

Blog - Articles

Sonnet Insurance

How car insurance differs between provinces

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No two Canadian provinces are alike. So, it's not surprising that each province handles auto insurance differently. Maybe you're moving or travelling out of province for an extended period. Or maybe you're just curious how much other Canadians pay for car insurance. From coverages to cost to how it's managed, we've outlined the basics about car insurance across (most of) Canada.

Is car insurance mandatory in Canada?

Yes! You must have car insurance to legally own and drive a car in Canada. Whether it's public or private insurance, you have to have at least the minimum required coverage to drive.

Private vs. public car insurance – what does it mean?

Newfoundland and Labrador, Nova Scotia, P.E.I., New Brunswick, Ontario, Alberta and Quebec all have private insurance. (Quebec's is a little different – but we'll explain why a little later.) Private insurance companies compete against each other for your business. As a customer, you can shop around and choose which one best suits your needs. This means comparing coverages and customer service – and who's got the best price, of course.

B.C., Manitoba, and Saskatchewan have public insurance. The provincial governments run it, along with other services. Coverage options are more limited. But, you can still add some extra coverages if you wish.

Here's how car insurance differs by province:

British Columbia

Cost: The average cost of car insurance in B.C. is determined by ICBC.

Mandatory coverage in British Columbia:

- Third party liability
- Enhanced accident benefits
- Underinsured automobile protection
- Inverse liability protection
- Basic vehicle damage coverage

How does car insurance work in British Columbia?

The Insurance Corporation of British Columbia (ICBC) is B.C.'s public insurance provider, and you'll buy your policy through an Autoplan broker. ICBC doesn't just deal with auto insurance. You'll also get your driver's license and registration through them (among many other services). The [ICBC Basic Autoplan](#) is the lowest level of car insurance coverage required to register and drive a car in B.C. But don't worry, it's not one-plan-fits-all! You can still choose the level of protection you want, with optional coverages like collision, comprehensive, rental car coverage, and more.

[Click here](#) to check out ICBC's website for everything you need to know.

Saskatchewan

Cost: The average cost of car insurance in Saskatchewan is determined by SGI.

Mandatory coverage in Saskatchewan

- Physical damage coverage for your vehicle
- Third party liability for damage to other vehicles, property or injury to others
- Personal injury coverage if injury results from a vehicle collision

How does car insurance work in Saskatchewan?

Saskatchewan Government Insurance (SGI) covers all vehicles in the province. Every driver must have basic plate coverage. When you register a vehicle in this province, you just pay a flat fee for basic insurance. It includes the mandatory coverage you need to legally drive. You can always buy extra damage and/or liability coverage through a broker, if you want to.

The default plan also includes no-fault personal injury coverage in its basic package. But, you can actually opt-out of no-fault and choose a tort (or "at-fault") policy instead. Switching would mean that not as many expenses are covered by the policy, but it allows you to sue (or take to court) the other person involved.

With both no-fault and tort, there are exceptions to what's covered. [Take a look at SGI's website to find out more.](#)

Manitoba

Cost: The average cost of car insurance in Manitoba is determined by MPI.

Mandatory coverage in Manitoba:

- All-perils
- Third-party liability
- Personal Injury Protection Plan (Manitoba's version of accident benefits)

How does car insurance work in Manitoba?

Manitoba's mandatory coverage is called Autopac, provided through Manitoba Public Insurance (MPI). MPI also takes care of licensing, registration, and more. You can get your insurance through an Autopac broker. Coverage for damage to your vehicle is included in your Autopac plan under All-perils. But, you still have the option to add on things like rental car insurance. You can even add extra coverage for high-value cars (since Autopac will only pay up to \$70,000 for the value of a vehicle).

Deductibles work a little differently in Manitoba. The deductible is the amount you pay as part of an Autopac claim. **There are different levels to choose between**, where you have a specific deductible amount assigned to each type of claim you might have to make. The highest level (\$750 per type of claim) means you'd pay less for your annual insurance – but, more out of pocket in the event of a claim.

Did you know? Manitoba uses a driver safety rating system for car insurance discounts. If you have merits (meaning you're a good driver), you'll get a discount on your driver's license and your insurance costs. If you've reached the max of 16 merits, you can get up to a 37% discount! But of course, if you have demerits you won't qualify for a discount.

Want to know more about MPI? [Visit their website right here.](#)

Alberta

Cost: The average cost of car insurance in Alberta is \$191/month.

