & Model	Vehicle Identification Number (VIN)	Annual Mileage (km)
Year (age)	Distance driven one way to work (km)	Any vehicle modifications
You		
Names of the vehicle's drivers	Insurance history for each driver	Driving history for each driver
Coverage		
Your preferred deductible (\$)	If commuting, the daily estimated mileage (km)	Use of car for business or pleasure

The Insurance Premium

The insurance premium is generally collected as monthly or semi-annual payments. If you fail to make scheduled payments, the insurance company can choose to cancel your policy entirely.

Q. What can affect the rate you pay for your premium?

- ❑ Type of vehicle e.g. one with a higher theft rate - *True*
- ❑ Where you live - *True*
- ❑ Car colour - *False*
- ❑ The number of drivers and their experience - *True*
- ❑ How often you drive - *True*
- ❑ The optional benefits you include in your coverage - *True*
- ❑ The deductible amount you select - *True*
- ❑ A speeding ticket - *True*

