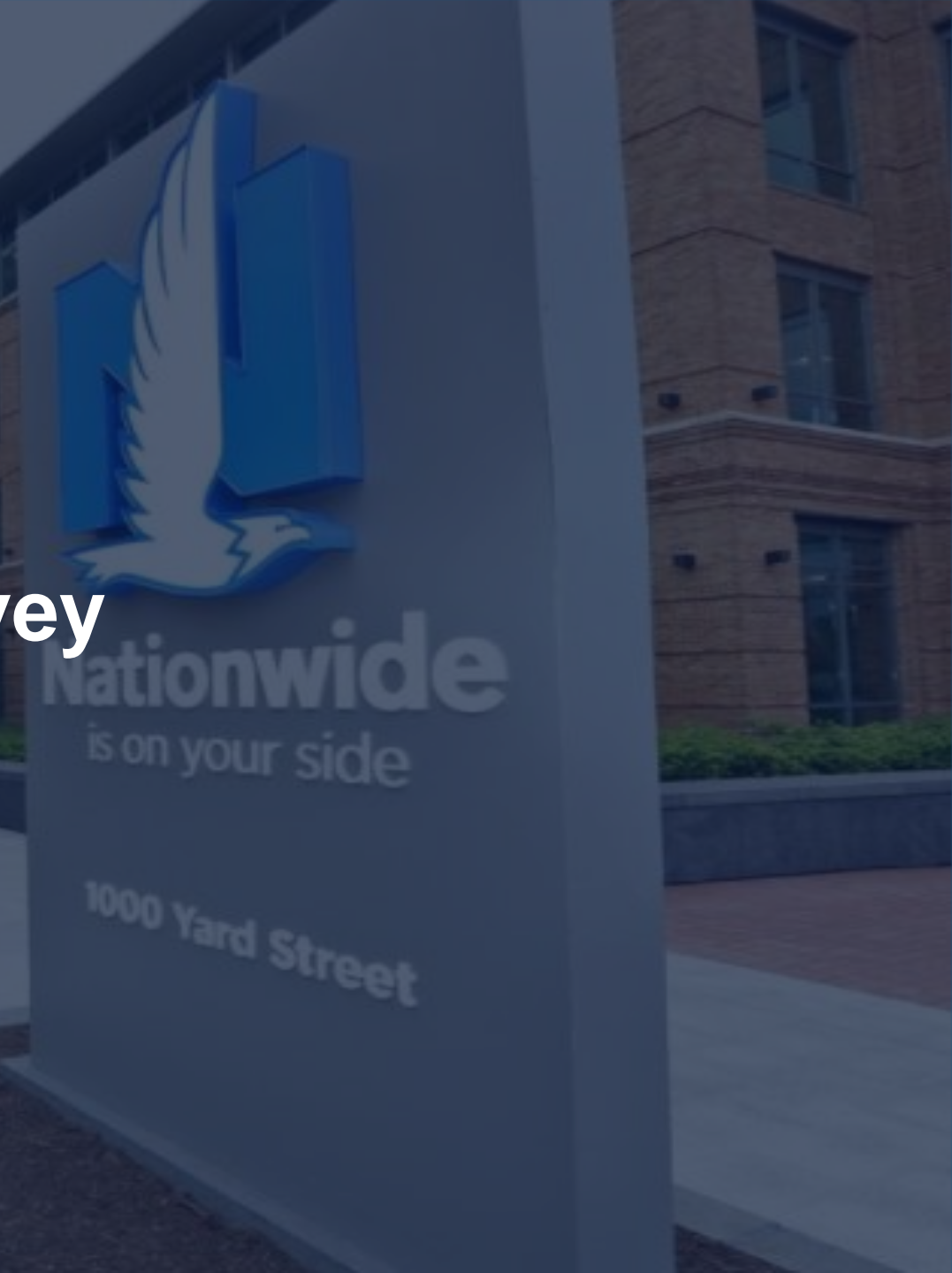




August 2023

Nationwide Homeowners Survey

Insights Report



SURVEY METHODOLOGY



Audiences

U.S. Homeowners

Age 18+ who own a home - nationally representative by age, gender, race, region

Independent Insurance Agents

Identify as an independent insurance agent who sells homeowners' policies - mix of principals, producers, and customer service reps



Sample Size

N=1,000

N=400



Methodology

**15-Minute
Online Survey**



Timing

**Survey Fielded
May 15th – June 2nd,
2023**

Note: Survey was fielded before Nationwide's June 2023 market actions were announced.

KEY FINDINGS - HOMEOWNERS

1

Most homeowners believe they are up to date on their home maintenance needs

Over 8 in 10 homeowners (85% U.S. homeowners) say they are currently up to date on your routine home maintenance needs – and the large majority report regularly performing routine home maintenance to prevent issues before they occur (70% U.S. homeowners). The most common routine maintenance tasks performed by homeowners within the past year include smoke detector inspections (77% U.S. homeowners), landscape maintenance (75% U.S. homeowners), and cleaning or replacing HVAC/furnace filters (74% U.S. homeowners).

2

However, many have delayed home maintenance over the past year, largely due to inflation and overall cost concerns

Within the past year, many homeowners report delaying routine maintenance tasks (44% U.S. homeowners) - with roughly a third even delaying necessary renovations or repairs (31% U.S. homeowners). Of those who have delayed these needs, 78% of U.S. homeowners say they deferred maintenance because of inflation and rising prices, with other reasons including other financial priorities (46% U.S. homeowners), a lack of time or energy (32% U.S. homeowners), and difficulty finding reliable contractors (23% U.S. homeowners).

3

The cost of home repairs or maintenance, overall home ownership expenses, and increases in insurance premiums are the top challenges facing homeowners today

Cost-related challenges have become even more prominent over the past year, with many homeowners reporting they have experienced higher insurance premiums (55% U.S. homeowners), increased construction or labor costs (47% U.S. homeowners), and increased mortgage payments (27% U.S. homeowners).

4

Homeowners have largely positive perceptions of their current policies

Most homeowners are very or extremely confident that their current policy would meet their needs if they had to file a claim (58% U.S. homeowners). Over 8 in 10 also believe their home is currently insured to the right value (87% U.S. homeowners) and feel secure knowing that their policy will protect them in the event of a disaster (82% U.S. homeowners). However, many are still concerned that their policy may not cover certain types of damages or incidents (54% U.S. homeowners) or that they may not have enough coverage in case of a major loss or catastrophe (47% U.S. homeowners).

