



Making Renters Insurance Something Millennials Can Tweet About

March 9, 2015 by [Jon McNeill](#)

One of the hottest markets in insurance right now is renters insurance. While only 31 percent of renters currently have insurance, the industry is expecting big changes to happen shortly.

According to the National Multi Housing Council's 2012 Apartment Cost Risk Survey, 84 percent of landlords required renters to have insurance in 2012, up from just 25 percent in 2009. That's a 74 percent increase in the approximate market size.

The problem? Selling it to the millennial generation—those born between the early 1980s and early 2000s—who now number 80 million and comprise a quarter of the total U.S. population. Priced out of buying a home and saddled with an average of \$23,000 in student debt, millennials make up the majority of the rental market. According to [insurancequotes.com](#), more than half of all those who fall between the ages of 18 and 29 years of age are renters, compared with just 36 percent of all Americans.

Despite this, nearly 60 percent of millennials don't carry renters insurance even though they have a lot more "stuff" worth insuring. In spite of carrying a heavy debt load, Enservio data indicates that millennials have, on average, accumulated approximately \$65,000 worth of consumer items within 10 years of college graduation.

Considering these factors, millennials are a major opportunity for insurers. In fact, despite their young age, millennials make a great audience for the insurance industry. After living through tremendous financial upheaval like their grandparents did, surveys indicate that this demographic greatly values financial security and are more concerned about financial issues than older generations. They are, above all, a receptive audience.

Marketing to Millennials

According to a [January 2015 survey for insurancequotes.com](#) conducted by Princeton Survey Research Associates International, many millennials overestimate the cost of renters insurance. A full 29 percent of 18- to 29-year-olds guessed the average premium costs \$1,000 a year, more than five times the actual cost of \$187.

When marketing to millennials, it helps to understand their story.

Millennials have faced a set of challenges very different from their parents. They had to endure the Great Recession, low wages, high levels of debt and high unemployment. As a result, they are cautious shoppers. They are also highly educated, independently minded and, despite it all, optimistic.

Marketing renters insurance to this group will require a tailored message to appeal to them. Here are three things to keep in mind:

- 1. Be Transparent*

Given their educated and independent nature, millennials will not accept information at face value. Expect them to do research, explore and verify facts. With this in mind, present information on renters insurance in a clear and concise manner. This includes providing helpful information online and offering a choice of communication methods (email, text and paperless alternatives) for getting in touch with agents.

2. The Internet Generation

Millennials have been raised in the age of the internet and are well-versed in social media and mobile technology. According to a [Pew Research Center report](#), “[Millennials in Adulthood](#),” 81 percent of millennials are on Facebook and 55 percent have posted a “selfie” on a social media site.

As a result, millennials are familiar with the “give to get” dynamic. They are fully prepared to give up some privacy in exchange for convenience.

Insurance carriers can leverage this by offering instant online insurance quotes in exchange for completing a short form. Technology works best when it can prove its worth by appealing as a timesaving convenience, especially in cases where it can remove the tedium from a process, such as filling out long application forms.

Tools on the market such as ContentsITV bear this kind of convenience in mind, as they allow users to auto-fill these online applications in much the same way as email programs auto-fill email addresses.

Millennials are also inclined to share information on social media outlets. Give them good information on how renters insurance can help them financially and make it easy for them to share this information with their online friends. Make your information easily sharable via the use of social media tags.

3. Use Technology to Show Value

To millennials, technology should make life, and insurance transactions, easier. Make it clear your company makes full use of technology to provide good service, in less time, at a lower cost. Millennials are enthusiastic and receptive to this value proposition.

Some ideas in this vein include:

- Give prospects an interactive tool to determine the best level of rental insurance based on their response to a series of questions.

- Provide a service portal and mobile app that enables customers to pay their bills, check the status of claims and get in touch with a customer support representative quickly and easily (no more voicemail mazes).

- Offer an online customer portal where prospects can upload digital photos and home inventories for more accurate claims.

Carriers have been given a real opportunity in renters insurance. Not only is the market expanding but the customers are overwhelmingly young.

Millennials will be at the apex of their buying power in 2025 when most will be free of college loan debts. Innovative carriers that can engage with them now will be very well positioned to up-sell personal lines like homeowners and life. If properly engaged, millennials can be transformed into lifelong buying customers.