Mandatory coverage in Alberta:

- Third party liability
- Accident benefits
- DCPD (Direct Compensation for Property Damage)

How does car insurance work in Alberta?

As with all private insurers, you have to have at least the minimum coverage. Then, you can add on your optional coverages as you need them. These include extras like collision, comprehensive, and coverage for a rental car if you get into an accident and need a backup set of wheels.

Most auto policies in the province include an endorsement called SEF 13D. This limits coverage for damage to glass caused by rocks, chips, and other debris. Now, Alberta is known for hailstorms. And, it has more than your average number of rocky, gravelly roads. This means windshield damage is common – which could also mean a lot of glass claims for you, along with higher insurance payments.

So what's the point of SEF 13D? Well, if you have it you could pay much, much less for your comprehensive coverage. Some insurers even reduce it up to 50%. That's because you'd be responsible for paying for damage to your glass – like windshield chips from flying rocks. Keep in mind you might need a higher level of glass coverage, so SEF 13D isn't for everyone. Speak with your insurer to find out what will work best for you.

Did you know? On January 1, 2022, Alberta became the latest province to adopt the DCPD model. With DCPD, a driver is compensated directly through their own insurer for [no-fault car accidents](#). This means you don't have to go after the at-fault driver's insurer to get them to pay you for damages to your vehicle. Instead, your own insurer takes care of it. DCPD saves you time, money – and the huge hassle of delays and court dates.

[Learn more about auto insurance in Alberta.](#)

Ontario

Cost: The average cost of [car insurance in Ontario](#) is \$196/month.

Mandatory coverage in Ontario:

- Third party liability
- Accident benefits
- Uninsured automobile protection

How does car insurance work in Ontario?

Auto policies from private insurers in Ontario are heavily regulated by the FSRA. The provincial government outlines a standard auto policy that companies need to align with. It always includes liability, accident benefits, and uninsured automobile protection. You can get collision, comprehensive and other extras. In terms of saving, a nice bonus is the Ontario winter tire discount!

Heads up! As of January 1, 2024, Ontario auto insurance policyholders can opt out of Direct

Compensation Property Damage (DCPD). It was previously mandatory.

Ontario was also one of the first provinces to approve usage-based insurance (UBI). It's also known as pay-as-you-drive insurance. UBI can help cut insurance costs if you're driving less. Plus, it rewards you for being a good driver. But, a recent update to the Ontario UBI guidelines means you can also be penalized for poor driving. And, you could pay extra if you're driving a lot more than usual. If switching to UBI interests you and you live in Ontario or another province that offers it, talk to your insurer. They'll help you decide if it's right for you.

[Visit the FSRA's website to learn more about Ontario car insurance.](#)

Québec

Cost: The average cost of car insurance in Québec is \$78/month.

Mandatory coverage in Quebec

- Accident benefits (provided by the SAAQ)
- Civil liability

How does car insurance work in Québec?

[Quebec's car insurance](#) is unique. It's a hybrid plan between public and private insurance. In Québec, the Société de l'assurance automobile du Québec (SAAQ) public insurance plan covers all Quebecers for personal injury if they are in an accident.

The SAAQ doesn't cover other kinds of damage – like damage to your car, or to someone else's. For that, you'd have to get civil liability and other coverages from a private insurer. Civil liability covers damage to other people's property (like their car). It could also cover some injuries you cause that aren't covered by the public plan. And, it covers damage to your car if you're not at fault. You can also buy collision through private insurance to cover damage to your vehicle if you are at fault (since the SAAQ won't cover that), along with other optional coverages.

Quebec's plans can be pretty tricky to understand. Lucky for you, [we've laid out everything you need to know about the SAAQ!](#)

[Get more info on Québec's public insurance plan by visiting the SAAQ's website.](#)

Newfoundland and Labrador

Cost: The average cost of car insurance in Newfoundland and Labrador can vary. Get quotes from different companies to see how much you might pay.

Mandatory coverage in N.L.:

- Third party liability
- Uninsured motorist
- DCPD

How does car insurance work in Newfoundland and Labrador?

This is the only province with private insurance where medical, funeral, disability and death benefits coverages are optional for drivers. But of course, they're highly recommended. Without them, you'd be left to pay out of pocket for injuries. It also covers death expenses if the worst should happen – a burden nobody wants to bear after a tragedy. If you want more coverage for your car, you can add things like collision and comprehensive, along with other optional extras.

