

ESTABLISHING PREMIUMS

What influences my premiums?

Automobile premium levels are affected by many factors, such as:

- ways you use your vehicle (Do you use your vehicle just for pleasure? Do you drive to work or do you use your car for business?);
- the type of vehicle you drive;
- the year, make, model and body type of your vehicle;
- the approximate number of kilometres you drive your vehicle annually;
- who will be driving the vehicle;
- the age and driving experience of each driver in the household (Are drivers under age 25 male or female?);
- how much each driver will be using the vehicle;
- the claims and accident history for each driver over the last six years;
- each driver's conviction record for the last three years; and
- whether any driver in the household has had a licence suspension or an automobile policy cancelled in the last six years.

How can I get a premium discount?

Discounts vary by company. Ask your insurance representative which ones apply to you. The following is a list of some types of premium discounts that may be available.

- Some companies offer discounts for using your car very little (low-mileage use), for graduating from an approved driver training courses, or volume discounts when two or more vehicles are insured for the same household.
- Retirees with no employment income receive a discount. Some companies provide other discounts to mature drivers over age 55.
- You may be eligible for a discount if you choose to insure your home and car with the same company.
- You may get a discount if you install loss-prevention devices such as car alarms.
- If your car is not used in winter, speak to your insurance representative about arranging a suspension-of-coverage endorsement. This stops the Third-Party Liability and Collision coverage. Accident Benefits coverage (when you're a passenger in someone else's car or a pedestrian) and coverage for fire, theft, vandalism damage, etc. would still be provided while you store your vehicle.
- Increasing your deductibles could give you a lower premium.
- Some companies provide an extra discount when renewing policies for long-time customers who are claims-free.

How do claims affect my premium?

- If you are at fault or partially at fault in a collision, your renewal premium may be affected.

- If you lend your car to others and they cause an accident, your premium may be affected.
- A lot of "at-fault" claims and/or driving convictions could result in your being transferred to the high-premium Facility Association at renewal time.

Some types of claims do not affect your premium. For example, many companies allow one "at-fault" claim for clients believed to be good drivers and make little or no adjustment in rating or premium at renewal. Claims for theft, vandalism, fire, broken glass and for collision when you are not at fault do not affect your renewal premium.

How do convictions affect my premium?

Driving convictions, including seatbelt infractions, may affect your rating in several ways depending on the number and type. Premium calculations vary by company. Contact your insurance representative if you're concerned about how a conviction will affect your renewal premium.

To be eligible for preferred rating plans, such as "six star," you must have a clear record or no more than one or two minor driving convictions (requirements vary by insurance company). Additional convictions usually result in the loss of your preferred status and discounted premiums. So, in addition to the fine you pay, your insurance costs can go up.

Insurance companies may also levy a premium surcharge if you have several minor driving offences or one of the more serious offences under the Criminal Code of Canada or the Highway Traffic Act. Surcharges vary by company but many use the Facility Association rules as a guideline.

The following is an example of premium surcharges the Facility Association applies on private passenger vehicles:

Minor	Major	Serious
One conviction 0% Two convictions 5% Three convictions 15% Four convictions 25% Each additional 15%	One conviction 15% Each additional conviction 25%	One conviction 100% Each additional conviction 100%

Note: The maximum surcharge the Facility Association applies is 250%.

What constitutes a minor, major and serious offence?

Minor	Major	Serious
Convictions for any moving traffic offence (offences related to the operation of a vehicle), other than those listed as Serious or Major, under an act governing highway traffic or Compulsory	Convictions for the following offences under any act governing highway traffic of Compulsory Automobile Insurance Act (CAIA) or offences substantially the same	Convictions for the following offences under the Criminal Code of Canada or under an act governing highway traffic or any other act or any offences

<p>Automobile Insurance Act (CAIA) or for any offence substantially the same committed within or outside Canada including:</p> <ul style="list-style-type: none"> • failure or refusal to surrender licence (CAIA) • failure to produce evidence of insurance (CAIA) • failure to carry insurance card (CAIA) • failure to carry evidence of insurance (CAIA) • failure to have insurance card (CAIA) • failure to disclose particulars (CAIA) • failure to notify police • failure to make written report • failure to report damage to highway property • backing up – unsafe/illegal/improper – any type • brakes – none/inadequate/improper – any type • crowding driver’s seat • door opening – illegal/obstructing traffic – any type • emergency vehicle – operating with no regard for safety • driving imprudently • driving off roadway (including shoulder/sidewalk/median) – any type • flagman – disobeying • following too closely (including tailgating) • headlights/parking lights – improper lack of use – any type • lack of control of vehicle – any type • motor-assisted bicycle – carrying passengers • motorcycle – operating with only an instruction permit • motorcycle – failure to wear helmet • passing infraction – any type • except school bus or school/playground zone • pedestrian crossing violation – any type • radar warning device in motor vehicle – if illegal in province/territory • railway crossing – any type • safety zone violation – any type • seatbelt – any offence • signalling offences – any type • slow driving – endangering others – any type • smokescreen device on vehicle • speeding – any type, except when listed as major or serious • squealing tires • stopping – illegal/improper – any type • stunting • tires – defective/worn – any type • towing – prohibited/unsafe – any type 	<p>committed outside Canada:</p> <ul style="list-style-type: none"> • failure to report an accident • failure, in the event of an accident, to give name and licence number to the police or any other person entitled to such information • failure to obey school crossing stop sign • improper passing of a school bus • improper passing/speeding in a school or playground zone • driving without insurance • operating motor vehicle - no insurance (CAIA) • vehicle owner without insurance (CAIA) • no insurance (CAIA) • producing false evidence (CAIA) • making a false statement re insurance (MVACA) • producing false insurance (MVACA) • making a false statement (CAIA) • speeding in excess of 50 km/h over limit • Ontario Graduated Licence – permit novice driving in contravention of conditions/restrictions • class G1, accompanying driver fails or refuses to provide a breath or blood test • class G1, accompanying driver has excess blood alcohol • class G1, driver unaccompanied by qualified driver • class G1, accompanied driver excess blood alcohol • class G1, driver with front seat passengers • class G1/G2, driver with excess passenger • class G1, driver on prohibited highway • class G1/M1, driver driving at unlawful hour • class M1, driver driving motorcycle with passenger • class M1, driver driving motorcycle on prohibited highway 	<p>substantially the same whether committed within or outside Canada or any convictions which appear on a Driver Record Abstract identified as Criminal Code convictions.</p> <ul style="list-style-type: none"> • criminal negligence committed in the operation or use of a motor vehicle • manslaughter committed in the operation or use of a motor vehicle • driving while licence under suspension • racing • careless driving • driving without due care and attention • dangerous driving • impaired driving • failure or refusal to submit to a breath or blood test • failure to pass a breath or blood test • failure to stop/remain at the scene of an accident • failure to stop for a police officer, resulting in a suspension of licence for a period in excess of two weeks • class G1/G2/M1/M2 failure/refuses to give breath sample • class G1/G2/M1/M2 driver with alcohol in blood - one conviction 100% - each additional conviction 100% <p><i>Note: If convictions for impaired driving and failure or refusal to take a breath or blood test relate to the same occurrence, they will be considered as one conviction.</i></p>
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