

A close-up photograph of several LEGO bricks in red and blue. One blue brick is shaped like a house with a chimney. The bricks are scattered on a light-colored surface. A dark blue semi-transparent banner is overlaid on the left side of the image, containing the title text in white.

Rising Property Insurance Premiums in Ontario: Understanding the Why and How

Over the past few years, residents of Ontario have witnessed a steady increase in property insurance rates, leaving many property policyholders questioning the reasons behind this upward trend.

Lawrie Insurance Group is committed to informing our valued clients about the evolving landscape of personal property (home, condominium and/or tenant) insurance. We will shed some light on the four key factors contributing to the rising home insurance rates.

1. Increased Frequency and Severity of Natural Disasters:

Climate change has become undeniable, and its impact is felt worldwide, including in Ontario. Significant increases in the frequency and intensity of natural disasters, such as floods, wildfires, and severe storms, caused more than \$3.1 billion in insured damages across Canada in 2023.

2. Rising Construction and Repair Costs:

The cost of construction materials and labour has been on a steady incline since the onset of COVID-19, which directly impacts the expense of rebuilding or repairing a home after damage.

3. Aging Infrastructure:

Many parts of Ontario boast beautiful, older homes with charm and character, but these properties often come with aging infrastructures. As homes and buildings age, they become more susceptible to wear and tear, increasing the likelihood of damage or failures (i.e. water mains).

4. Advances in Technology:

While technological advancements have certainly made our lives more comfortable and convenient, they have also increased the value of high-value electronics, appliances, and other home possessions. From state-of-the-art entertainment systems to smart home devices, the overall value of personal belongings in modern households has risen significantly.

Ways to Help Save Money on Your Home Insurance

1. If you own a car, **bundle your home and car insurance** for combined policy discounts.
2. **Increase your policy deductible.** The deductible is the part of the loss you must pay when you make a claim. When the deductible goes up, the premium goes down. Ensure you can afford to pay the deductible for a claim.
3. **Protect your home against fire, theft, water, and severe weather damage.** Loss prevention devices such as a burglar alarm system, reinforced roofing, a sewer backwater valve, a leak detection system, storm shutters, sump pumps, and sprinkler systems can provide additional protection and reduce your premiums. Upgrading the roof, electrical, heating, and plumbing systems may reduce your premium.
4. **Ask about additional discounts.** If you're 55+ or are mortgage or claims-free, you may be eligible to save money on your home insurance.
5. **Consider paying your premium annually.** Some insurance carriers can save you money by avoiding potential service or interest charges by paying your premium in installments.
6. **Evaluate your coverage every year.** Ensure your policy reflects your home's current value, including upgrades, recent renovations, and major purchases.
7. **Don't include the market price of the underlying land.** Insure your home for what it would cost to rebuild with like-quality materials in the event of a loss.

Lawrie Insurance Group is dedicated to guiding our clients through these challenges with customized insurance solutions that balance coverage and cost. Our team is ready to provide expertise and offer support to ensure your investments are secure. For any home insurance queries or concerns, please reach out to your Lawrie Insurance Broker. Remember, being well-informed means being empowered to protect your significant investments.