

Canadians quick to believe common insurance myths

Ratehub.ca debunks myths on how insurers calculate pricing, while launching new tools to help Canadians find the right insurance products

March 26, 2019 (Toronto, ON) – [Ratehub.ca](https://ratehub.ca), Canada's leading financial comparison website, today announced new survey results revealing many Canadians can't separate fact from fiction when it comes to their car and home insurance.

The survey, which polled more than 1,000 Canadians, found there were many deeply ingrained myths around how insurers develop pricing for car and home insurance.

1 in 5 Canadians (22%) said they believe the colour of their car impacts the price they pay for car insurance.

This is FALSE. The colour of a driver's car has no effect on their insurance premium. The survey also found:

- **Almost half of Canadians (46%) said they believe their gender does NOT affect the price they pay for car insurance – FALSE.** Insurers use historical data to determine on average, male drivers are riskier drivers than women.
- **42% believe it does NOT matter how often they drive, as they pay the same as everyone else – FALSE.** According to insurers, the more time drivers spend on the road, the more likely they are to get into accidents.
- **39% believe their postal code does NOT affect their car insurance premium – FALSE.** Car insurance rates are generally higher in more densely populated areas. With more people, chances are higher that drivers will get involved in collisions or have their cars vandalized or stolen.
- **36% believe getting parking tickets affects how much they pay for car insurance – FALSE.** Parking tickets don't affect your driving record or insurance rates.

Almost half of Canadians (46%) said they believe renting out their home via Airbnb would NOT impact the price they pay for home insurance.

This is FALSE. Using a home for Airbnb changes a homeowner's risk level, so insurers may charge more for coverage or in some cases, even void an insurance policy. The survey also found:

- **34% said they believe the construction materials used in their home would NOT affect what they pay – FALSE.** Construction materials such as wood, brick, cement, etc., can affect what a homeowner pays for insurance.
- **28% believe their postal code does NOT affect what they pay for home insurance – FALSE.** Having a home in an area with many insurance claims – eg. for break-ins or vandalism – can raise rates.
- **27% believe if their home was flooded, all damages and losses would be covered under most home insurance policies. Another 23% said they weren't sure – FALSE.** To get covered for overland flooding or sewer backup, homeowners need to buy endorsements – or add-ons – to their policies.
- **22% believe the total value of their jewellery or fine art would be covered by most home insurance policies. Another 27% said they weren't sure – FALSE.** Most policies have maximum claim amounts for valuables such as jewellery or fine art. For more coverage, homeowners need to buy endorsements.
- **7% believe a small business run out of their home would be completely covered by most home insurance policies. Another 43% said they weren't sure – FALSE.** Running a home business changes a homeowner's level of risk. Homeowners should consider buying endorsements or even separate business coverage.

To help Canadians fill in the blanks on their insurance coverage, Ratehub.ca is also announcing the launch of its auto and home insurance quoting tools in Ontario. These quoters are the next evolution of Ratehub.ca's Canadian insurance offerings. The tools were designed to help Canadians find the right insurance product for their needs, while providing insights on why insurance companies ask for specific information and how that information affects the rates they are quoted.

“Insurance pricing is a black box for consumers – pricing can depend on many factors, and it can differ from provider to provider. That’s why we always encourage Canadians to shop around for the best coverage and rates,” said **Alyssa Furtado**, co-founder of Ratehub Inc. and CEO of [Ratehub.ca](https://www.ratehub.ca).

“We wanted to shatter some long-held myths around insurance pricing, so we designed our auto and home insurance quoting tools to educate and inform Canadians throughout the rate comparison process. Our goal is to help Canadians get all the information they need to choose the best insurance coverage for their families.”

- 30 -

About This Survey

This survey was conducted online by Ratehub.ca. More than 1,000 Canadians were surveyed online during October 2018.

About Ratehub.ca

At Ratehub.ca, we help you take control of your money. We guide you to the best mortgage rates, credit cards, savings accounts, and insurance rates, giving you the power to change your financial products based on what you need and how you spend. Join the 5 million Canadians who come to Ratehub.ca every year to make smarter financial decisions. When you know more about the financial products you have, you do more with your money.

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