KEY FINDINGS - AGENTS

1

Most agents feel their customers are up to date on their home maintenance needs

In line with homeowners, over 8 in 10 insurance agents (84%) say their typical customers are currently up to date on your routine home maintenance needs – and the majority report they regularly performing routine home maintenance to prevent issues before they occur (70%). However, 1 in 4 agents (75%) say their typical customers are aware that delaying necessary home maintenance can have implications for their homeowners policy.

2

The most common smart home products recommended by agents are sensors to monitor for smoke or carbon monoxide, smart locks, and sensors that can shut off water in case of a leak

Over 3 in 4 agents (78%) typically recommend that their customers purchase smart home products to manage risks to their home – primarily sensors to monitor for smoke or carbon monoxide (56%), smart locks (54%), and sensors that can shut off water in case of a leak (54%). According to agents, peace of mind (63%), safety (58%), and protection – both for the users home (56%) and their family (53%) – are the primary benefits of smart home products.

3

Nearly all agents believe their customers are knowledgeable about the coverage included in their policies – with most reviewing them yearly

Over 9 in 10 (95%) agents say their typical customers are very or extremely informed about the coverage included in their homeowners insurance policies – with 63% reporting their customers typically review their policies at least once a year. This could be due to agent involvement, as 98% recommend their customers review their homeowners policies at least once per year – and 59% proactively reach out to customers to do this annually.

4

However, customer behavior has shifted over the past year as homeowners attempt to cut costs

Over the past year, more than 7 in 10 agents have seen an increase in customers switching their homeowners policy to other carriers (77%) or attempting to reevaluate their current policies (74%). Most also report an increase in customers reducing coverage to save money (71%) or requesting to quote their homeowners policy through other carriers (70%). Additionally, over half of insurance agents report an increase in weather-related insurance claims (63%) and fire-related insurance claims (57%) over the past 12 months.

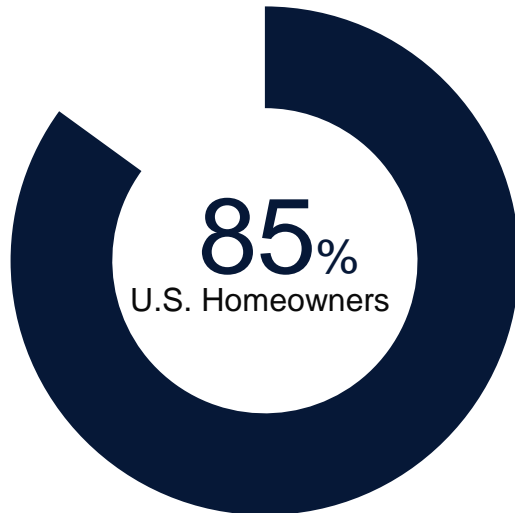


Section 1: Maintenance Habits / Homeowner Challenges

Homeowners believe they are up to date on their routine home maintenance

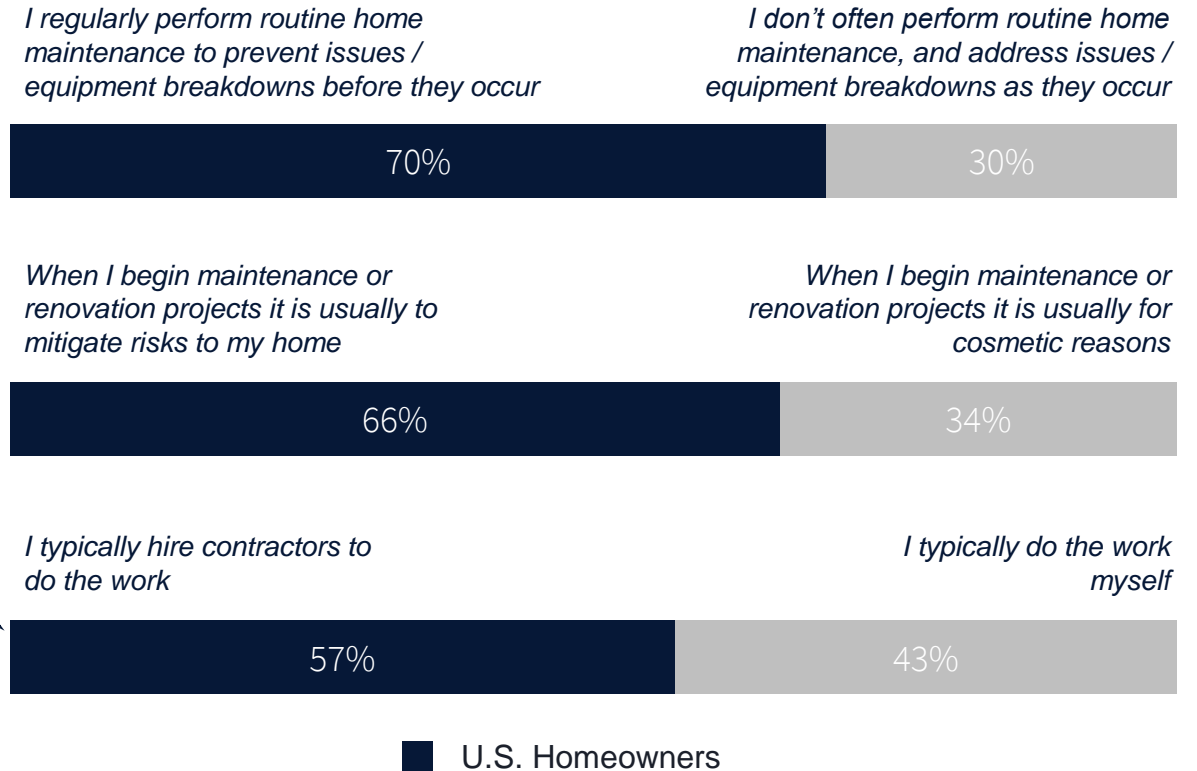
Boomers are more likely than other homeowners to hire contractors when updating their home, as opposed to doing the work themselves.

