



Financially Speaking

We continue to feature insurance-related terms throughout the month of June. This week's term is: **Subrogation**

Subrogation is the right of the insurer to take over the insured's rights following payment of a claim in order to recover the payment from a third party responsible for the loss. For example, if your car has been damaged in an accident and the other person involved is responsible, you still have the right to make a claim to your own insurance company for the cost of repairing your vehicle. Through the process of **subrogation**, your insurance company can then make a claim to the insurance company of the person responsible in order to recover the money that it had paid to cover your claim.

What does this mean for you?

Subrogation really provides you with the convenience of being able to claim from your insurance company for damage for which you were not responsible. In such cases, recovering the cost from the other insurance company can be time consuming and you are often inconvenienced by the delay. For example, you may end up covering the cost of repairing your vehicle while the insurance company of the other party goes through the process of honouring the claim. **Subrogation** allows you to avoid having to do this because your insurance company then assumes this responsibility.