

Renters insurance can drive revenues for providers that target the right customers

Article

Property and casualty (P&C) insurers' bottom lines are being hit by rising claims costs, belt-tightening consumers, and emerging risks that further complicate underwriting. They need to

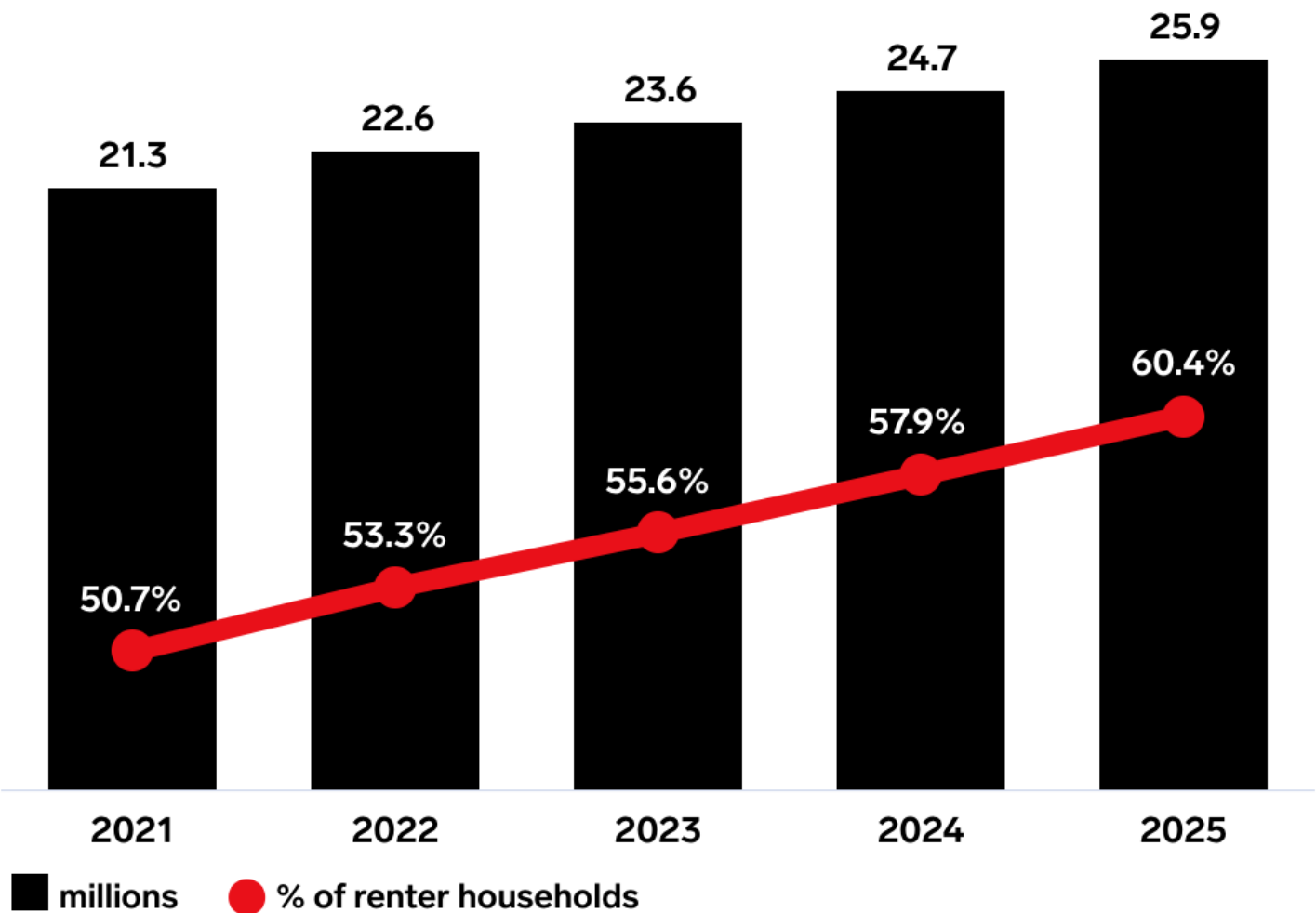
mine new pockets of growth while reversing negative trends in their core lines of home and auto.

Renters insurance can drive revenues for providers that target the right customers.

- **Renters insurance is the sole category to register penetration gains—and they are substantial.** Penetration will reach 60.4% in 2025, up from 53.3% in 2022. New renters insurance policies will generate roughly \$700 million in gross written premiums over that period, based on the average cost of a policy.
- **Insurers should focus on wealthier renters.** More consumers with over \$150,000 in income have been renting in recent years. This segment is more likely to purchase insurance, especially as rising rents and a hardening economy squeeze lower earners.
- **They can partner with landlords that cater to these higher-earning segments.** Landlords expect this trend to continue and have been investing in luxury homes to attract wealthier renters. Those offering high-end houses will also be more likely to mandate renters insurance.

Renter Insurance Policyholders and Penetration

US, 2021-2025



Note: renter households with at least one member whose name is on a home insurance policy as the owner of the policy; policies include those with delinquent payments and those paid by someone outside the household

Source: eMarketer, March 2023

eMarketer | InsiderIntelligence.com

Read the full report.

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P&C Insurance Trends to Watch

