



Why Do I Need Homeowners Insurance?

Millennials who lack insurance put themselves at long-term financial risk.

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Whether you're buying a new home or renting in a big city, many wonder about the value of homeowners insurance. Those in areas plagued by natural disaster understand the importance of a monthly fee to prevent having to pay hundreds of thousands of dollars in damages, but others don't know that coverage options can also cover fire, vandalism, lightning strikes and even theft, helping to protect your family, replace personal property and allotting a temporary place to live in some cases. While those over the age of 50 often sign up to insure a lifetime of belongings, millennials often fall short in protecting themselves.

According to a study from the Princeton Survey Research Associates International, 66 percent of 18 to 29-year-olds rent. However, less than one third of those renters have the right insurance. A number of these millennials admit that they either don't believe they have enough property to insure, but even low-cost possessions can amount to more than \$7,000 or \$8,000

to replace. There is also a general misconception that insurance only covers property damage. A survey by [Nationwide Insurance](#) of more than 1,000 renters ages 23 to 35 found that 40 percent of renters didn't know the insurance may cover stolen property.

It's common knowledge that a home is often the biggest investment a person will make during his or her lifetime, so why aren't millennials doing everything in their power to protect their most valuable asset?

28-year-old Chicago area resident, Derek Lanni, recently discovered the financial safety net homeowners insurance can provide in times of crisis. Lanni had recently moved into a garden unit with a roommate when the two opted to go to a 6:00 p.m. movie at a theater down the street. To Lanni's dismay, his roommate had left the window open.

"When I walked in the front door, I immediately remembered something feeling off," recalled Lanni. "I looked over at the window and found that it was wide open. Just seconds later, my roommate asked where our TV was. Immediately, we knew we had been robbed."

A simple mistake that can happen to anyone, but a great risk in major metro cities like Chicago where crime rates are higher, opening millennials up to an even greater risk for theft. According to a [Nielsen Report](#) on millennials as influencers, sixty-two percent of millennials indicate that they prefer to live in the type of mixed-use communities found in urban centers. In 2016, there were more than [2,900 property crimes in Chicago](#) alone.

"Anything of value to us was stolen. We lost two TVs, two MacBook's, watches, our old cell phones, cameras with photos on them that we had yet to download and a silver coin collection," said Lanni. "The good news was that everything was replaceable, at an expense, except the photos and videos that had not been backed up. We literally went through every dresser drawer to recount what had been stolen. It was a feeling of complete hopelessness."

Although his roommate had insurance, Lanni did not.

"His insurance came in the mail the same day we got robbed, go figure," he said.

According to Lanni, his roommate went through a lengthy process to report the claim. He had to give the insurance company a copy of the police report along with receipts from the items he wanted the insurer to replace. While it's important to understand that all coverages come with limits, these can be adjusted when considering policies from the get-go to assure that you're protecting the majority of your personal belongings. Through this incident, Lanni signed up for his own policy.

"Replacing everything of mine cost around \$4,500. If I had gotten homeowners insurance when my roommate had, I only would have had to pay \$120 per year plus a claim in order to get all of my stolen stuff back. I regret the decision I made but will not be making that decision again," Lanni said.

When it comes to choosing the right insurance policy, there are a few key aspects to keep in

mind. For starters, do your research. You want to know what you're looking for in an insurance policy so that you find the best one for your situation. It's also important to compare different options to ensure that you can afford the coverage you need. Lastly, budget out a monthly stipend the same way you'd plan for a retirement fund. While insurance prices may vary, it's ultimately an investment in your protection in the event you ever need to bounce back after a crisis.