

Why does the price of my home insurance change each year?

You'll know that the cost of home insurance varies. What you paid one year might not be what you pay the next. But why does this happen? Insurance is all about risk, so insurance providers constantly analyse and assess everything they can to evaluate this risk. This means that sometimes your price increases and you may not know why. Here's a guide to some of the factors that affect your price from one year to the next.



Are things different for you this year?

Any changes to your circumstances or home situation can have an effect on the price you pay. Here are some examples:



Change of address

If you've moved house, whether to the next postcode or the next county, many factors can change. Crime rates and the number of claims per household, as well as the house type, can all adjust your price.



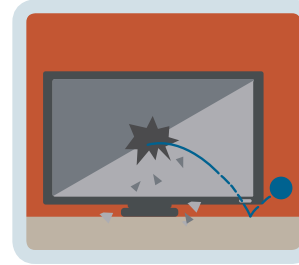
Optional extras

Adding things to your cover, such as legal protection or home emergency cover, will increase your price.



Changes to your property

If you've added an extension or converted a room, this can change your property's value or its rebuild cost. In turn, this could affect how much you pay for your insurance.



How busy your home is

Changing from full-time employment to part-time or retirement means you are at home more. On the plus side, there's less chance of break-ins, but the downside is that there's more opportunity to damage things!

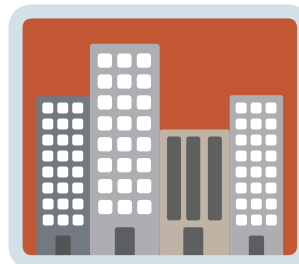
Changing circumstances in the wider world

There are other influences on the cost of your home insurance that are not a result of anything you've done personally. From nationwide and regional statistics to the state of the economy, these external factors all contribute to changes in your price:



Insurance Premium Tax (IPT)

Your home insurance is subject to Insurance Premium Tax, which has doubled to 12% since 2015 and can change with every government budget.



Operating costs

Insurance businesses have overheads so, naturally, each policy contributes to that. Any increases in the cost of office space, staff wages or operating systems may also affect the cost of your insurance.



Local statistics

Newly published data can affect the cost of your home insurance. This might be public information about reported crime figures or industry research about the number of claims made in your neighbourhood.



Cost of repairs

Repairing damaged homes is becoming more expensive as houses and their contents are now much higher spec. Plus, labour costs to rebuild and refit homes have to be factored in.



Regional geography

If other properties in your area are prone to flooding or subsidence, yours might fall under the same catchment area or be regarded as a similar risk.

How Saga can help

Review your cover – by ensuring your property and cover details are correct we can check you're getting exactly the right cover and you'll avoid paying for more than you need.

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– as a Saga customer, you can join Possibilities and take advantage of money-saving customer offers and prize draws for special events. To find out more, call **0800 092 3906** or visit [saga.co.uk/membership](https://www.saga.co.uk/membership)

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