Up to Date on Routine Home Maintenance (Shown % Selected "Yes")



61% Boomer
56% Gen X
47% Millennial

Approach to Updating Home (Shown % Selected)



Q1. Would you say you are currently up to date on your routine home maintenance needs? Base: Total (U.S. Homeowners n=1,000) Q3. For each of the options below, which most accurately represents your approach to updating your home? Base: Total (U.S. Homeowners n=1,000)

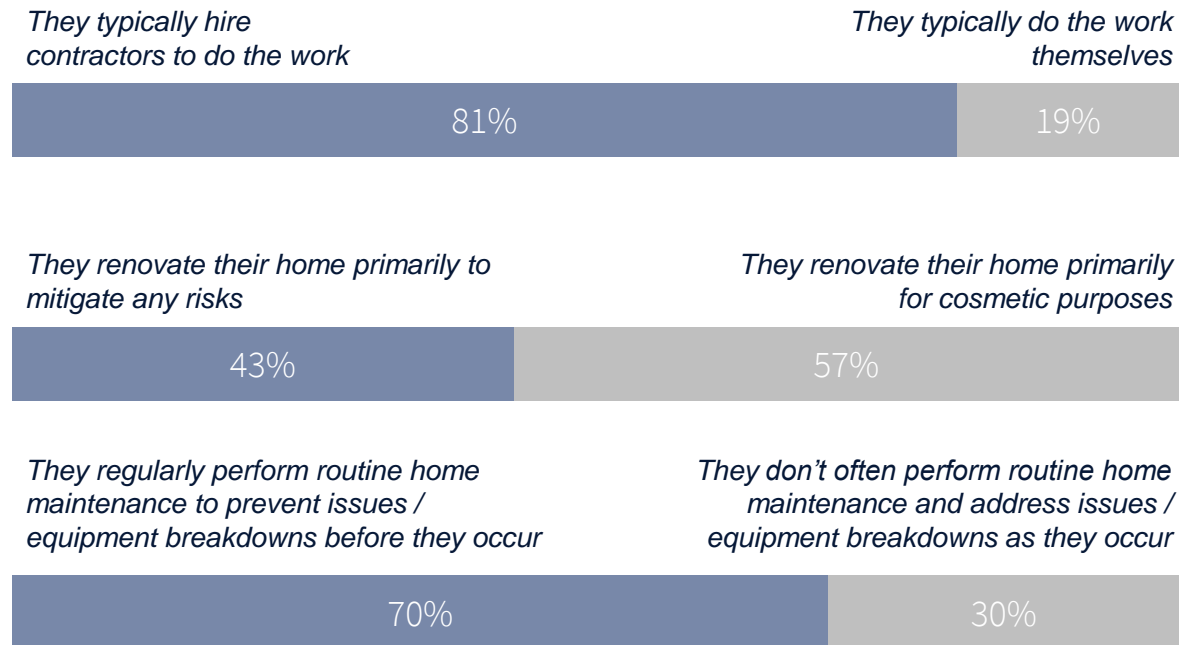
Most agents also believe homeowners are up to date on their home maintenance needs – and regularly perform maintenance to prevent issues before they occur

Contrary to homeowners, however, more agents believe their customers typically renovate their homes for cosmetic purposes rather than to mitigate any risks.

Typical Customer Up to Date on Routine Home Maintenance
(Shown % Selected “Yes”)



Typical Customer Approach to Updating Home
(Shown % Selected)



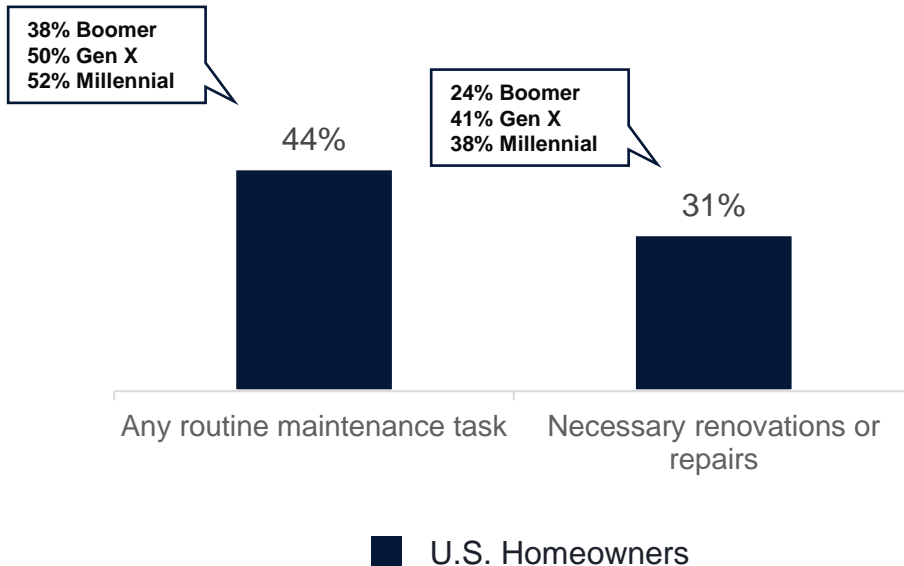
Q32. On average, would you say your typical customers are currently up to date on their routine home maintenance needs? Base: Total (Independent Insurance Agents n=400) Q33. Thinking about your typical customers, for each of the options below, which most accurately represents their approach to updating their home? Base: Total (Independent Insurance Agents n=400)

However, a third of homeowners have delayed performing necessary home renovations or repairs over the past year

Boomers are less likely than Gen X and Millennial homeowners to have delayed home maintenance needs. Among these individuals, the most common maintenance needs or renovations that have been delayed are roof repairs / replacements, kitchen / bathroom remodels, and painting.

Delayed Home Maintenance Needs Within the Past Year

(Shown % Selected "Yes")



Types of Home Maintenance or Renovations Delayed

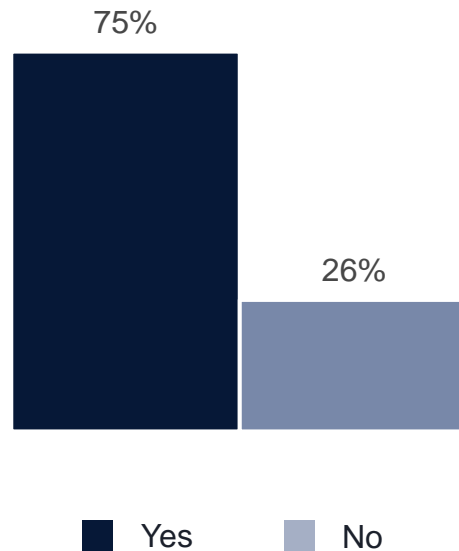
(Shown: Coded open-end responses, among those who have delayed performing home maintenance or necessary renovations)

- 1. Roof repair / replacement**
(12% U.S. Homeowners)
- 2. Kitchen / bathroom remodeling**
(12% U.S. Homeowners)
- 3. Painting**
(9% U.S. Homeowners)
- 4. Floor repair / replacement**
(12% U.S. Homeowners)
- 5. Window repair / replacement**
(8% U.S. Homeowners)

1 in 4 agents say their typical customers are unaware that delaying necessary home maintenance can have implications for their homeowners policy

The most important home maintenance tasks to perform on a regular basis, according to agents, surround roof cleaning / inspections, yard or landscape maintenance, and basement cleaning.