New Brunswick, Prince Edward Island and Nova Scotia

Cost:

- Average cost of car insurance in New Brunswick: \$144/month
- Average cost of car insurance in P.E.I.: \$116/month
- Average cost of car insurance in Nova Scotia: \$134/month

Mandatory coverages in all three provinces:

- Third party liability
- Accident benefits
- Uninsured automobile protection
- DCPD

How does car insurance work in New Brunswick, Nova Scotia and Prince Edward Island?

Each of these three provinces is beautifully unique – but, their private car insurance plans are pretty similar. This is why we're grouping them together. All three provinces offer private insurance and have more or less the same mandatory coverages. And you'll expect to pay about the same amount too. In each province, you can enhance your policy to cover damage to your car. Plus, you can also always add extras like rental car coverage, and more.

Did you know? Life as a new driver isn't cheap. New Brunswick has a unique discount where new drivers applying for their license can receive the "First Chance Discount" on their policy for up to 6 driving years. The discount gives new drivers a break when starting to pay for insurance – provided they keep a clean record for those 6 years.

We hope this overview helps! It's a good idea to learn about your own province's mandatory and optional coverages. You'll want to make sure you're fully protected. If you're moving to a new province, don't get stuck scrambling for new insurance after you move. Do your research before

the move so you can switch without a hitch. If you're travelling out of province or out of the country, you should also find out how your coverage could be affected. Contact your insurer about your car and how you use it. They'll help you find a plan that works best for you.

Have more questions about your insurance? Get in touch! We're always happy to help. [Find out if you can get insured with us based on the province you live in](#). And, get a quote online with Sonnet in just minutes.

Top 5 vehicle considerations that could impact your car insurance cost

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Your auto insurance premium is affected by many different things. Individual factors such as your age, where you live, and your driving history all have an impact. So do things that are out of your control, like inflation. But did you know that certain details about the car you drive can also affect your insurance cost?

If you're thinking about getting a new or "new-to-you" car, or you want to modify your current vehicle, here are a few things to keep in mind if you're trying to pay less for your [car insurance](#).

1. Model. A car's retail price can play a part in a higher premium, since insurers have to consider how much a claim could cost if something happens to the vehicle. So, if you're going for a luxury vehicle, you could be paying more for car insurance.

Insurers may also charge higher rates for certain car models if statistically they're more likely to be involved in an accident, stolen or vandalized. It goes without saying that these are things you want to avoid – but how do you know which cars to stay away from? We've got good news – RATESDOTCA compiles a yearly guide of [the cheapest cars to insure in Canada](#). Keep in mind, this list won't include the current or previous year so it might only apply if you're buying used.

Every year, the Insurance Bureau of Canada also releases an annual list of the top 10 vehicles stolen in Canada. [Check it out right here](#).

2. Trim. There are loads of ornamental bells and whistles that the manufacturer can add to a vehicle. These can include special paint, graphics, leather interior, heated seats, or faux wood surfaces. They're generally grouped into packages identified by letters at the end of the Model

name, like GL, LE, LTD or SPORT. If your car has extra features, you could be paying more for your coverage, since these add-ons cost more to repair or replace.

3. Size. Vehicles can be grouped by body style, like two-door, four-door or minivan. Although we can't make a blanket statement about vehicle size and its impact on car insurance, some of the factors that may impact cost are how likely a vehicle is to roll and its safety rating. For example, midsize vehicles like SUVs are generally more durable in an accident than two-doors, which tend to have lighter frames. An insurer could offer lower rates on midsize cars based on this type of safety rating.

4. Technology. If there's one thing smartphone users know, it's that fancy tech is expensive to fix. The same goes for modern cars with convenient features like smartphone connectivity and wireless charging. Some new vehicles even have a built-in gaming system in the back seat to keep the kiddos occupied! But like a state-of-the-art phone, these things don't come cheap. If your car is stacked with gadgets, you could end up paying a little more for your insurance.

What about safety tech? Well, even if you skip out on the "fun" gadgets, it doesn't mean you should opt out of safety features like advanced driver assistance systems, [a 360-degree camera](#) and a blind-spot view monitor just to save a bit of money. Yes, cars with this type of tech could cost a bit more to insure. But, it's there keep you and your family safe. Paying a little more for safety features is well worth the peace of mind you'll have while on the road.

