

# AWARENESS AND UNDERSTANDING OF RENTERS INSURANCE AMONG HISPANIC RENTERS



In August 2014, State Farm® conducted an online survey to examine the awareness and understanding of renters insurance among Hispanic renters. Survey findings indicate that many Hispanic renters do not have renters insurance, and some have never heard of renters insurance. Renters insurance is designed for anyone who rents the place where they live, regardless of the type of structure. Renters insurance offers flexibility so customers can select coverages and insurance amounts that suit their individual needs and situation.

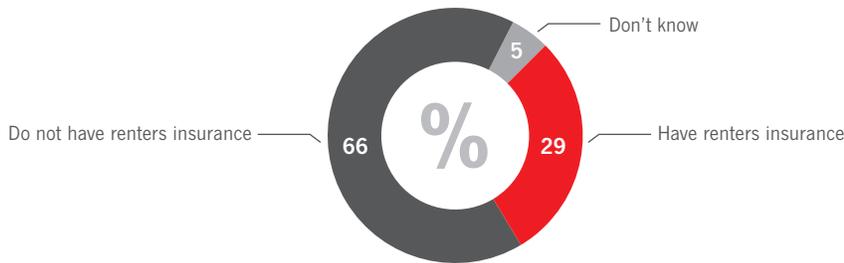
## Background

There are many misconceptions about the need for renters insurance, such as: “The landlord’s insurance covers me.” “I don’t own very much.” “I’m renting, I don’t need liability insurance.” Renters should know the benefits of having renter’s coverage designed for their individual situation. Renters have many of the same exposures as people who own their homes such as insuring personal property and legal liability. Not having renter’s insurance could leave renters having to pay the cost of repairing or replacing valuable property or facing the financial burden of a liability loss.

Renters can determine how much coverage they need by taking an inventory of their personal items. Too often, renters underestimate the value of their personal property and their need for personal liability coverage. It is a good idea for renters to periodically review their policies to make sure their coverage is up to date.

## PERCENTAGE OF RENTERS WITH AND WITHOUT RENTERS INSURANCE

Despite the benefits listed above, two-thirds of renters did not have renters insurance.



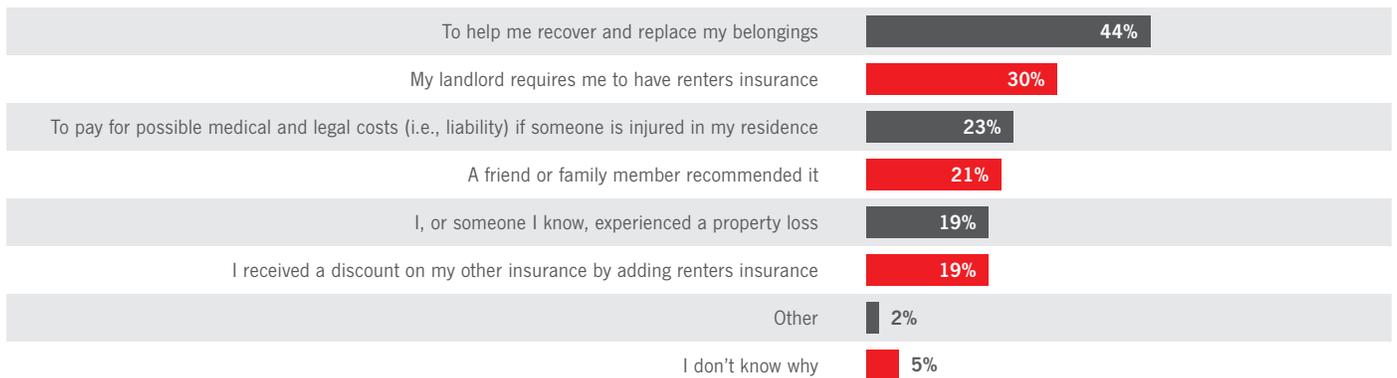
N = 539 (Respondents who currently rent their residence)

Note: To qualify for the survey, respondents had to have at least one major insurance product (auto, home/renters, or individual life).

## RENTERS WITH RENTERS INSURANCE

For those respondents that have renters insurance, the most common reason for having renters insurance was “to help me recover and replace my belongings,” selected by 44 percent of respondents with renters insurance.

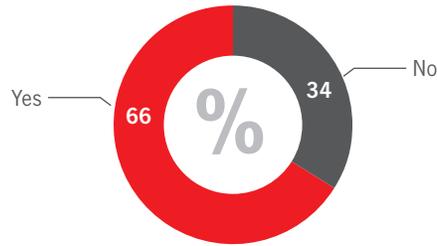
### Which of the following are reasons why you have renters insurance?