Typical Customer Awareness that Delaying Necessary Home Maintenance Can Have Implications for Homeowners Policy (Shown % Selected)



Most Important Home Maintenance Tasks to Perform on a Regular Basis (Shown open-end responses)

1. **Roof cleaning / inspection**
(9% Agents)
2. **Yard maintenance / tree trimming**
(7% Agents)
3. **Basement cleaning**
(7% Agents)
4. **Plumbing inspection / leakage check**
(6% Agents)
5. **Electrical / wiring inspection**
(6% Agents)

Homeowners are delaying home maintenance primarily due to inflation and overall cost concerns

Others say they deferred needed repairs because they have other financial priorities, a lack of time or energy, or difficulty finding reliable contractors / labor. Additionally, roughly a quarter of homeowners are unaware that delaying necessary home maintenance can have implications for their homeowners policy.

Have Deferred Maintenance on Home Due to Inflation / Rising Prices

(Shown % Selected "Agree", among those who have delayed performing home maintenance or necessary renovations)

82% Women
72% Men



Awareness that Delaying Necessary Home Maintenance Can Have Implications for Homeowners Policy

(Shown % Selected "Yes")

79% Men
71% Women



■ U.S. Homeowners

Reasons for Delaying Home Maintenance Needs

(Shown: % Selected, among those who have delayed performing home maintenance or necessary renovations)

	U.S. Homeowners
It costs too much	58%
I have other financial priorities right now (such as paying off debt or saving for other expenses)	46%
Lack of time or energy	32%
Difficulty finding reliable contractors / labor	23%
Waiting for better weather conditions	23%
Lack of knowledge or experience with home repairs or renovations	20%
Disruption to daily life during the renovation/maintenance process	18%
Supply chain issues / material shortages	14%
Fear of causing damage or making the problem worse	13%
Disagreement over the scope or cost of the project	10%
Legal or regulatory hurdles, such as obtaining permits or complying with zoning laws	7%

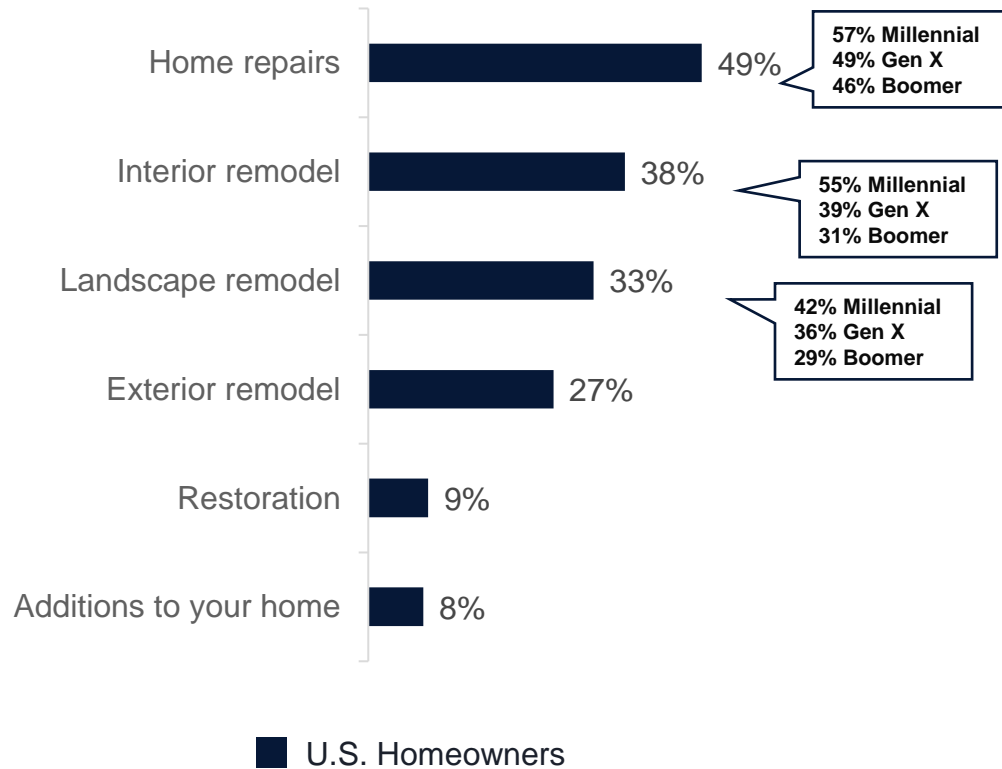
Q6A. How much do you agree or disagree with the following statement? Base: Total who have delayed performing home maintenance or necessary renovations (U.S. Homeowners n=513) Q7. Are you aware that delaying necessary home maintenance or repairs can have implications for your homeowners insurance policy, and could result in some claims being denied by your insurer? Base: Total (U.S. Homeowners n=1,000) Q6. Why did you delay performing home maintenance or necessary renovations? Base: Total who have delayed performing home maintenance or necessary renovations (U.S. Homeowners n=513)

Roughly half of homeowners have conducted major home repairs within the past two years

Many have also completed interior remodeling, landscape remodeling, or exterior remodeling within the past two years.

Home Projects Completed Within Past 2 Years

(Shown: % Selected)



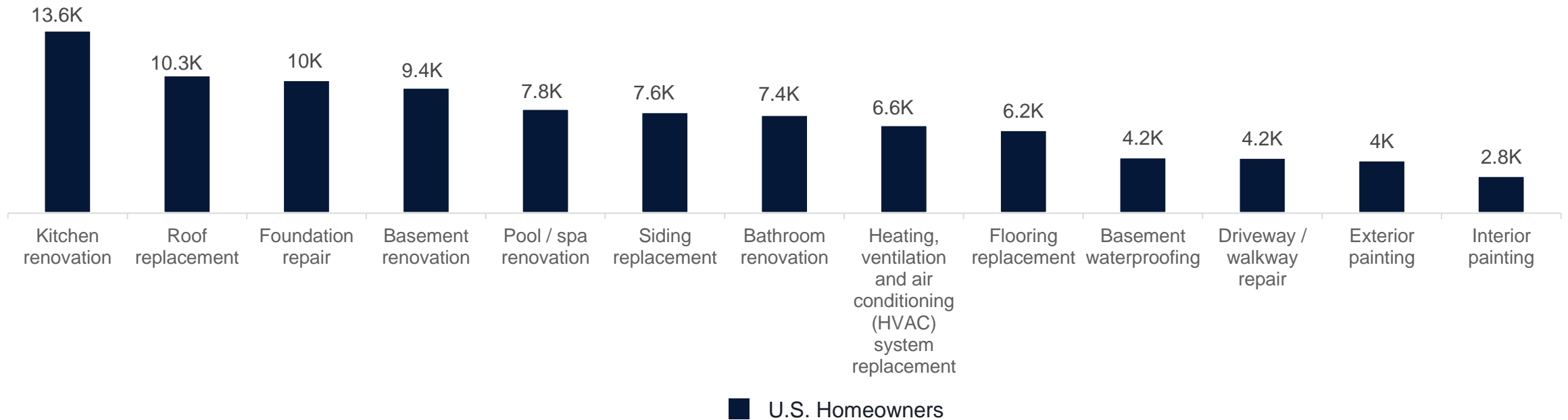
Reasons for Conducting Home Projects

(Shown: % Selected, among those who have completed major home renovation projects within the past 2 years)