5. Modifications. Unlike trim, which are features added by the manufacturer, a [modification](#) is an after-market change that alters the vehicle from the manufacturer's standard specifications (like adding turbochargers or upgrading the suspension). Any changes you make to your car could push up the cost of repairing or replacing it. So remember, when you're gearing up to modify your vehicle it could push up your premium at the same time.

Tip: Before you customize your car, check with your insurance company to see if they actually insure modified vehicles. If they do, make sure they'll approve the upgrades you intend to make. If they don't, you'll have to look for special insurance for a modified car.

Car considerations aside, our very best tip to keep your insurance cost low is to drive safely. That way, you'll avoid expensive claims and keep you and the people around you safe.

Please note: This is general information based on vehicle trends in the industry. Details about you, where you drive, your driving history, and government regulated rates (among other information collected) are still the primary driving factors insurers use to determine your insurance premium. No matter the car, a driver with a good record will probably be paying less for insurance than a driver with a poor record. If you need a detailed breakdown of your premium, contact your insurer.

How to be ready for anything: Animal collisions

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Whether it's racoons in the city or a moose in country, we share the road with animals making animal collisions a sad, but real possibility on roads across Canada. Do you know what to do if you hit an animal? Here are our top tips to avoid an animal collision and keep you (and the animals) safe.

1. Be aware of your surroundings

Look for these specific roadside characteristics as clues for when animals are likely to be nearby and drive with extra caution:

- Creeks and drainages intersect the roads
- Habitat and forage is near the roadside
- Water sources are nearby
- Long, wide, straight stretches of road
- Yellow wildlife warning signs

Tip: Avoid driving at dusk and dawn when animals are more active and visibility is reduced.

2. Check for warning signs

Get into these simple habits when driving to spot animals as soon as possible:

- Scan the road from shoulder to shoulder
- Ask your passenger to be a second pair of eyes
- At night use your high beams when possible
- Watch for glowing eyes of animals

Tip: Notice flickering headlights of oncoming vehicles or tail lights of vehicles in front of you? This may be an animal crossing the road.

3. Be ready to react

If you do spot an animal in the road ahead of you, here's how to handle the situation:

- Slow down and anticipate unpredictable behaviour
- Try to determine what the animal is doing and where it's going
- Brake safely keeping in mind traffic and road conditions

- Honk your horn to try to scare off the animal

Tip: Many animals travel in groups, so where there's one animal there may be more.

4. Prepare for a collision

Despite your best efforts, sometimes a collision is unavoidable. Here's what you need to know:

- Brake firmly and quickly, don't swerve
- Aim in the direction the animal is coming from
- Look and steer your vehicle to strike the animal at an angle
- Let up on the brake just before you hit the animal to reduce the chance of the animal coming through your windshield

Tip: Swerving to avoid an animal often causes a more serious collision with another car or object on the road.

5. Know what to do after

If you've hit an animal on the road, there are a few things you'll need to do:

- Pull off the road if possible
- Turn on your hazard lights
- Check that you and your passengers are okay:
 - Call 911 right away if anyone is hurt
- Safely try to determine if the animal is dead or injured:
 - If it's injured, back off as they can be unpredictable
 - Contact local or provincial animal control or conservation services to report an injured animal on the road
 - Contact highway maintenance for your province/city to report a dead animal on the road
 - Call the local police if the animal is blocking traffic or creating a hazard for other drivers
- Inspect your vehicle for damage
 - Determine if it's safe to continue driving
 - Call the police if there's damage
 - To your vehicle over \$2000
 - To city property
 - Contact your insurance company
 - Capture photos of the scene and your car
 - Make note of any key details

Tip: Learn more about [how to be prepared for a car accident](#).

Borrowell COO, Eva Wong talks personal finance and insurance

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We spent 30 minutes with Borrowell COO, Eva Wong and learned that not only is she a self-proclaimed personal finance junkie, she's also an insurance advocate! Read on to find out why she thinks people are too hard on insurance, how she got involved with Borrowell, and her top financial tips.

When did you join the Borrowell team?

Eva: "It was in the early days, before Borrowell even had a name. Our CEO, Andrew Graham, saw a lot of exciting stuff happening in fintech around the world, but not a lot happening for Canadians. That's when he decided to build a financial technology company to help people make better decisions about credit. Andrew and I had founded a social venture together in the past, so I was asked to be part of the co-founding team. I was immediately excited because I've always had an interest in personal finance. "

What's the smartest thing to do with your money, regardless of where you're at?