N = 154 (Respondents who currently rent their residence and have renters insurance)

## RENTERS WITHOUT RENTERS INSURANCE

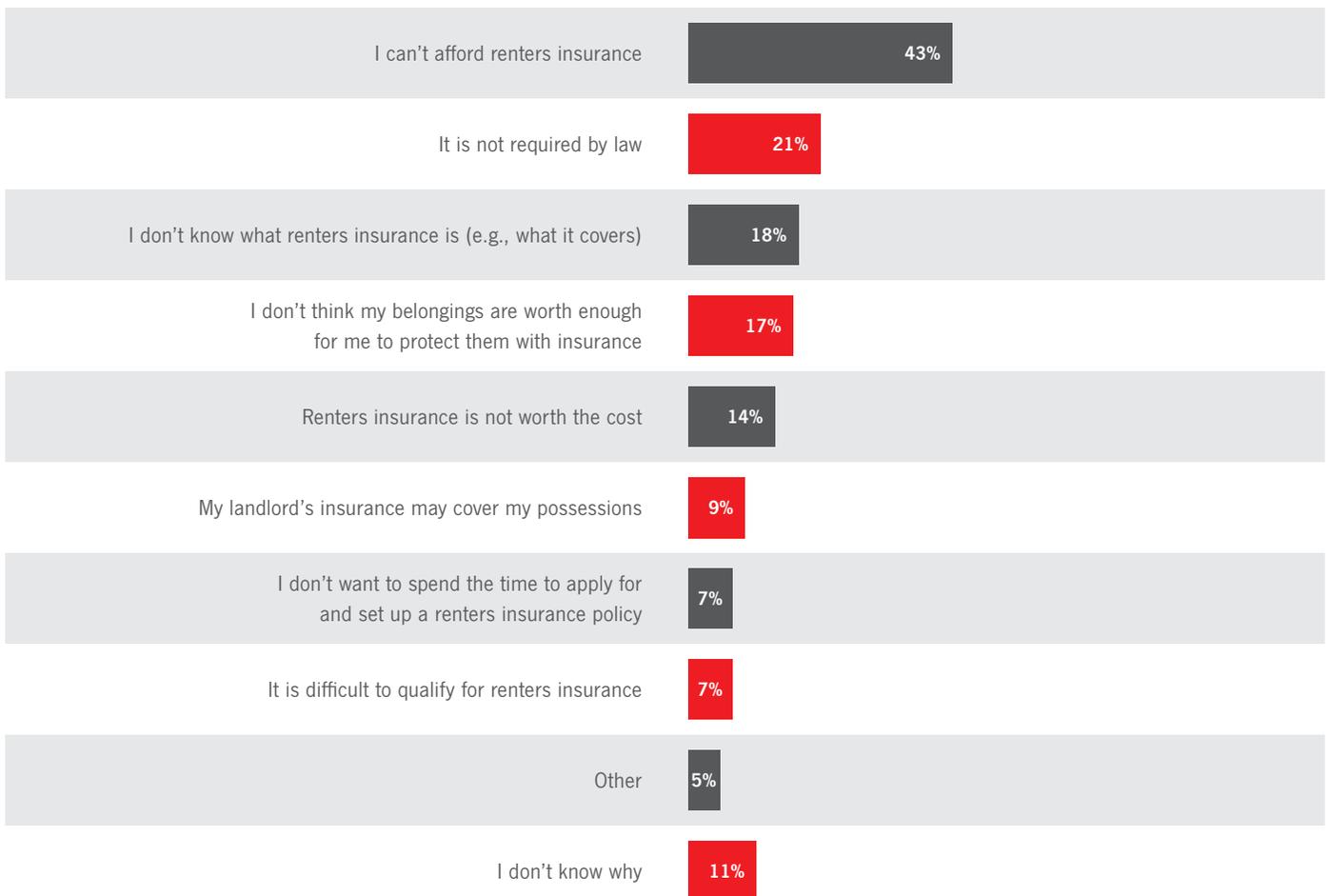
Over one-third (34%) of renters without renters insurance have never even heard of renters insurance.



