

Lending out your car and insurance policy

EQUAL RIGHTS

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Auto insurance is a tricky thing. It is a contract between you and your insurance company. They are supposed to comply with certain regulations under the contract – and so are you.

Lending your car to other drivers is one issue that frequently comes up. You are allowed to lend your car, but be aware it is your insurance that will respond in the case of an accident. As the owner of the vehicle, you will be held responsible for any damage your vehicle causes, whether or not you are the actual driver. Be wary of who you lend your vehicle to; you are essentially lending your insurance policy.

If you lend your vehicle to someone who is specifically listed as an excluded driver, your coverage is vitiated. This means you could be personally responsible for the damage if that person gets in a motor vehicle accident.

Because insurance companies will often ask you to exclude drivers under 21 for a better rate, make sure that young driver does NOT get behind the wheel of your vehicle. That means hiding the keys and having a conversation about the ramifications of them driving the vehicle.

The onus is on you to prove you did not consent to

the excluded driver using the vehicle. Keeping your keys out in the open can be construed as consent because you knew or ought to have known the young driver would take the vehicle.

Take even greater care with rental policies. I see this scenario the most. Insurance through car rental companies only covers the listed driver. If your driver is not listed on the rental contract, there is no insurance and again you will be personally liable for any damage.

If you are unsure, ask your broker. Do not take a risk with your insurance. It is your rates that will suffer in the end. ■

Sandra Zisckind provides an educational article for viewing, it should not be construed as legal advice. If you need Legal advice, please contact a lawyer or Sandra Zisckind at 416 850 PAIN



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