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## Shop Around and Save on Auto Insurance

Auto insurance is sold in Ontario either through insurance **brokers, agents** or **direct writers**.

- **Brokers** sell insurance for more than one company and can provide you with price quotations from the companies that they represent.
- **Agents** sell insurance for only one company.
- **Direct writers** are companies that sell their insurance directly to consumers using a call centre instead of a sales force of agents.

Remember one thing. While the basic auto insurance policy is the same across Ontario, prices vary based on each insurance company's claims experience in the marketplace. You have to find the company that is in a position to offer you lower rates, based on its experience. Insurance is a competitive industry, and insurers do change their rates over time. The only way to ensure you have the best deal is to make sure you ask other insurers for the same coverage. Here are some tips for shopping around.

1. **Know what coverage you need.** The minimum third-party liability coverage that you must buy in Ontario is \$200,000. However, depending on your comfort with risk, you may want to boost it to \$2 million in liability coverage. Talk to your broker, agent or direct writer and ask for advice. Similarly, you may want to go without optional collision or comprehensive damage coverages, especially if your car is worth less than \$2,000.
2. **Consider a policy with higher deductibles.** Many consumers have remained with the standard deductible amounts of \$300 or less. The Ontario government requires insurance companies to offer a \$300 deductible for the direct compensation property damage and comprehensive coverages and a \$500 deductible for the collision coverage. You can ask for an even higher deductible. Raising it to \$750 or \$1,000 may result in a lower insurance premium. Just be sure you can afford that deductible if you are in an accident.
3. **Ask about discounts.** Many insurers offer discounts for insuring multiple vehicles on the same policy. Many offer discounts for seniors or for families that have multiple drivers. And most insurers offer a discount if you buy your house insurance from them. You should also ask if your current insurer provides any discounts to reward your customer loyalty.
4. **Check out defensive driving courses.** Some insurers provide discounts for new drivers who have taken these courses.
5. **Verify how you are using your vehicle.** Are you still driving your vehicle to work, or are you using it only for pleasure? Insurers charge different premiums depending on the use of your vehicle and the distance travelled.
6. **Finally, don't switch insurance companies midway through the year.** Wait until renewal time to avoid penalties for cancellation.

For more information visit: [www.autoinsurance.gov.on.ca](http://www.autoinsurance.gov.on.ca).