

## Are you Covered?

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### **Many Albertans are at risk due to inadequate auto insurance policies.**

Being involved in a car accident is a terrible experience that can be made worse if you discover that your auto insurance is insufficient. As personal injury lawyers, it's a difficult situation that we come across all too often. The good news is that you can take steps in advance to protect yourself quite easily, and for a relatively small amount of money. Here's what you need to know:

If you are to cause an accident, Section A of your auto insurance policy covers the damages you cause to others, but only to the limits you have chosen. The typical Alberta policy includes \$1 million of coverage under Section A. It seems like a lot of money, but it may not be enough. Imagine if you injure a professional or someone with a lucrative job in the oil sands. If the victim can no longer work, their loss of income claim alone could exceed the one million dollar limit of your policy. Many serious and catastrophic injuries can also require life-long care at considerable expense.

If your insurance doesn't cover the full costs of the injured party, **you** are responsible for the difference. Your pay can be garnished, you can be forced to sell your house, and your assets can be seized. Fortunately, this is something you can help avoid by increasing the amount of coverage included in Section A of your policy. An additional \$1,000,000 in coverage, increasing your protection to \$2,000,000, can be purchased at minimal extra cost.

You should also be aware that the current (and badly out of date) Alberta law requires Section A coverage of only \$200,000, so there are drivers on the road who are really underinsured. If you are injured in an accident that's caused by someone who is underinsured or even uninsured, there is something in place to help you. The SEF 44 (Standard Endorsement Form) portion of your own auto insurance policy requires your own insurance company to make up for the shortfall in

coverage available. So, if you are injured in an accident and the driver at fault lacks adequate insurance to cover your claim including any loss of income or treatment costs you require, your insurance company will make up the difference, up to the limits of your own Section A policy. We suggest you consider speaking to your insurance broker about increasing your coverage to \$2 million. The resulting increase in premium for doubling your coverage is usually very small, especially when you view it as part of the overall cost of owning and operating your vehicle. This amount is more likely to be sufficient in the event of an accident, regardless of who is at fault. Alternatively, you can discuss an umbrella policy that increases your liability coverage across all your personal insurance lines.

If you haven't reviewed your insurance policy recently, now may be a good time to take a look and ensure you are protected. Please feel free to contact our [personal injury team](#) if you have any questions.

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