

# FAQ Car Insurance

- ◆ The laws and regulations about auto insurance vary from one province to another. For example, getting your driver's licence may be inexpensive in your province but the car insurance premiums may be really costly. Or it may cost you a lot for a driver's licence but the insurance premiums may be lower. Or everything might be really expensive!
- ◆ Remember to include your car insurance premiums in your budget. You can pay annually, quarterly (every three months) or every month. And, in some areas of Canada, you can have the payments directly paid from your bank account.
- ◆ Car insurance does not cover normal wear-and-tear or mechanical breakdown of your car. Those are other items which have to be built into your budget.
- ◆ The cost of insurance can be affected by several things, like your driving record, the number of tickets you have had, and the number of claims you have made in the past.
- ◆ A **deductible** is the amount you have agreed to pay before your insurance kicks in. It is not the premium which must be paid as agreed. A deductible is paid when there is an accident. Say you have Collision insurance with a deductible of \$250. That means that you must pay \$250 of any repair bill before your insurance company kicks in and pays the rest. Or you might have a deductible of \$500 before the insurance company pays. Why have a higher deductible then if it is just more money out of your own pocket? Because the premium you pay for the \$250 deductible will be higher than the premium you will pay for a \$500 deductible.
- ◆ The deductible can apply, even if the accident is not your fault. However, your insurance company will attempt to recover your deductible from the other person's insurance company.
- ◆ If you have an accident, you need to call your insurance company as soon as you can (not from the scene of the accident - calling an ambulance and the police is more important if there are injuries and a lot of damage).
- ◆ When you contact your insurance company, an **adjuster** for the company will determine what coverage you have and what will be paid. If you are claiming against someone else in the accident, you should also contact their insurance company as soon as you can. That's why it is important in an accident to get the other driver's name, pink card number, and name of insurance company.
- ◆ If you are found guilty of charges such as impaired driving, your insurance company is likely to decline to insure you in the future - they will not sell insurance to you. If there is a company that will sell insurance to you, it will cost you about 50% more.
- ◆ Know that insurance companies talk to each other - they are not easily fooled.
- ◆ You can damage your insurance rating with any moving violation (speeding, running a red light, driving in a bus lane are just a few). A fourth violation will raise your insurance premiums another 25% and all the violations will stay on your record for several years.
- ◆ And, as you already know, NEVER drive impaired by alcohol or any other drugs; never use a car phone unless you are parked or the phone is a hands-free model with a speaker in the visor; never drive an unsafe vehicle (be particularly sure that the brakes are in good working order); never drive without a valid license and insurance coverage. ALWAYS wear your seat belt; and always signal before changing lanes or direction. It pays to be a safe driver!

# The Habit of Spending

*We all look at and use money differently.  
How do you handle the stuff?*

If I had \$100 given to me, I would \_\_\_\_\_

I would put off paying a loan or a bill if \_\_\_\_\_

When it comes to money, I would say I am \_\_\_\_\_

I like to spend money on \_\_\_\_\_

When I am feeling really good about something, I \_\_\_\_\_

When I am feeling really down about something, I \_\_\_\_\_

When I am really bored, I \_\_\_\_\_

I save money by \_\_\_\_\_

If I don't have enough money for something I really want, I \_\_\_\_\_

I put off buying something if \_\_\_\_\_

The best buy I ever made is \_\_\_\_\_

It was a great buy because \_\_\_\_\_

The worst buy I ever made is \_\_\_\_\_

It was the worst buy because \_\_\_\_\_

I return things when \_\_\_\_\_

Compared to my friends, I would say my spending is \_\_\_\_\_

I spend too much money on \_\_\_\_\_

I borrow money from \_\_\_\_\_

I borrow money for \_\_\_\_\_