Reason	U.S. Homeowners (%)
Repairing wear and tear on the house	53%
To make my home more enjoyable	49%
To change something that's outdated	44%
To update things more to my taste	44%
To make my home more eco-friendly	19%
I'm getting what I want now before project costs rise too much	13%
Working from home has changed my needs within the home	11%
To restore part of my home because of an accident or unintended disaster (e.g., fire, flood, etc.)	11%
To prepare the home for selling	8%

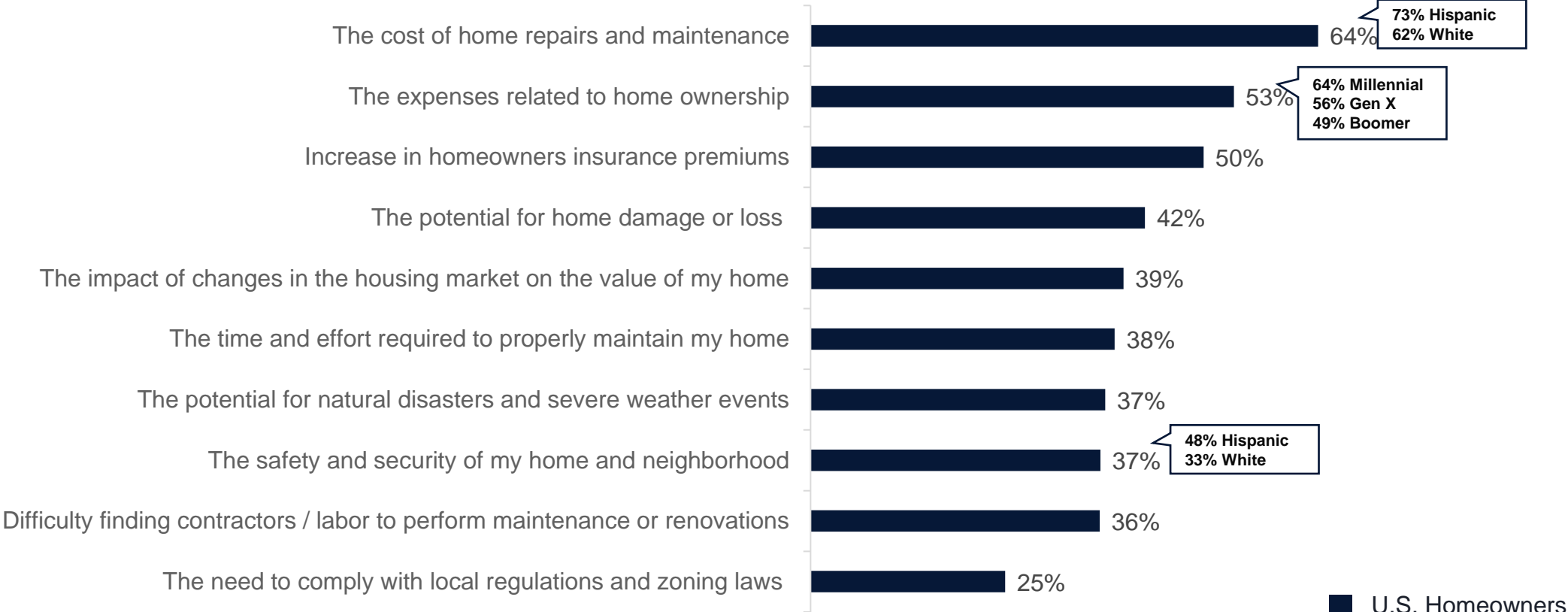
Kitchen renovations, roof replacements, foundation repairs, and basement renovations are estimated to be the most expensive home projects

Estimated Cost of Home Construction Projects
(Shown: Average Estimated Dollar Value)



The cost of home repairs and maintenance, overall home ownership expenses, and increases in insurance premiums are the top challenges facing homeowners today

Home Ownership Challenges
(Shown: % Selected T2B "Concerned")



■ U.S. Homeowners

Q16. Thinking about the challenges related to owning and maintaining a home, how concerned are you about the following? Base: Total (U.S. Homeowners n=1,000)

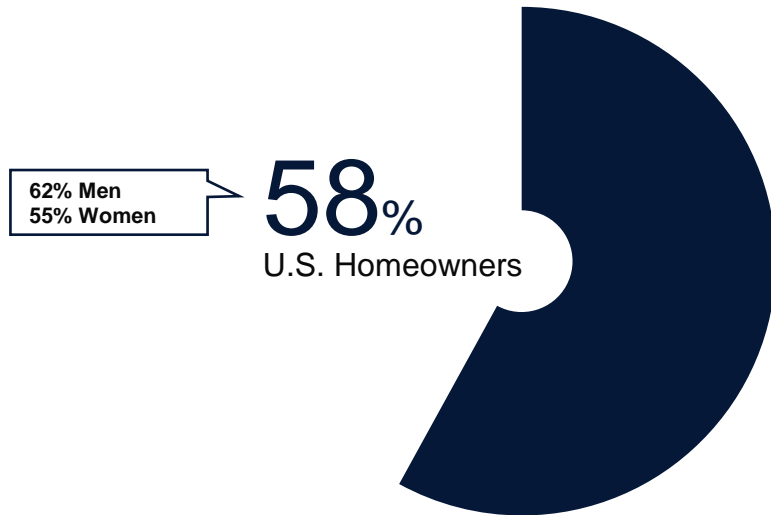
Section 3: Insurance Coverage

Over half of homeowners are very or extremely confident that their homeowners policy would meet their needs if they had to file a claim

Those who are not confident struggle with a lack of knowledge around their policy / coverage and overall cost concerns (inflation, high deductibles, etc.).

