

How Protected Is Your Home?

Goosehead Homeowners Insurance
Preparedness Report

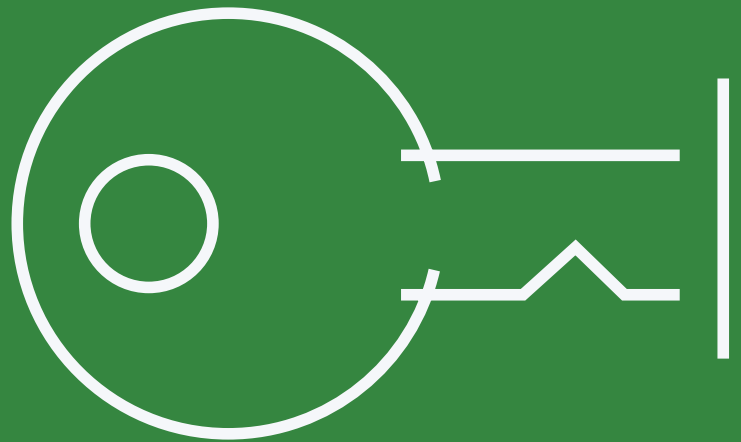
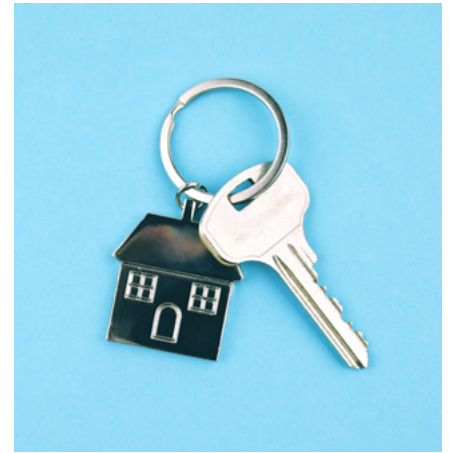


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Overview



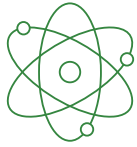
Owning a home is one of the most expensive purchases an individual will ever make, but are there opportunities for the insurance industry to provide more education and support when it comes to finding the best protection for one of their biggest assets?

That's the question Goosehead Insurance, a rapidly growing and innovative independent personal lines insurance agency, set out to understand. In this first "Homeowners Insurance Preparedness Report," we asked 2,000 American homeowners to tell us about their home insurance policy. How did they find it? Do they understand the terms and protections within it? Did they prioritize cost or coverage? Are increasing natural disasters impacting their insurance decisions?

We found that nearly two-thirds (65%) of Americans don't know what their home insurance covers. We also discovered that there is a big disconnect between what homeowners understand about their risk and how it's covered in their home insurance policy. With a volatile market and extreme weather patterns impacting most states, it's clear that more and more consumers are seeking advice from trusted experts to inform their insurance-buying decision.

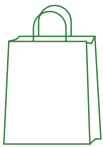
Dig into our findings to learn more about what's influencing consumers' choices in picking a homeowners policy and what factors are preventing them from having a plan that truly meets their needs.

Key Findings



American homeowners aren't familiar with the coverage provided by their current home insurance policy.

65% of policy-holders admit they “have no idea what my home insurance fully covers.”



Many consumers aren't shopping around for homeowners insurance, revealing a missed opportunity to receive the right coverage at the best price.

Only one in four (27%) Americans strongly agree that they shopped around for an insurance policy that covers everything they need.



Inflation is causing homeowners to choose less coverage than an agent would recommend.

More than half of homeowners (57%) would sacrifice coverage in their home insurance policy to save money because of rising rates.



There is a need for better insurance education.

16% said they don't know the meaning of any insurance terms.



Natural disasters are a concern among homeowners.

A majority (53%) said they live in a natural disaster-prone area and two in three are willing to go the extra mile to protect their homes from potential disasters, even if that means paying more for home insurance.

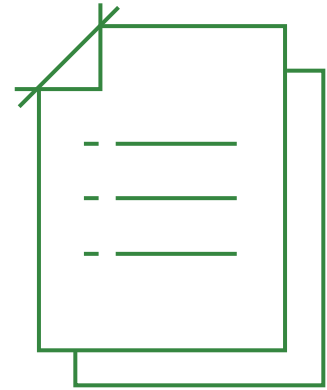


There is a need for American homeowners to ensure they have the right coverage.

