

Average Monthly Auto Insurance

Introduction

Car Accidents are inevitable, but managing accidents can not be put past the ability of a wise driver. Thus, a prudent "car payment" plan in Canada should involve an insurance policy. Also known as Auto insurance, an insurance policy for a car is the best way to ensure financial safety throughout your car.

The sheer fact that electrical and mechanical appliances wear out with time, is enough evidence of the necessity of insuring your car. In addition to natural damages to your car, you are not guaranteed a free flow of traffic all the time on major highways in Canada, meaning that car-to-car clash is normal and should be expected.

When this happens, the time you'd spend wondering where to start from would have already been used to contact your insurance company to file a claim.

So, you could ride on the highway like a king, bearing in mind that whatever the road throws at your car, would first be absorbed by your insurance providers. It follows that emergencies involving your car would have a mild effect on your paycheck or monthly budget.

What Is Auto Insurance?

Auto Insurance is a contract agreement between you and your insurance provider to provide financial safety for the use of your car. You are to subscribe to a "premium" payment for your car, while the insurance company pays for any damages captured under the purview of your contract agreement.

The premium is to be renewed every six months to one year, depending on the policies of the company. If however, you don't want to pay in a lump sum, the premium can be spread over the period your subscription will last.

Insurance coverage by both private and public institutions varies in Canada. In British Columbia - with the highest annual insurance premium as per the report of the insurance bureau of Canada - most car coverage is provided by the ICBC, with the high cost of insurance claims and insurance frauds accounting for the exorbitant premiums.

Why You Need An Auto Insurance

Legally, having car insurance is a must in most provinces in Canada to protect yourself, and protect others. Moreover, having insurance coverage for your car is not just a wise move in Canada but an obligation in some states.

Practically, insurance companies in Canada provide three major coverages for your car;

Property Coverage

A property coverage insures your car against damage and theft. Fixing or replacing a car isn't as easy as paying for groceries but it could be easier when you subscribe to property coverage with your insurance provider. It follows that With property coverage, you could lose your car today and replace it tomorrow.

Medical Coverage

When involved in an accident, injuries sustained by you or any other person in the car would be taken care of by your insurance provider.

Liability Coverage

Liability coverage covers the damage you do to others on the way. When damage claims are filed against you for the damage of another driver's property. Your insurance provider helps you scale through the legal debacle without having to touch your paycheck.

Other coverage like car financing collision, collision coverage, and maintenance coverage is available for you in Canada. A prudent driver is expected to have at least two to three insurance coverage in Canada.

What Parameters Can Affect The "Premium" Price For A Car?

To state the obvious, the number one determining factor for a premium is the province you reside. Different provinces approach insurance premiums with different approaches and different laws, but the population growth of a city plays a major role. Highly populated provinces like British Columbia (\$1823) and Ontario (\$1616) have the highest premium rates in Canada.

The hike is majorly due to the cost of covering insurance claims (injury, repair, and legal fees). Moreover, the frequency of car collisions in the busy highway also makes premiums head North.

Other factors include:

Age Of The Driver

Insurance providers see young car owners as risky drivers. For them, Youth exuberance is a propelling factor to misbehaving on the highway. Thus, premiums for young drivers are raised to cover the frequent insurance claims.

Driving History

Frequent filling for property or liability claims can greatly affect your chances of getting a subsidized premium because of the cost of coverage for damages. The average kilometers your car travels is also a factor for weighing premium price. With more distance covered comes more risk and vice versa.

How To Get A Convenient Insurance Policy For Your Car?

The first step to take is getting an independent insurance agent, with whom you should discuss your financial capability, the service efficiency of the company in view, the discounts available at the company, and procedures for filing for claims.

However, if "cheap premium" is what you understand as being convenient, then you should;

Shop Around, Ask For Quotes, And Compare Prices

This privilege is however not available to residents of British Columbia, Manitoba, or Saskatchewan as there exists a monopoly of Auto Insurance by the authorities. But, if you find yourself outside these provinces, pitch insurance against each other and pick the best for your budget.

Get The Right Car

The safety features of a car attract a commensurate premium. So, go for cars with airbags, brake assist, high-crash test scores, and less powerful engines for less expensive premiums.

Get Pre-owned Cars

Pre-owned has the cheapest premium rates in Canada. Moreover, it cost lesser to own a pre-owned car than a new one.

Combine Insurances

If you already have home insurance with a particular company, consider combining it with your auto insurance for flexible rates.

Ask For Discounts

Negotiate to include performance (Good driver) and situation (student, retiree & customer) discounts to your contract agreement.

Conclusion

IBC reports that the range for Average auto insurance - BC (\$1832), Ontario (\$1616), Alberta (\$1423), Saskatchewan (\$1235), new-found land & Labrador (\$1,168), Manitoba (\$1,145), Nova Scotia (\$891), New Brunswick (\$867), Prince Edward Island (\$861), and Quebec (\$710) - varies from province to province.

These premiums are also dependent on other factors; age, driving history, and conditional discounts. To get a good rate, you should shop around and compare rates, Go for a car with safety features, combine insurances, and consider owning a pre-owned car.