

Risk-pooling offers millennials affordable renters insurance options

MAY 20, 2015 | BY [JON MCNEILL](#)



Even though they own high-value items, 60% of millennials don't carry renters insurance.

The renter's insurance market is hot right now, and its major market is millennials. There are approximately 80 million millennials between the ages of 18 and 29 in the United States, and more than half of them are renters. They can't afford to buy houses and they have a ton of student loan debt. If they don't want to live at home with their parents, renting is the only option for housing that's open to them.

Further, an increasing number of landlords are requiring their tenants to buy renter's insurance. In 2009, only 25% of landlords required tenants to carry this insurance. In contrast, a 2012 survey of large apartment complexes in Washington, D.C. showed that [84%](#) required tenants to carry coverage. While only a third of renters currently carry renter's insurance, this will increase as more landlords require it.

Millennials are an obvious market to target when it comes to renter's insurance. They comprise the largest portion of renters in the country and 60% of them don't carry renter's insurance. If they're not required to carry it, they usually don't, in spite of the fact that they tend to accumulate a lot of high-value consumer goods.

Many of them may not know about renter's insurance, may not be aware of its value to them, or feel like they can't afford it. They are, however, concerned about financial security. This provides an excellent starting point for a conversation with them about purchasing a renter's insurance policy. When you talk to millennials about things that matter to them, they are a very receptive audience.

Showing millennials the value of renter's insurance is important to capturing their share of the market. Providing all the information about this type of insurance online where they can research it on their own is crucial. Millennials rely on the Internet for almost everything.

Making it easy for them to get quotes, compare levels of coverage, and even share information about this insurance with their friends is also important to reaching them. Having an interactive website and a social media presence are essential to communicating with them.

Appealing to the millennial sense of community can be an important part of selling renter's insurance to this market. Many millennials live with roommates. Offering them risk-pooled policies where they buy a single policy with their roommates and share the cost (as well as the risk) is a smart business. Millennials are very open to what a shared community such as risk-pooled insurance offers, and may be more likely to buy if it is offered in this way.

After all, millennials are used to sharing all kinds of intimate, personal details about themselves on social media. They form the backbone of the nascent sharing economy

defined by the stellar rise of car-sharing and apartment-sharing apps, with many other services to follow. It only makes sense that they would be willing to give up some privacy in order to use the benefits a risk-pooled renter's insurance policy would bring them.

“Insurance companies have an opportunity to capitalize on the new cultural willingness to share cars and homes with perfect strangers,” says Lindsey O’Connell of the research firm [Aite Group](#). “Why not allow people to share risk in their insurance policies? In fact, isn’t that how insurance originated?”

An insurer could even offer risk-pooled renter's insurance to all of the residents of a particular building, not just residents of one unit or house. Present renter's insurance to millennials in this way, and they are more likely to actually purchase it. The market for millennials is huge, and now is the time to bring them into the fold. Reach out to them in the right way, and they will become solid and loyal customers.

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