Eva: "I've always been a personal finance junkie. When it comes to being smart about money, I'd recommend paying off your credit card in full every month. I know it sounds like a basic thing, but a lot of Canadians don't do it. People get into the trap (without planning to) where they can't or just don't pay the whole thing off. Next month, that balance has accrued interest and they've continued to spend. It can snowball really quickly into something that's unmanageable. If someone is already in this situation, then I'd recommend applying for a lower priced [loan](#) (Borrowell plug!) so that when you make a payment you're paying off more of your principal balance instead of just the interest.

Debt or no debt, it's also important to be checking your [credit score](#) on a regular basis. It really helps people understand the bigger picture of where they are financially. "

Borrowell was the first company in Canada to make credit reports free. Why is it so important to make credit reports available to Canadians?

Eva: “Credit reports have always been available, but they weren’t easy to get - you either had to wait for it to come in the mail, or you had to pay get it online. In fact, to check your score and report on a monthly basis from a credit bureau would cost about \$300 a year! It’s your information and everyone else is looking at it – your bank, your landlord, a future employer. It should be available to you. Making credit reports free democratized the availability of it. ”

Ready to make changes to your financial picture?

Visit [Borrowell](#) to sign up for your free monthly credit score and report. Plus, get custom loan, credit and insurance recommendations to save you money.

What do you find is the top myth regarding credit score?

Eva: “The top myth about credit score is that checking your score will lower it. This is not true! Applying for a lot of credit, called “hard hits”, can negatively affect your score. However, checking your own score is a positive behaviour that the credit bureau wants to encourage. It shows that you’re on top of things financially. We’ve even found that Borrowell members who check their score on a regular basis see an increase in their credit score. We believe that awareness and understanding of your score encourages behaviour that will help increase it. ”

Need help explaining the bumps and dips in your credit?

Spoiler alert! Borrowell is going to be launching new features in the next few months. Along with your monthly credit score and report, you’ll also get personalized tips as to why your credit score may have gone up or down.

[Sign up for a free Borrowell account](#) to start monitoring your score and stay tuned!

Having a good credit score can save you money in many ways... Can you share one of the ways that most surprised you?

Eva: “Something I discovered when we started working with Sonnet is that there’s a relationship between insurance and credit score. It’s been shown that there is a strong correlation between a person’s credit history and the frequency and severity of their claims. So, insurance companies like Sonnet often reward people with higher credit scores through savings on their home insurance premiums. Another reason to monitor and understand your score. At Borrowell, we’re bringing these and other savings to our customers by recommending Sonnet for their home and auto insurance. ”

So, why do you think it makes sense for Borrowell and Sonnet to be working together?

Eva: “Borrowell and Sonnet are trying to do something innovative but, most importantly we’re putting the customer first. So, I think there are a lot of ways we’re aligned. We want to make the

process of getting insurance, a mortgage, loan or your credit report streamlined so you can do it on your own. Transparency and education are also a focus of both Borrowell and Sonnet. We want to make sure that people understand what they're signing up for. In the past, making things easy for the customer to understand hasn't necessarily been the strong suit of traditional institutions. "

Why do you think insurance makes financial sense?

Eva: "I feel like people should be more positive about insurance! It would cost a lot to replace all of your belongings or pay for unexpected damages out of pocket. We're really fortunate to have insurance – so when bad things happen you're covered. Spending your money on insurance is a good thing, because ultimately it provides you with financial protection. "

Sounds like you've experienced the benefit of insurance first hand...Have you ever had to make an insurance claim?

Eva: "Yes! Our basement has flooded several times before because of sewer backup. It was stressful! But, we were thankful for our insurance. The repairs and everything was taken care of and it didn't cost us \$30,000 to deal with. It was important that we had the right coverage, though. We had added sewer backup coverage to our policy and also made sure that our tenant had renters insurance. Since these claims, we've also taken some preventative measures like installing a backflow valve and sump pump. So far, so good! "

While we're on the topic...Can you tell us about your last insurance experience?

Eva: "After learning that a good credit score can help lower the cost of your home insurance, I started shopping around for a better price. (My credit is good, but my husband has an excellent credit score!) We did a quote with Sonnet and saw a savings of \$55/month! That adds up over time. We were surprised how much we could save. Plus, Sonnet was really easy and straightforward to get a quote. I'd recommend setting aside some time with your existing policy on hand so you can compare. It was so nice to be able to get a home insurance quote at home, at night and not be on the phone with someone. "