Confidence in Current Homeowners Insurance Policy

(Shown % Selected T2B "Very" or "Extremely Confident")



Reasons for Being Confident / Unconfident

(Shown coded open-end responses, among those who are confident / unconfident in their current homeowners insurance policy)

Homeowners are **confident** because...

- 1. Quality of coverage**
(21% U.S. Homeowners)
- 2. Consistent policy reviews / support from agent**
(19% U.S. Homeowners)
- 3. Confidence / satisfaction in insurance provider**
(16% U.S. Homeowners)

Homeowners are **not confident** because...

- 1. Lack of knowledge around coverage**
(22% U.S. Homeowners)
- 2. Cost concerns**
(20% U.S. Homeowners)
- 3. Limited / inadequate coverage**
(14% U.S. Homeowners)

Nearly all agents believe their customers are knowledgeable about the coverage included in their policies

Over 9 in 10 agents recommend their customers review their homeowners policies at least once per year – with 59% proactively reaching out to customers to do this every 12 months. As a result, most say their typical customers are reviewing their policies annually.

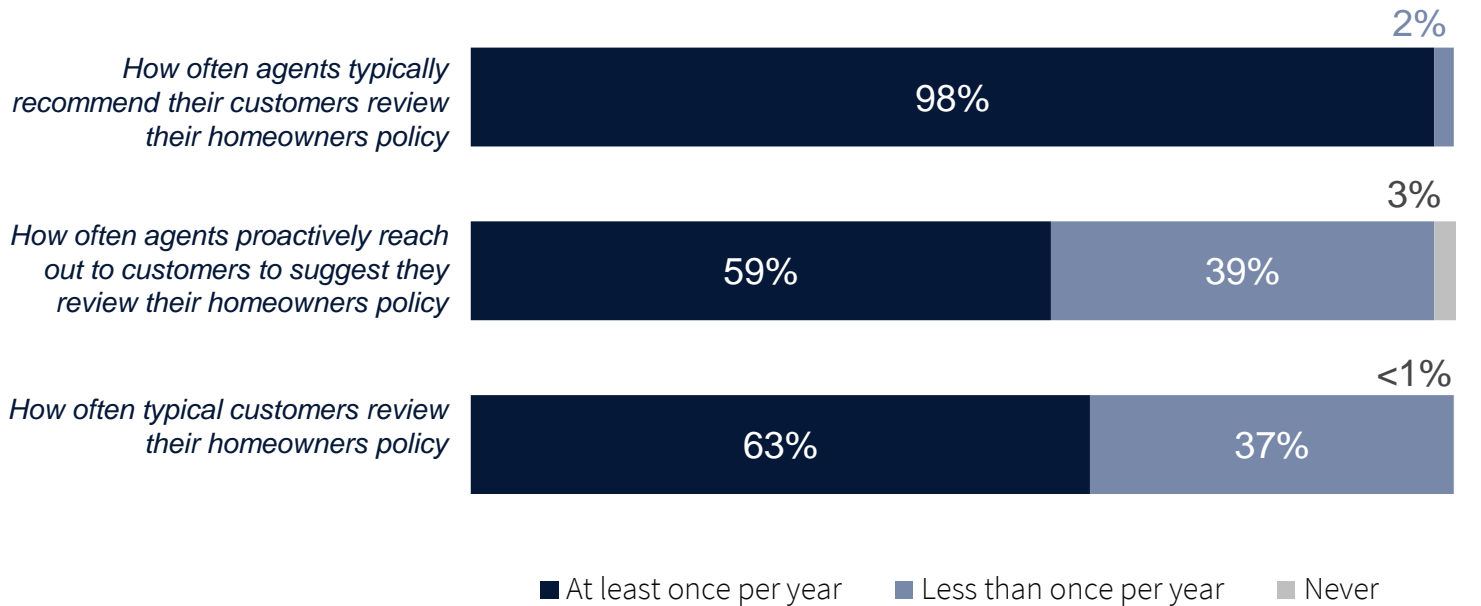
How Informed Typical Customers Are About the Coverage Included in Their Homeowners Insurance Policies

(Shown % Selected “Very” or “Extremely” Informed)



Approach to Policy Reviews

(Shown % Selected)



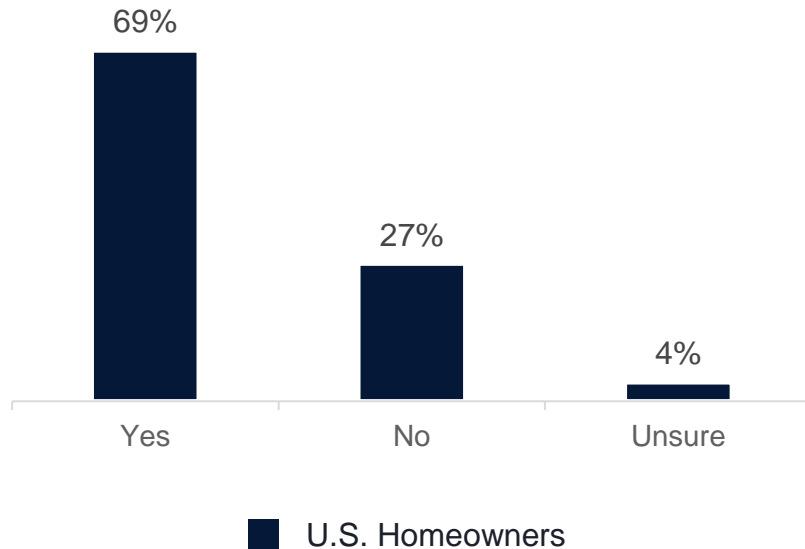
Homeowners have largely positive perceptions of their current policies, with over 8 in 10 believing their home is insured to the right value, adequately covered, and will protect them in the event of a disaster

However, many are still concerned that their policy may not cover certain types of damages or incidents (54% U.S. homeowners) or that they may not have enough coverage in case of a major loss or catastrophe (47% U.S. homeowners). Roughly 4 in 10 are also confused about the different types of coverage offered by their policy (39% U.S. homeowners).