*N = 357 (Respondents who currently rent their residence and do not have renters insurance)*

Renters insurance can be an inexpensive coverage providing protection for personal property against such perils as fire, theft and vandalism. Protection is also provided for personal liability and medical payments exposures. However, for renters who have heard of but do not have renters insurance, the most common reason for not having it was “I can’t afford renters insurance.” (43%)

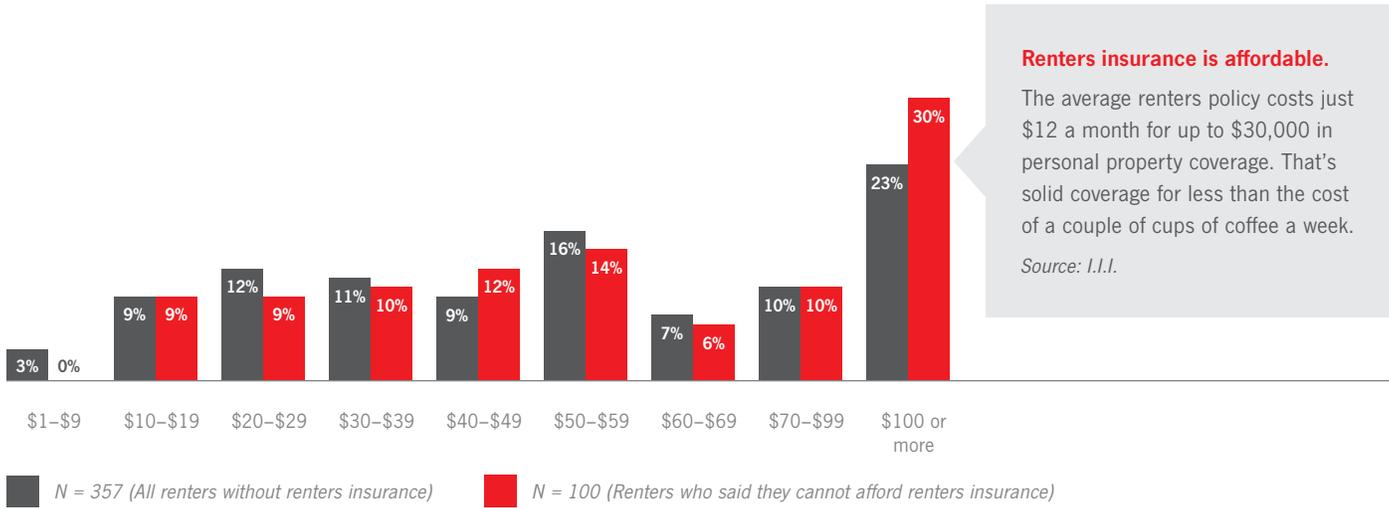
### Which of the following are reasons why you do not have renters insurance?



*N = 234 (Respondents who currently rent their residence, do not have renters insurance, but have heard of renters insurance)*

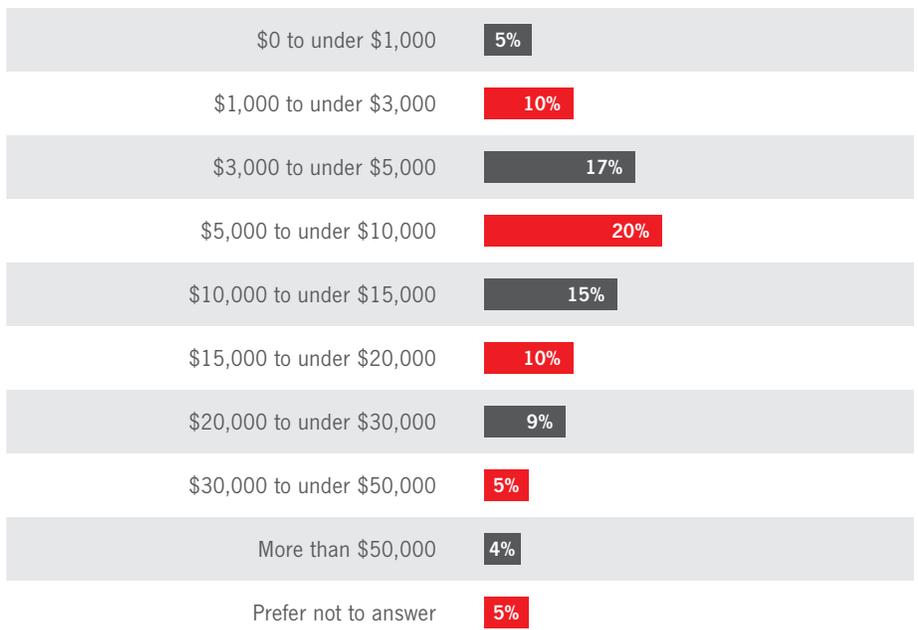
Among respondents who rent but do not have renters insurance, nearly one quarter (23%) thought a typical renters policy would cost \$100 or more a month. Over half (56%) thought it would cost \$50 or more.