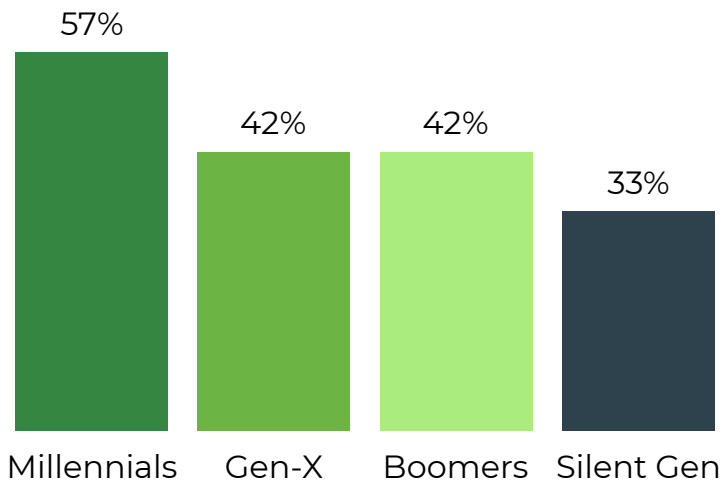
45% of homeowners have had an insurance claim denied because they didn't have the proper coverage.

Insurance Preparedness

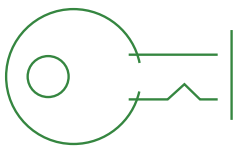
With the rise of natural disasters, having the right insurance coverage is more important than ever, should the unthinkable happen. Surprisingly though, many Americans aren't prepared for the worst and there is a need for better education around what their policy covers.



If a natural disaster were to hit your home tomorrow, would you be prepared? (by age)



Less than half (48%) of Americans claim they are prepared for the worst when it comes to their home insurance.



65%

65% of policy-holders admit they “have no idea what my home insurance fully covers.”



45%

Nearly half (45%) of homeowners have had a home insurance claim denied because they didn't have the proper coverage.

Two in three (65%) are willing to pay more to protect their home from potential natural disasters. Respondents believe the six most important coverages to have on a home nowadays includes:



39%
Fire damage protection



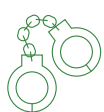
35%
Storm damage protection



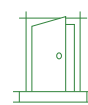
35%
Personal valuables



34%
Water damage

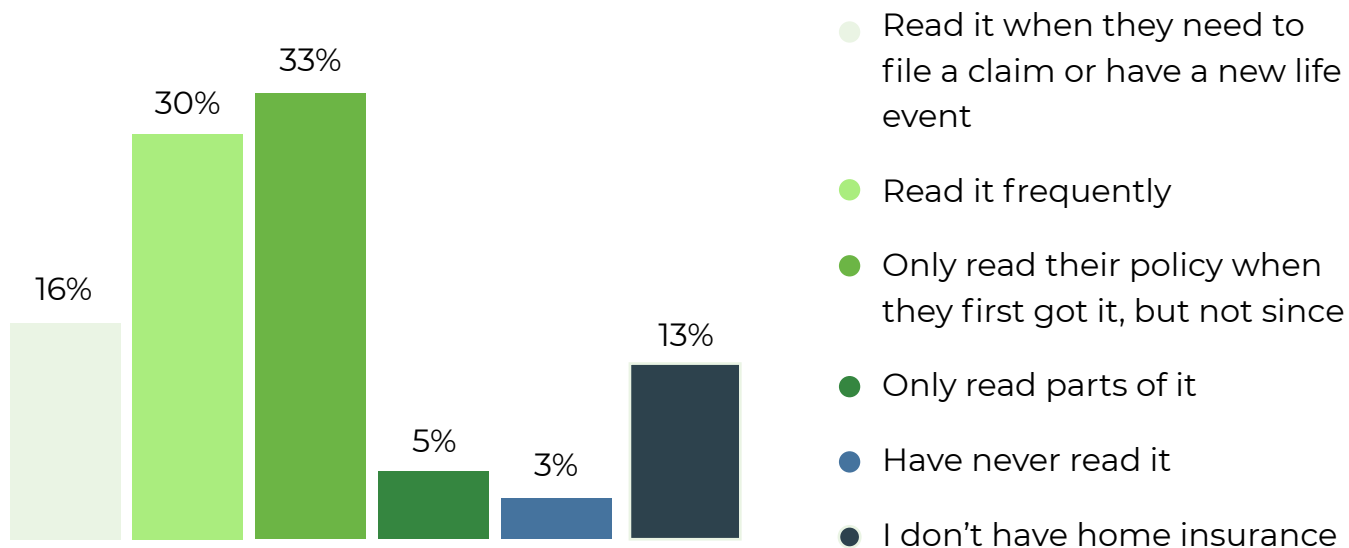


32%
Theft/
break-ins



32%
Foundation damage

While most consumers have read their home insurance in full, most aren't reviewing it regularly:



Did you know?

Approximately seven in ten American homeowners don't understand the following common insurance terms, whereas 16% stated they don't know the meaning of ANY insurance-related terms:



Limit of Liability

Protects you against financial loss if you are sued and found legally responsible for someone else's injury or property damage.



Home Insurance Replacement Cost

The amount of dwelling coverage needed on your homeowners policy to repair or rebuild your home's structure due to damage from a covered peril.



Actual Cash Value

The amount to replace your damaged or stolen property, minus depreciation, at the time of the loss. It doesn't replace what you lost — instead, it reimburses you for the item's current value.



Identity Theft Fraud Expense Protection

Covers some of the costs related to identity theft.



Independent Agent

An insurance agent that sells insurance policies provided by several different insurance carriers.



Policy Declarations

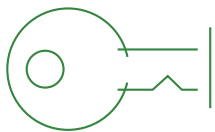
A document provided by your insurance company that summarizes the coverage provided by your homeowners insurance policy.

The Basis for Buying Decisions



Shopping for insurance can be time-consuming and stressful. In fact, three-quarters (76%) of American homeowners have experienced some form of stress in the home insurance selection process, with the top two most stressful parts being that insurance policies felt impossible to read (31%) and the number of options to choose from (19%).

With so many options available in the market today, one could exhaust hours across multiple days just to get a few quotes back. And once they do, comparing them can be difficult. When it comes to buying home insurance, what are the top priorities for today's consumers?



One in four

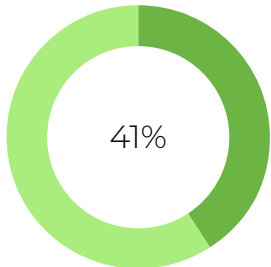
strongly agree that they shop around for home insurance policy that covers everything they need.



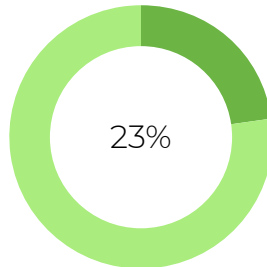
One in five

review over five policies before deciding on one.

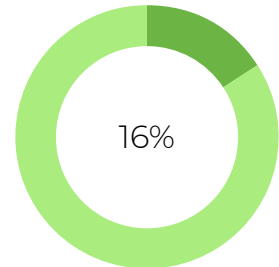
When it comes to home insurance, top consumer priorities are:



Best coverage

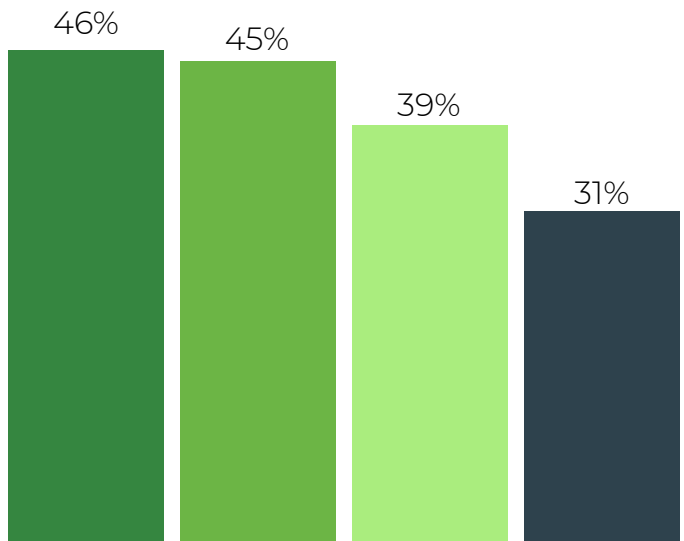


Whatever my mortgage company requires me to carry for my loan



Lowest rate

When selecting an insurance company, the top qualities consumers look for are:



- Companies that offer the ability to complete the process online/mobile
- A well-known brand they've seen advertised for years
- Regional carrier located near where they live
- A non-biased, independent agent

In reality, the most important factors that led consumers to decide on their current policy:

Coverage type



The insurance brand's name



Ability to complete the process online



Price of the policy



The top reasons consumers update their home insurance are:



28%
Buying or selling
their home



27%
Major renovation
projects



27%
Environmental
changes



25%
Having
a kid



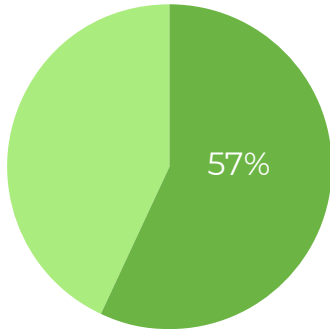
25%
A change in
family status



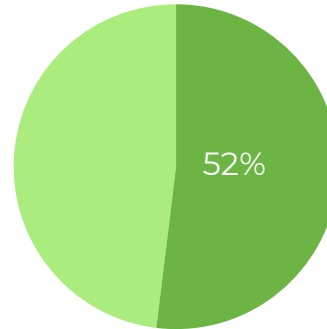
24%
Professional
change

Paying for Insurance

Advertisements may tell you otherwise, but price isn't everything when it comes to insurance. With inflation and rising costs of goods, Americans are re-examining their spending across all categories. While there are several ways to save on your insurance policy, making sure you have the right coverage at the best price is paramount.



More than half of homeowners (57%) would sacrifice policy coverage in their home insurance policy to save money because of rising rates.



More than half of all policy-holders (52%) have discovered they're paying more for home insurance coverage than they currently need.



76%

of homeowners would update their home insurance policy if they learned they were paying for more coverage than needed.

43%

of homeowners don't understand how percentage deductibles are applied to policies, nor how they're calculated.

Conclusion

Shopping for home insurance may seem daunting, but that doesn't have to be the case. So what can homeowners take away from this report?



- Regardless of whether you live in a natural disaster-prone area or not, it's critical to work with a knowledgeable agent who can help you evaluate your unique needs, find the right coverage for your home and help you understand your policy, should you need to file a claim.
- Being prepared for the worst is important and the more you know, the better. Take inventory of the contents of your home and have both your insurance policy and agent's contact information handy. If you're shopping for insurance, it's critical that you don't remove key coverages that could leave you strapped in a catastrophic situation.
- When it comes to buying homeowners insurance, a lot of people start with companies that they are most familiar with. However, it is important to get quotes from different homeowners insurance companies to ensure you are getting the right coverage. In reality, there may be other carriers who can offer you the same or better coverage for a better price, but you may not see that if you only shop with one provider.
- Shopping with an independent agent results in greater options, along with an expert, unbiased opinion — making the process simple and efficient. More than ever, it's important to leverage the help of an independent agent who can do the shopping for you, compare the results and find coverage that best protects you while fitting your budget needs.

About Goosehead Insurance: Goosehead Insurance provides a simple and transparent way to get insurance quotes combined with the expertise of an agent to help guide you through the process. To learn more about Goosehead and how solutions like their Digital Agent Platform, a direct-to-consumer insurance quoting platform for home and auto insurance, can help consumers get the right homeowners coverage at the right price, visit <https://www.goosehead.com>.

Methodology: This random double-opt-in survey of 2,000 American homeowners was commissioned by Goosehead Insurance between June 22, 2022 and June 29, 2022. It was conducted by market research company OnePoll, whose team members are members of the Market Research Society and have corporate membership to the American Association for Public Opinion Research (AAPOR) and the European Society for Opinion and Marketing Research (ESOMAR).