

FullCover
October 2026

Why your home insurance premium may not look like your neighbour's

Two homes can sit side by side, have a similar value and appear to face the same risks, yet attract noticeably different insurance premiums.

That is because home insurance pricing is becoming increasingly personalised. Insurers are using more detailed information to understand the risks associated with individual properties, rather than relying mainly on broad assumptions about a suburb or region.

Your premium is influenced by more than the estimated cost of rebuilding your home. Location, natural hazard exposure, property condition, resilience and claims history can all contribute to the outcome you receive. Rothbury's latest domestic Market Update notes that while the overall market is more stable, insurers are placing greater emphasis on the individual characteristics of each home.

Why pricing is becoming more individual

Insurers now have access to significantly more information than they did even a few years ago.

Advances in modelling, hazard mapping and property-level data allow insurers to better understand the risks associated with individual addresses. Rather than spreading risk broadly across an entire suburb or community, insurers are increasingly pricing for the specific risks a property faces.

The Reserve Bank of New Zealand has identified a clear trend towards risk-based pricing, meaning insurance premiums are becoming more closely aligned with the flood, seismic and weather-related risks associated with individual properties.

The result is that two neighbouring homes may no longer receive the same insurance outcome.

Location still matters

One of the biggest factors influencing pricing is location.

Homes can face very different risks even when they are close together. One property may sit near an overland flow path, while another sits on slightly higher ground. One may have greater exposure to flooding, coastal hazards or landslip risk than neighbouring properties.

Insurers are increasingly using address-level information to understand these differences and align premiums more closely with the risk associated with each property.

For some homeowners, this may also influence:

- Excess levels
- Policy conditions
- Availability of cover
- Choice of insurer

This doesn't automatically mean a property is high risk, but it does mean insurers are taking a more detailed view than in the past.

Check your property's risks

Want to better understand the natural hazards that may affect your property?

Useful resources include:

- NIWA Flood Hazard Viewer
- Natural Hazards Portal
- Your local council's hazard maps and LIM information

Understanding your property's exposure can be a helpful first step when reviewing your insurance cover and known risks.

The home itself plays a role

Insurers also consider the characteristics of the property itself.

Factors such as age, condition and rebuild complexity can influence how risk is assessed and priced.

This is one reason why insurance outcomes can vary between properties that appear similar at first glance.

Claims history can influence future outcomes

Claims history may also be considered when insurers assess risk.

A single claim is not usually the issue. However, multiple similar claims can sometimes indicate an ongoing exposure that may require attention.

For example, repeated water damage, drainage issues or storm-related losses may suggest an underlying problem that continues to increase risk.

Addressing the root cause of recurring issues may help reduce future losses and demonstrate that the risk is being actively managed.

Why resilience matters more than ever

While homeowners can't change every risk associated with a property, there are practical steps that can help improve resilience.

Insurers are increasingly interested in how well a home is prepared for known risks. Maintaining gutters and drainage systems, addressing maintenance issues early, managing vegetation and monitoring retaining walls can all help reduce preventable damage.

Resilience won't necessarily guarantee a lower premium, but it can reduce the likelihood and severity of future losses and demonstrate a proactive approach to risk management.

Questions homeowners should consider

If your premium has changed significantly, it may be worth asking:

- What factors are influencing the pricing?
- Is my sum insured still appropriate?
- Has new hazard information affected the property?
- Are there resilience improvements worth considering?
- Have policy conditions, limits or excesses changed?
- Are there alternative options available in the market?

The premium is important, but it should be considered alongside cover, excesses and policy conditions.

Looking ahead

Home insurance pricing is likely to become increasingly tailored as insurers continue to improve their understanding of property-level risk.

That means premiums may differ more noticeably between properties, even within the same neighbourhood.

The key point is simple: homes may look alike, but their insurance risks are rarely identical.



How Rothbury can help

Your Rothbury broker can help explain the factors influencing your premium, review changes to your policy and help ensure your cover remains appropriate for your home and circumstances.

If your premium has changed significantly, or you'd like to better understand how insurers view your property, talk to your Rothbury broker.

Important: This article contains general information only and does not take into account your individual circumstances, objectives or insurance needs. Insurance cover is subject to the terms, conditions, limits and exclusions of the relevant policy. Please seek professional advice before making decisions about your insurance arrangements.

Rothbury INSURANCE BROKERS