

Use an insurance broker or buy directly from the insurer?

You can buy insurance directly from an insurance company, after you've done your research and compared offers.

- You can obtain insurance quotes while you do your research using aggregator websites, like www.ratehub.ca.

Or you can use an insurance broker who represents many companies.

- The broker will do the research for you. They'll deal with the insurance company you select - when you buy the insurance and sign the contract, when it's time to renew it, when you're wondering if you should report anything to the insurance company, and when you have to make a claim.
- You don't pay the broker for their service. Brokers are paid commission by insurance companies.
 - The commission will be included in the quote you get. The broker should be transparent about the amount of commission they're paid.
 - Some insurers may pay brokers additional commission, called 'contingent profit commission'. The broker earns it overtime, depending on how profitable their clients are for the insurance company.
- Brokers are licensed by the province in which they work. The website www.insuranceinstitute.ca provinces links to the websites of provincial regulatory agencies' licensing pages.

If you are planning to use a broker,

- Ask how they are paid
- Check if their license is current.