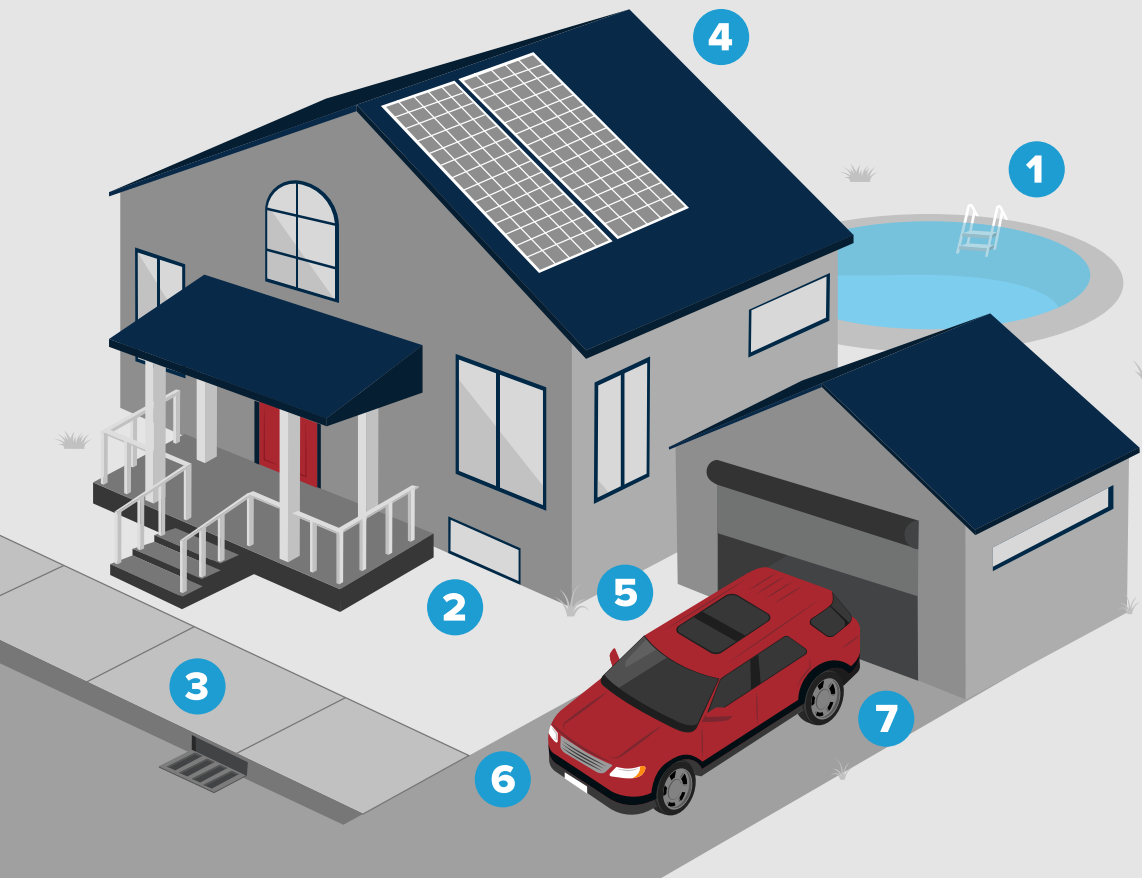


● ● ●  
economical

# WHY DO MODERN HOUSES AND VEHICLES COST MORE TO INSURE?

With home and car insurance rates on the rise across Canada, it's a good time to review some of the factors that are pushing rates up. There are many elements to consider, including physical and climate-related factors — some are in your control and some aren't, but understanding both will help you see why your rates may increase when your policy renews.



## 1 RISING HOUSING COSTS AND MORE SEVERE WEATHER

Housing prices have gone up significantly over the past few years, and many houses now include higher-end features like pools and hot tubs, which drive up replacement costs and increase the risk for liability claims. Canada is also experiencing more extreme weather events, leading to more severe damage to homes.

## 2 FINISHED BASEMENTS ADD LIVING SPACE, BUT COST MORE TO INSURE

The building materials used in modern basements cost more to replace after sewer backups or other damaging events than those in unfinished basements — not to mention TVs, sound systems, and other valuables stored in basement rec rooms.

## 3 AGING MUNICIPAL INFRASTRUCTURE

Coupled with a higher demand for water, outdated municipal infrastructure means sewer backups are becoming more frequent.

## 4 ECO-FRIENDLY BUILDING MATERIALS AND APPLIANCES COST MORE

Newer homes are often outfitted with more environmentally friendly components like solar panels, energy efficient windows and doors, and high-efficiency laundry machines. These cost more to repair or replace when damaged. Some of these components may also be more susceptible to damage as weather events become more severe, adding to your repair costs.

## 5 MODERN WINDSHIELDS OFTEN HAVE BUILT-IN TECH FOR ADVANCED DRIVER ASSISTANCE SYSTEMS

This makes windshields more costly to replace. It takes extra time to recalibrate a car's computer system following a replacement, leading to higher labour costs.

## 6 MOST NEW CARS HAVE SENSORS BUILT INTO FRONT AND REAR BUMPERS

If one of your bumpers needs to be replaced, your vehicle's computer system will need to be recalibrated to make sure the sensors work properly. As with windshields, the time spent on repairs ends up costing more.

## 7 NEWER VEHICLES HAVE MORE AUTONOMOUS FEATURES

From adaptive cruise control to automatic parking, newer vehicles have features that use complex computer systems and sensors that cost more to repair.

**These are just a few of the factors contributing to rising home and car insurance rates. To learn more and find out how you can save on insurance, check out [economical.com/rateincreases](https://economical.com/rateincreases) or speak to your broker.**