**How much do you think a typical renters policy costs per month?**



Over half (52%) of renters without renters insurance estimated their personal belongings in their residence to be worth less than \$10,000.

**How much would you estimate it would cost to replace your personal belongings in your residence?**



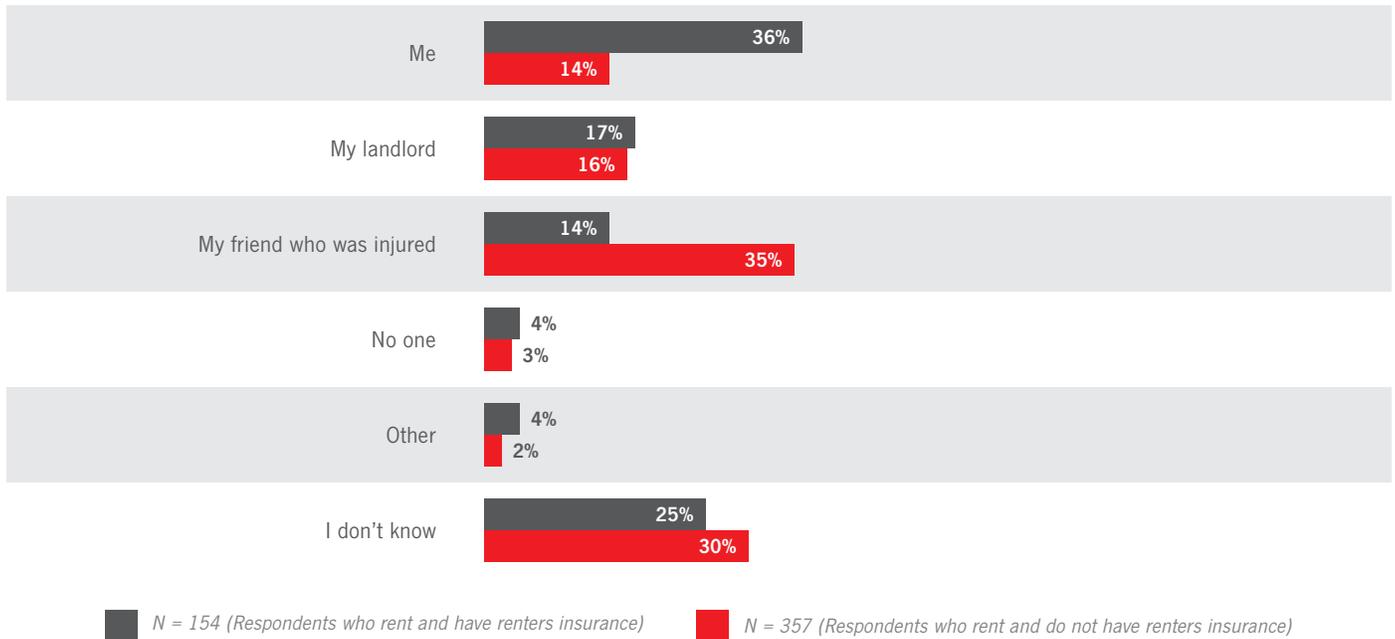
**What does it cost?**  
 Most renters' belongings cost more than they think. In fact, the average person has over \$20,000 worth of belongings that are probably not covered by a landlord's policy. Think that number is too high? Take a moment to add up the approximate cost of your computer, television, stereo, furniture, jewelry and all the stuff in your closet. If a fire gutted your apartment tomorrow, would you have the cash on hand to replace it all?

N = 357 (Respondents who currently rent their residence and do not have renters insurance)

If a friend was injured in their residence, renters with insurance were significantly more likely than renters without insurance to believe themselves to be responsible for covering the friend’s medical expenses. (36% vs. 14%) Like homeowners insurance, renters insurance can also cover the renter’s responsibility to other people injured at their home or elsewhere by them, a family member or their pet and may pay legal defense costs if they are taken to court.

Renters without insurance were significantly more likely than renters with insurance to believe their “friend who was injured” was responsible to cover the medical expenses. (35% vs. 14%)

**If a friend of yours is accidentally injured in your residence, who is responsible to cover your friend’s medical expenses?**



**RESEARCH METHODOLOGY**

In August 2014, the State Farm Strategic Resources Department used an outside panel vendor to conduct an online survey with a representative sample of the U.S. Hispanic population by age, gender, region and preferred language of the survey. Survey responses were received from 539 renters who identified themselves as being 18 or older, Hispanic or Latino, responsible for making household insurance decisions, and having at least one major insurance product (auto, home/renters, or individual life) with any insurer.