Perceptions of Homeowners Insurance Policy <i>(Shown: % Selected T2B “Agree”)</i>	U.S. Homeowners
I believe my home is currently insured to the right value	87%
My policy provides adequate coverage for my needs	86%
I feel secure knowing that my policy will protect me in the event of a disaster	82%
I trust that my policy will cover me for all necessary expenses in case of a claim	81%
I am confident in my understanding of the coverage my policy provides	80%
I have read and fully understand my policy’s terms and conditions	76%
I have updated my policy after making renovations to my home	55%
I am concerned that my policy may not cover certain types of damages or incidents	54%
I am worried that I may not have enough coverage in case of a major loss or catastrophe	47%
I am confused about the different types of coverage offered by my policy	39%

Most homeowners currently work with an insurance agent and are reviewing their homeowners policy at least once a year

Currently Working With an Insurance Agent
(Shown % Selected "Yes")



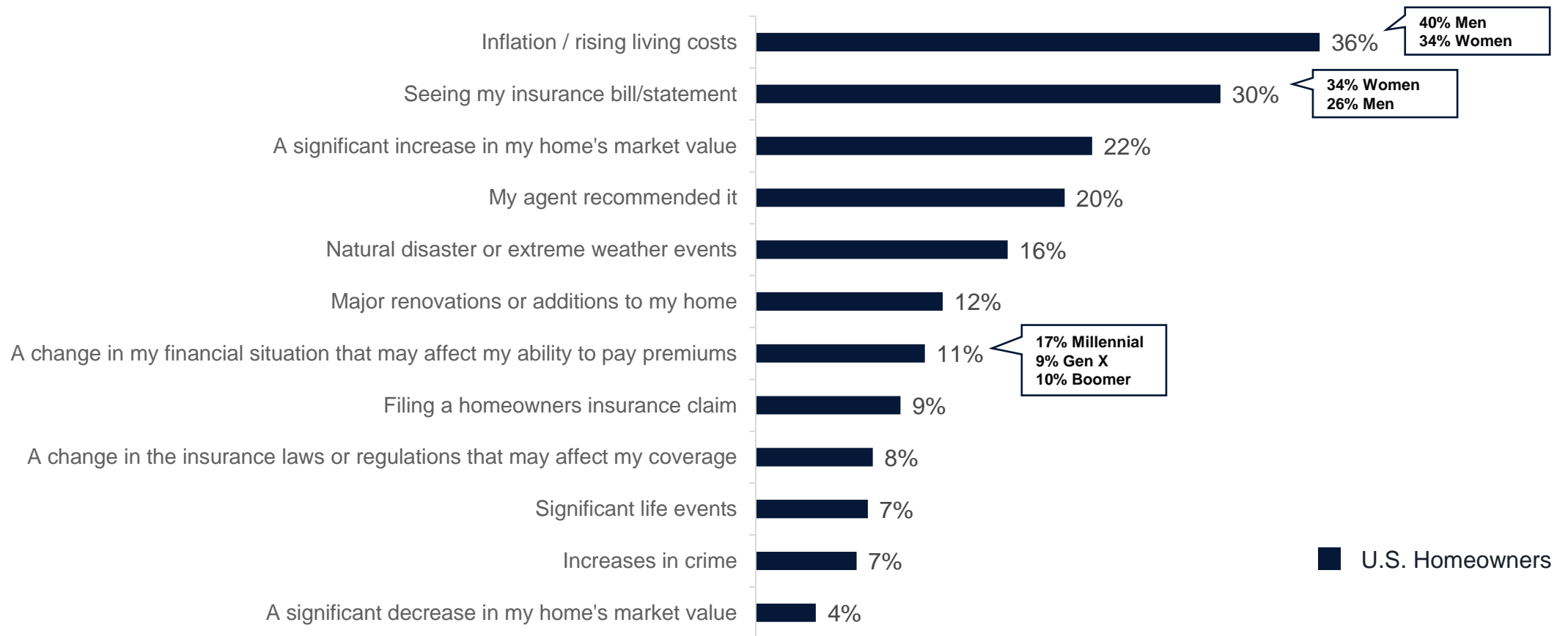
How Often Homeowners are Reviewing Their Policies
(Shown % Selected)

	U.S. Homeowners
More than once per year	12%
About once per year	55%
Once every few years	18%
Only rarely	11%
I never do this	5%

Homeowners review their insurance policies primarily as a result of inflation, seeing their insurance statement, or in response to an increase in their home's value

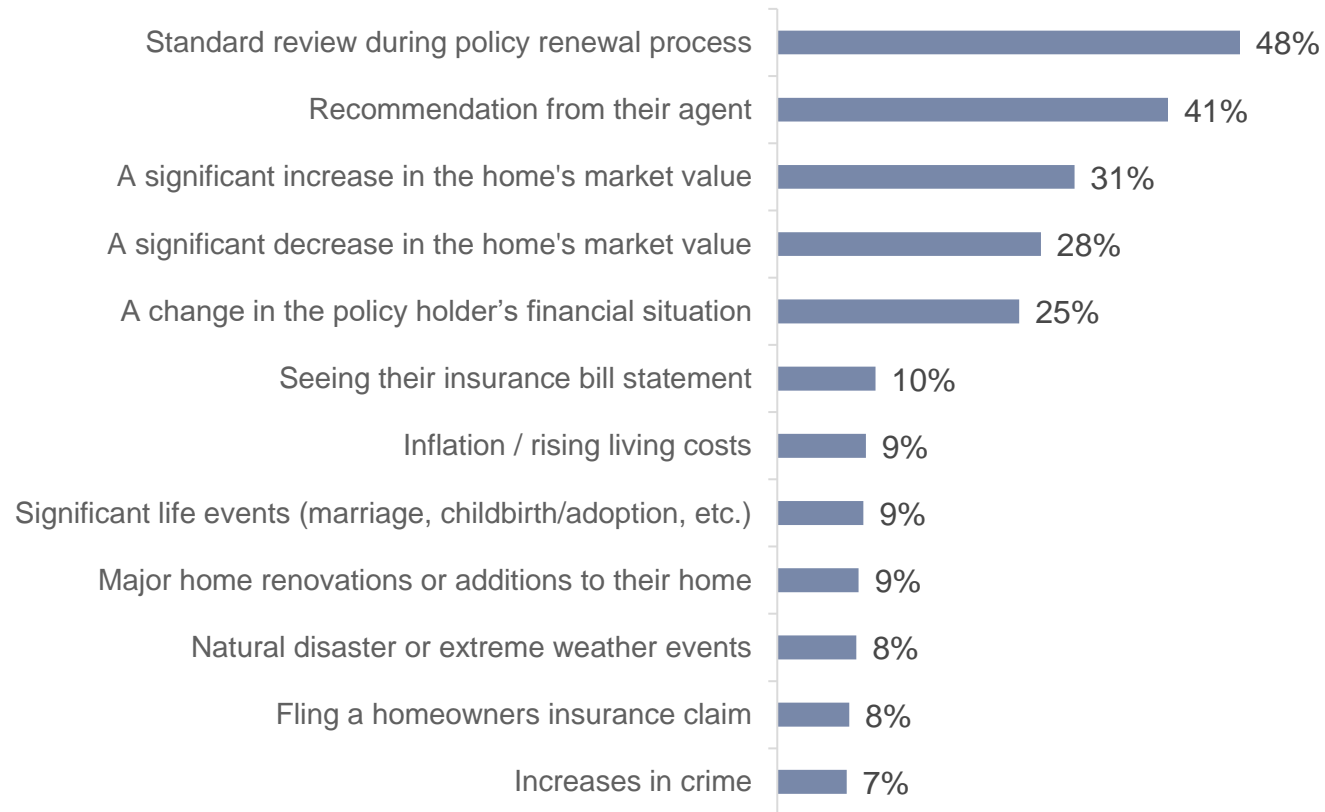
Reasons for Reviewing Homeowners Policy

(Shown: % Selected T2B "Concerned")



