

The high cost of bad driving

Source: Toronto Star's Moneyville

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Nobody likes to get a ticket for bad driving. But whether you are speeding a little or a lot, the repercussions often go way beyond the fine you have to pay and the demerit points you lose. Your insurance rates will go up, and for more serious offenses like careless or impaired driving, you can lose your licence.

In Ontario the set fines for speeding are between \$3 and \$9.75 per kilometer, depending on how fast you were driving. However, if you drive 100 km/hour in a 50 km zone, you will lose 6 demerit points and your license will be suspended.

One conviction for drinking and driving can change your life forever. The fine is at least \$1,000. You will also lose your licence for a year and be required to install an ignition interlock system for a year (an alcohol screening device) at your own cost. A second impaired conviction carries a mandatory jail sentence of 30 days.

[InsurEye Inc.](#) rates insurance companies and monitors insurance industry trends. A 2011 InsurEye study found that drivers who had a maximum of two driving offences in the last three years pay 20 to 25 per cent more on average than drivers with a clean driving record. For Ontario residents that can mean an annual increase of about \$450 on insurance premiums.

Subsequent violations can mean even bigger hikes and also severely limit your choice of insurance companies. In fact, you may even be denied auto insurance all together. Where your spouse has a bad driving record, this could also drive up your premiums.

A bad driving record can also mean life and disability insurance premiums for new policies that are 20 to 25 per cent higher, says Investors Group life insurance agent Zael Miransky. If you are involved in an "at-fault" accident and convicted of impaired driving, a subsequent application for individual life insurance may be refused altogether.

However, bad driving will not impact a pre-existing life or disability policy with set premiums. And if you have no further infractions for three years, you can apply to have your premiums reduced.

More and more Canadians in big cities use car sharing programs such as Autoshare, Zipcar and Car2Go. These programs are often cheaper than car ownership since cars are available on-demand and you pay only for the time you use the vehicle. However, your driving record will be checked when you apply and infractions can mean you won't be approved.

Furthermore, bad driving can cost you a job. Whether you are a police officer, a truck driver or just someone who needs a car to get to and from work, losing your licence can mean losing your livelihood.

Your driving record never disappears – police and courts will always be able to access your full driving history. However, insurance companies only base premiums on your driving record for the most recent three years.

If you are interested in how bad driving record affects auto insurance premiums, have a look at [the InsurEye Price Comparison tool](#).

Source: <http://www.moneyville.ca/blog/post/1253520--the-high-cost-of-bad-driving>