

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; further, your licence can be suspended and your vehicle impounded.

In Ontario, automobile insurance is regulated by the [Financial Services Commission of Ontario](#), with private insurance companies deciding the premiums to charge clients. Insurance is primarily there to protect you financially 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 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. The more coverage you choose, the higher your annual premiums will be.

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](#), which provides a competitive discount to York employees. 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 (for others and their vehicles):

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

Optional Insurance Coverage (for your own vehicle):

- ❑ 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 licensed:

- ❑ [Insurance broker](#) (an intermediary sales person that sells on behalf of many [insurance companies](#))
- ❑ Insurance agent, (an intermediary sales person that sells for one insurance company)
- ❑ [Direct writer](#) (an insurance company that sells its own insurance products directly to the customer).

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

- ❑ [TD Meloche-Monnex](#)
- ❑ [Insurance Brokers Association of Canada](#)
- ❑ [Kanetix](#)
- ❑ [My Insurance Shopper](#)
- ❑ [Insurance Hotline](#)

In order for you to obtain 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
Driving Habits		
Use of car for business or pleasure?	If commuting, the daily estimated mileage (km)	Your preferred deductible?

The Insurance Premium

The insurance premium is how much the insurance company charges you to provide you with automobile insurance. It can be collected from you as an annual payment or through instalments throughout the year (e.g. monthly). If you fail to make scheduled payments, the insurance company can choose to cancel your policy entirely.

What can affect the rate you pay for your premium?

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

- A speeding ticket

The Deductible

When you make a claim, a pre-specified portion of the claim is paid by you first, and the balance by the insurer. The portion you pay is called the deductible. Increasing your deductible, e.g. from \$200 to \$500, will reduce your insurance premium. However, it also means that you must pay more out-of-pocket before the insurance company will provide financial assistance.

Various steps can reduce your premiums, e.g. installing an anti-theft device in your vehicle, and engraving/etching the VIN on your vehicle's windows. For more on reducing costs, please read the [Reducing Your Insurance Costs](#) article.

Some Canadian insurers will accept international driving history, and if you have a good record, this can also help reduce your premiums.

Ontario has a 'no-fault' automobile insurance system. This means that if you are injured or your car is damaged in an accident, you deal with your own car insurance company, regardless of who is at-fault. You do not have to pursue the at-fault driver for compensation; your insurance coming will pursue the claim on your behalf. Similarly, if passengers in your vehicle are injured, and they have their own auto insurance, they may claim through their own insurance company; if not, they may claim damages through your insurer.

Vehicle Liability Insurance Card



When you purchase an auto insurance policy, you will receive a Motor Vehicle Liability Insurance Card (the card is pink in colour). You should carry it with you whenever you drive to prove that you have insurance. If a Police Officer requests to see it and you do not produce it, you can be fined. You also need to provide it to the Ministry of Transportation when you first register your vehicle and whenever you renew your licence plate sticker.

More information about insurance liability coverage can be found at: Insurance Bureau of Canada, www.abc.ca.