

Media Release

September 1, 2014



Understand
Insurance

Risky renters exposed to financial loss, new research reveals

RENTERS are 10 times less likely to insure their contents than homeowners despite having a high risk of being burgled, new research has found.

Understand Insurance's Home and Contents Survey, undertaken by Quantum Research, reveals three out of four (74 per cent) renters do not insure their home's contents – a stark contrast to just 7 per cent of homeowners who don't have contents cover.

The survey of more than 1000 renters and homeowners also finds that of the renters who do have contents insurance, one in five (20 per cent) has had to make a claim, almost half (44 per cent) of which related to a burglary. Only one in five (19 per cent) of homeowner's claims relate to a burglary.

With renting now the norm for a generation of Australians – about 4.5 million Australians now rentⁱ – Understand Insurance spokesman Campbell Fuller said most renters were leaving themselves exposed to significant financial loss.

"Our Understand Insurance survey found three in four (74 per cent) renters do not insure their home's contents. Renters who live in apartments are much less likely to have contents cover at 82 per cent compared with 68 per cent of house renters," Mr Fuller said.

The research also shows renters who believe the replacement value of their contents is below \$50,000 are less likely to take out contents insurance (84 per cent of this group do not have contents cover).

However, Mr Fuller said many renters did not know their belongings were not protected by their landlord's insurance policies. He said they may also be surprised at just how much they had to lose.

"Renters may not think they have valuables worth protecting, but a home's contents – computers, tablets, TVs, furniture, mobile phones, bicycles, clothing, musical instruments, sporting equipment and even text books – can add up very quickly. All these items can be covered by contents or renter's insurance," he said.

He noted twice as many Australians now rent compared with 1981, and many are renting for longer. A third of the 1.8 million households in private rental accommodation have done so for more than a decade.

"An entire generation of renters is financially exposed by not having contents insurance," he said.

The research has been released to coincide with MoneySmart Week (September 1-7), an initiative of Financial Literacy Australia.

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Understand Insurance, an official partner of MoneySmart Week, today also launched its Insurance Check – a quick online tool to help Australians find out if their insurance cover generally meets their particular needs (understandinsurance.com.au/insurance-check).

Mr Fuller urged Australian renters to think about protecting what's important to them by completing the Insurance Check to ensure they had control of their general insurance needs.

"Many insurers offer products tailored to the needs of tenants, including insurance for renters living in shared accommodation," Mr Fuller said.

"For example, renter's insurance is a form of contents cover designed specifically for people living in rented properties, providing protection against risks such as fire or burglary.

"And if you need help finding an insurer that offers the products you need, the Insurance Council of Australia's free findaninsurer.com.au service can help."

-Ends-

TOP FIVE INSURANCE TIPS FOR RENTERS

1. Keep a list of your belongings. Not only will it help you work out how much cover you need, it may also be helpful if you need to make a claim. Our Understand Insurance Household Inventory Checklist available from understandinsurance.com.au/calculators can help.
2. Review your contents inventory each year and update your sum insured as required.
3. Living in a shared house? Many insurers allow for multiple separate policies for each household. Do your research to find an insurer that meets your needs.
4. Keep information on the items you are insuring in a safe place. You should hold onto receipts, photos or warranties and serial numbers that verify your ownership.
5. Looking for an insurer? Use the Insurance Council of Australia's Find an Insurer service at findaninsurer.com.au – it's free.

ABOUT UNDERSTAND INSURANCE:

Understand Insurance is a financial literacy initiative of the Insurance Council of Australia. For more tips, visit Understand Insurance's website www.understandinsurance.com.au

ⁱ Australian Bureau of Statistics, [4130.0 - Housing Occupancy and Costs, 2011-12](#) (page last updated September 27, 2013)

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