

IN PARTNERSHIP WITH 

Getting a New Car? Here's What You Need to Know About Insurance

MICHELLE DA SILVA

LAST UPDATED NOVEMBER 8, 2021, 7:00 P.M.



Buying or leasing your first car is often about more than practical transportation; it's a major rite of passage. You've got your own set of wheels — which means freedom! Convenience! Agency!

But with great power comes great responsibility — and the more serious considerations that come with taking on such a large expenditure. Think about it: Along with your shiny new ride, you're going to want a financing plan, a way of budgeting for gas money, extra funds to put toward maintenance or parking expenses, and perhaps most importantly of all, auto insurance.

Auto insurance is hardly the sexiest part of investing in your first car, but in the hopes of guaranteeing you and your new whip a long and happy life together, it's important that you select the right insurance plan for you — which can often entail hours on end of tedious research. Luckily for you, though, we've tapped Lesley-Anne Scorgie, spokesperson for Onlia, a digital home and auto insurance provider, founder of MeVest, and best-selling author of [Rich by Thirty: A Young Adult's Guide to Financial Success](#), to answer the most common questions you're likely weighing when it comes to your own auto insurance.

ADVERTISEMENT

I'm planning to purchase my first vehicle. What unexpected costs should I be thinking about?

"When spending on a car, people often overlook insurance and fuel costs as part of the overall price tag. So before you buy, take the time to call your preferred insurer or request a quote online.

"If you use a digital [insurance calculator](#), you can go ahead and plug in some details about the make, model, and mileage of your chosen vehicle to find out how much an insurance plan will cost you on a monthly basis. Sometimes, it'll turn out that insurance on a newer car costs less than on an older one. Often, electric vehicles can carry higher insurance costs than gas vehicles. Until you actually plug those details into the calculator online and get yourself a good quality quote, you really have no idea — and those details may be worth considering before you make a final decision on which model you want to invest in."

How can I cut my costs down?

"I usually recommend that folks find a safe-driving app that'll help them assess their driving history and habits, so they can tailor their insurance plans accordingly. Apps like [Onlia Sense](#)™ (among others) are great because they use telematics to track your driving habits, then they offer discounts or rewards when you drive safely. Every dollar counts, and you may as well earn it back where you can."

When it comes to buying vs. leasing, what are some things to take into consideration?

ADVERTISEMENT

"Lease payments will usually cost far less than monthly payments on a purchased car, so if you're looking to save money, leasing is an obvious choice. That said, if you're planning on doing a lot of driving, you've certainly got to be mindful that exceeding the designated kilometer limit on your lease will land you with some big bills. If you signed off on driving 10,000 kilometers a year, then wound up driving 20,000, you're going to pay for that.

"If you choose to buy, you'll want to be absolutely sure that you can afford the payment — and on top of that, you'll need to be sure that you don't plan to trade in or upgrade your vehicle in the near future. In fact, you'll typically need to drive your new car for about seven years for the purchase to really make financial sense. If you opt to buy a used car instead, those rules don't typically apply since the original owner is the one paying off the new-car price inflation. But when buying used, you'll want to be sure the model isn't so old that it's raising your insurance rates."

What's the benefit of "buying direct" vs. using a broker?

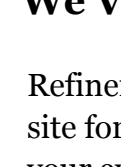
"Like with so many other industries, we're seeing a recent push in the insurance world towards direct-to-consumer models. Buying 'direct' means that you're going online to get a quote and buy. By going online, you're empowered to make decisions on your *own* policy and coverages. But don't worry, it's still safe. Coverages that are mandatory in Ontario are automatically a part of a standard policy, so you won't find yourself making any unforgivable mistakes.

ADVERTISEMENT

"The other thing that I like about buying direct is that organizations like Onlia have direct digital portals to help you stay on top of your coverage — so you can actually manage your own insurance as your lifestyle or your budget shifts."

How do I know if I'm choosing the right policy for me?

"You'll know what you need when you start getting into the insurance process — each question you'll have to answer while using an insurance calculator will address your driving habits and the ways in which you plan to make use of your vehicle. Take your time and look at who is giving you insurance and what their needs are matched to your own."



What a

"You'll r
begin dr
one of tl
in place
"On a m
coverag
not invo
benefits
direct cc
not leas
driver ir

We Value Your Privacy

Refinery29 uses cookies and other passive web tracking technologies on this site for various purposes, including to enhance site performance, personalize your experience, and deliver interest-based ads.

You have the right to accept or reject all cookies via the 'Manage My Privacy Settings' link in the footer of the website. By continuing to use this site, you agree to our use of cookies and other passive web tracking technologies as described in our Privacy Policy and Cookie Policy.

To opt out of sales or sharing of your personal information associated with the email address, social media account, or other information you provided to us through your user account, please use this form to submit your request. Any personal information provided through the request form is used solely for the purpose of responding to the request.

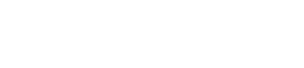


"On top of *these* basics, you'll need to opt in personally to add any additional coverage. And depending on what kind of driver you are, your best options will shift. That said, broadly speaking, it's recommended that you consider collision coverage, which covers the percentage of damages that *you're* responsible for paying post-accident (depending on what percentage of the accident is technically your fault), as well as comprehensive car insurance, which is designed to help cover non-collision-related damage to your vehicle. If you're the sort of person who seems to attract crises like, say, a golf ball through the windshield, this one is certainly worth considering.

What are some other ways I can save on my car insurance?

"Bundling together your home and your auto insurance can be a really great way to save. You don't have to be a homeowner, though — even as a tenant, you can put these two policies together, and that will save you anywhere from 15 to 20% on your total insurance for your home and auto needs. On top of that, being a notably safe driver will enable you to maximize on serious discounts (think: between \$500 and \$750). Tack on up to \$40 cashback monthly in rewards and you could be saving even more."

ADVERTISEMENT



HOW TO PICK THE RIGHT AUTO INSURANCE

[LIVING](#)

WRITTEN BY

MICHELLE DA SILVA

More from Work & Money

MONEY DIARIES
A Week In Houston, TX, On A \$60,050 Salary
DEC 28, 2021

TAKING STOCK
Almost 100% Of My Income Goes Toward Rent
by WHIZY KIM

MONEY DIARIES
A Week In Newburyport, MA, On A \$190,000 Joint Income
by

ADVERTISEMENT

WORK & MONEY
How To Deal With Being The One 'Left Behind' At Work
by SADHBH O'SULLIVAN

LIVING
The Humiliation Of Work Under Capitalism
by WHIZY KIM

MONEY DIARIES
A Week In The Kootenays, BC, On A \$45,000 Salary
by R29 TEAM

MONEY DIARIES
A Week In New York, NY, On A \$86,000 Salary
by

MONEY DIARIES
A Week In Dallas, TX, On A \$665,000 Joint Income
by

LIVING
#CorporateTikTok Is The Place For Bored Office Workers
by KATIE BISHOP

ADVERTISEMENT

CORONAVIRUS
The Latest On Canada's Pandemic Benefits (& What To Do IfY...
by RENÉE SYLVESTRE-W...

MONEY DIARIES
A Week In Montreal & Gatineau, QC, On A \$100,000 Salary
by R29 TEAM