

Disaster Preparedness Study

The Disaster Preparedness Study was conducted on behalf of the NAIC by ICR with 505 respondents who are the head of their household and have either homeowners or renter's insurance. Interviews were conducted April 9 – 13, 2008. The margin of error for a sample size of 505 is +/- 4.36 percentage points. This means that for any given percentage on total respondents within this report, the true percentage range is within +/- 4.36 of that actually reported. The study was conducted using ICR's telephone omnibus survey of adults 18 and over.

When asked which type of payout their homeowners/renter's insurance provides in the event of a loss, slightly more than one quarter did not know (28%). These percentages are evident, even though respondents were given two different coverage options from which to choose.

- A replacement cost payout 43%
- An actual cash-value payout 27%

An almost even number either have or do not have an inventory of their belongings in the event their home is destroyed in a disaster.

- Have inventory 52%
- Do not have inventory/not sure 48%

For those who do have an inventory of their belongings it includes:

Inventory of belongings

- Written List 72%
- Photos/home videos 68% (32% had not taken any pictures)
- Receipts 42% (58% had no receipts)

Less than half (44%) do not have this inventory stored in a remote location. Regionally, more respondents in the West (76%) and the East (59%) and the South (54%) have their household inventory stored away from their home than those in the Midwest (46%).

When asked if they had additional coverage in the event of specific disasters, more than half indicated they did not for each type of disaster.

- Earthquake 69%
- Flood 65%
- Water line break 56%
- Sewer line break 55%

Significantly more in the West had provisions for an earthquake, flood or a sewer line break than those in other regions.

The majority of respondents interviewed felt they have adequate homeowners/renter's insurance. Nine in 10 respondents agreed strongly or somewhat that their policy is adequate. Younger respondents (18–34) and those 45–54 felt their coverage was adequate significantly more than those age 65 or older (95% vs. 80%).

If disaster were to strike, respondents thought, on average, it would cost a total of \$322,000 to replace their home and possessions.

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