

Insurance

SPECIAL FEATURES EDITOR: STEPHANIE BOMBA, STEPHANIE.BOMBA@METRONEWS.CA

The great protector

Insurance is all about being prepared, as a boy scout might say.

When you're listing off interesting subjects, insurance might rank with "best cities in Canada to watch the grass die," but we rely on insurance to get us through our lives on a day to daily basis, without giving it much thought. It protects you, your family, your possessions and your business. In fact, without insurance, it's pretty safe to say that life as we know it would be much different.

Canadians know how important it is to hedge against potential losses. Insurance is the family's fifth-largest expenditure, according to Statistics Canada. Canadians spend more than \$40 billion on insurance every year, according to stats from the Insurance Bureau of Canada and the Canadian Life and Health Insurance Association. An expensive proposition to be sure, but policy holders know it's money well-spent should a basement flood or a sound system be stolen.

Insurance comes in many forms — car, home, tenant, business, but health ranks among the most important, especially in years to come, says Mark Halpern, a certified financial planner for insurance provider illnessProtection. He argues that as the baby boom generation gets older and their health deteriorates, demands on health care will rise exponentially to a level where access to federally funded care will become even more limited.

"The most important thing to have insured is your ability to generate an income. You don't protect



Insurance can protect you and your family.

the egg so much as you protect the goose that laid the egg," he said. "The reality of which people must be aware, and not enough are, is that we're living longer, and our health-care system is not prepared for it. The government will not be able to take care of the elderly. People need a guarantee."

Life insurance is equally important in the sense that it protects your family from financial loss after you die, argues Sam Albanese, director and founder of the financial services practitioner program at Seneca College. Morbid as this may sound, you're literally taxed into the grave. Once you pass on, the government will look to those you leave to satisfy the capital gains tax. If you didn't leave enough or if you don't have some sort of final plan, it may liquidate assets that you left to loved ones, making them foot the bill for your death.

"No one dies for free. Tacky but true," he said. "Think of Ottawa as a partner, albeit silent, as you go through life. Once you die,

"The government will not be able to take care of the elderly. People need a guarantee."

Mike Halpern

it's not so silent. Everything you've got is taxable, and you'll need money to pay the capital gains tax. You can leave your family devastated, or you can make sure your loved ones are taken care of by leaving them in a good position."

Like any investment, with insurance, it's usually better to start sooner rather than later. Fixed rates and lower premiums come easier with younger, healthier policy holders, the experts agree. It always pays in long run, notes Halpern, to think about how you'll manage the future, and insurance makes up an integral part of your plans.

"There's almost nothing worse than financial worries," he says. "The sooner you get started, the better off you'll be."

METRO NEWS SERVICES

How much can YOU save on car insurance?



Everyone has a savings number. What's yours?



InsuranceHotline.com

Your Search Engine for the Lowest Insurance Rates

All these people saved big by going online and using InsuranceHotline.com. See how much you can save on car insurance and find your number.

InsuranceHotline.com can help you find the best price by quoting over 30 major insurance companies and arranging them by the 3 lowest rates.

It's fast, safe and FREE.

Annual savings shown based on actual consumer quote data and results on InsuranceHotline.com

RATE COMPARISON

Driving Record	Lowest Price	Highest Price	Price Difference
Clean Record	\$958	\$2,213	\$1,255
1 Ticket	\$1,018	\$2,552	\$1,534
1 Accident	\$1,849	\$3,753	\$1,904

Rates between insurance companies can vary by 100's, even 1,000's of dollars for the same car and driver.

Look at this chart.

GET THE **3 LOWEST RATES** FROM OVER 30 MAJOR INSURANCE COMPANIES

Go online to **InsuranceHotline.com**

Car insurance myths debunked

- **Myth:** The colour of my car affects my insurance premium.
- **Fact:** Factors that determine premiums include the vehicle's year, make, model, body type and engine size. Colour is not one of them.
- **Myth:** If I use my car for work and have an accident, my employer's insurance will cover it.
- **Fact:** Your employer may reimburse you for mileage, but your own insurance provides coverage in case of an accident. If you use your vehicle

for work, you should be advising your broker of this use.

- **Myth:** Parking tickets increase insurance premiums.
- **Fact:** Parking tickets do not affect insurance premiums. But a licence suspension from unpaid fines can affect your driving record, resulting in higher insurance premiums.
- **Myth:** If my friend borrows my car and has an accident, his insurance will pay for damages.

- **Fact:** If you lend your car, you lend your insurance. Any claims will be made under your policy, even if you were not involved in the accident.
- **Myth:** Auto insurance companies can charge what they want.
- **Fact:** Auto insurance is subject to significant regulatory requirements. Insurance companies must submit their automobile insurance rates to government agencies for approval.

NEWS CANADA