



61% of Property Insurance Policyholders: “I’m Not Very Confident I Know My Deductible”

Over 3-in-4 Worry They Can’t Afford a Claim; 36% Could Not Cover Claim Costs from Their Savings

New York – October 7, 2020 – In the midst of hurricane and wildfire seasons, 61% of property insurance consumers are not very confident that they know all their deductibles, according to a new survey of homeowner, renter and auto insurance policyholders by Bankrate.

<https://www.bankrate.com/insurance/homeowners-insurance/policyholders-cant-afford-claims/>

78% of policyholders surveyed by Bankrate have some level of worry that they would not be able to afford the costs of a claim caused by an act of nature, accident or theft for at least one of their policies. When it comes to paying for at least one of their deductibles in the event of a claim, 36% would not cover the cost from their savings including 14% who don’t know how they’d pay for their deductible at all.

Finance and insurance analyst, Laura Adams, says, “A deductible is an amount you must pay before your insurance coverage begins. So, it’s important to know what they are and when they apply to various claims. If you don’t have enough savings to pay a deductible after getting into a car accident or having a tree fall on your roof, you might not be able to complete needed repairs.”

Confessions of a Property Insurance Policyholder by Line of Coverage				
	I am not very confident that I know my insurance deductible.	I would borrow money to cover the cost of my deductible in the event of a claim.	I don’t know how I would cover the cost of my deductible in the event of a claim.	I have some level of worry that I can’t afford the costs of an insurance claim.
> Homeowners about their home policy	55%	22%	11%	74%
> Drivers about their auto policy	50%	22%	11%	74%
> Renters about their renters policy	65%	31%	18%	80%

Insurance Confidence Wanes as Income Level Drops

Policyholders with a household income under \$40k/year are less likely to know what an insurance deductible is (18% vs. 7% of highest earners, \$80k+); less likely to feel very confident that they know at least one of their deductibles (48% very confident vs. 61% of highest earners) and less likely to know how they’d cover the costs of at least one type possible insurance claim (19% don’t know vs. 6% of highest earners). Lowest earners are less likely to pay for at least one type of claim from savings (51% pay from savings vs. 79% of highest earners).

Do Older Generations Have a Better Grasp?

39% of Gen Z policyholders (ages 18- 23) don’t know what the term “insurance deductible” means compared to 19% of millennials (24-39), 10% of GenXers (40-55) and 5% of Boomers (56-74).

Similarly, when it comes to policyholders who know their own deductibles, older generations are more knowledgeable: 63%% of boomers are very confident they know at least one of their own insurance deductibles vs. 56% of Gen X, 42% of millennials and 32% of Gen Z.

When it comes to covering the cost of a home, auto and/or renters insurance claim (deductible plus any additional costs), 70% of boomer policyholders could cover the costs associated with at least one of their policies from savings while 62% of Gen Xers, 58% of millennials and just 51% of Gen Z could do the same.

Adams says, “Younger generations may be less familiar with insurance deductibles than older generations because they’ve typically had less experience with various types of insurance and the claims process. In general, older generations also have more savings, making it easier to cover a deductible than for younger policyholders.”

Parents with Driving-aged Children Are Savvier

When it comes to auto insurance policyholders, 61% of parents with children 18 or older are very confident they know their auto insurance deductible while only 43% of non-parents feel the same level of confidence.

Methodology:

Bankrate.com commissioned YouGov Plc to conduct the survey. All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2,826 U.S. adults. Fieldwork was undertaken on September 2-4, 2020. The survey was carried out online and meets rigorous quality standards. It employed a non-probability-based sample using both quotas upfront during collection and then a weighting scheme on the back end designed and proven to provide nationally representative results.

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