Agents say their customers are reviewing their insurance policies primarily as part of a standard review during the renewal process, because their agent recommended, or in response to a change in their home's value

Most Common Reasons Customers Give for Reviewing Homeowners Policies
(Shown: % Selected)



Over the past year, more than 7 in 10 agents have seen an increase in the number of customers switching their homeowners policy to other carriers or attempting to reevaluate their current policies

Customer Actions that Have Increased Over the Past Year
(Shown % Selected "Yes")

	Agents
Customers switching their homeowners policy to other carriers	77%
Customers attempting to reevaluate their current homeowners policies to reduce premiums	74%
Customers reducing their homeowners coverage to save money	71%
Customers requesting to requote their homeowners policy through other carriers	70%
Customers interest in adding coverage endorsements	57%
Adoption of smart home technology by customers	55%
Customers increasing their homeowners coverage	55%

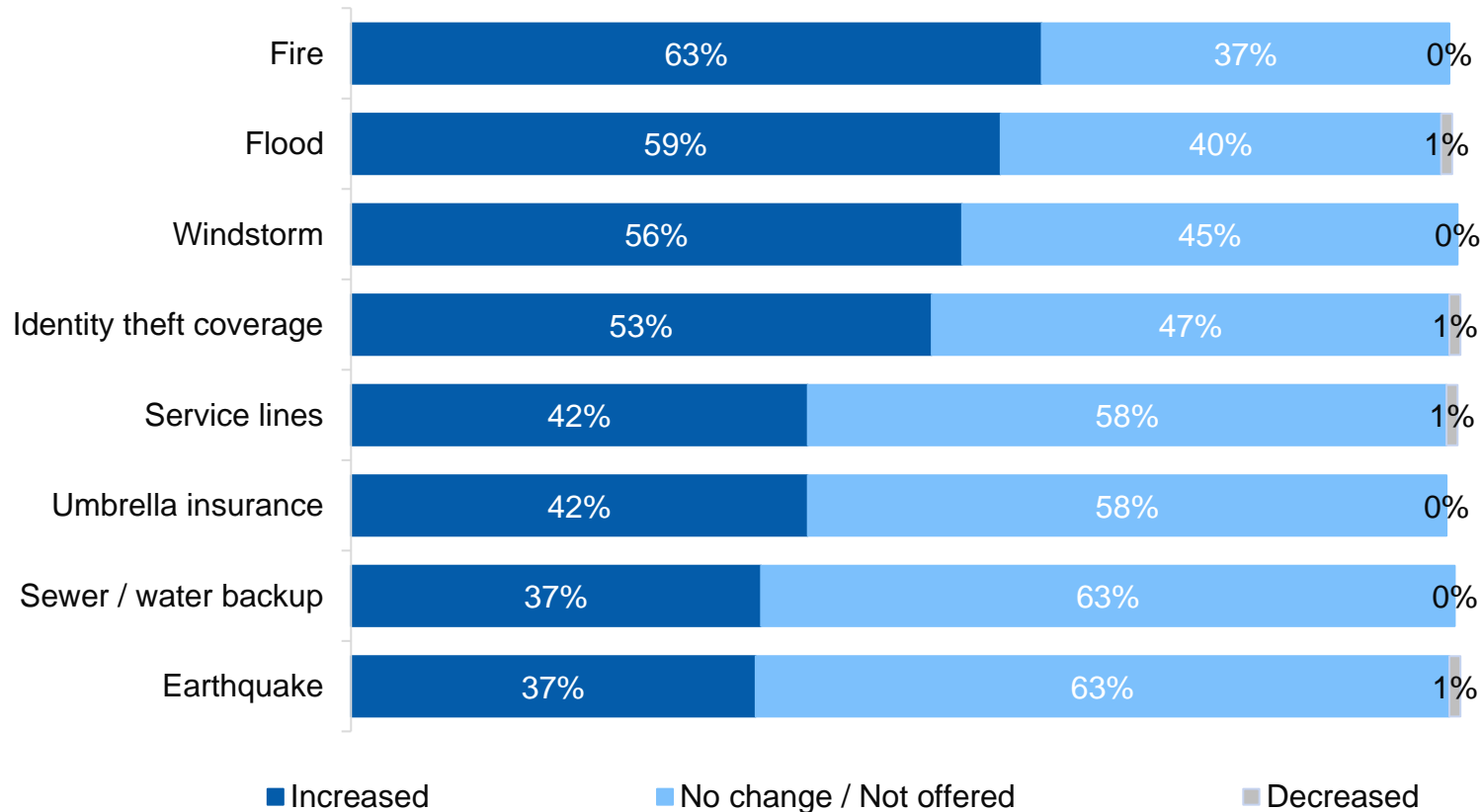
The most common types of coverage homeowners believe are included in their base policies include fire, liability, and personal property replacement protection

Coverage Types Believed to be Included in Base Homeowners Policy
(Shown: % Selected)

	U.S. Homeowners
Fire coverage	89%
Liability coverage	83%
Personal property replacement cost coverage	79%
Dwelling coverage	78%
Windstorm coverage	61%
Collectibles / jewelry coverage	54%
Sewer / water backup coverage	49%
Flood coverage	40%
Additional home roof coverage	39%
Umbrella insurance	38%
Seepage coverage (for example from any slow drip leaks)	36%
Service line coverage	32%
Identity theft coverage	27%
Earthquake coverage	26%
Equipment breakdown coverage	26%

Most agents report an increase in customer interest for fire, flood, windstorm, and identity theft coverage over the past year

Customer Interest in Homeowners Coverage Types Over the Past Year
(Shown % Selected)



Over 2 in 5 homeowners have filed a homeowners insurance claim – primarily for weather-related damage or water damage

Nearly 20% of homeowners do not currently have a fire extinguisher in their home.

48% Boomer
37% Gen X
36% Millennial

Have Filed a Homeowners Insurance Claim (Shown % Selected “Yes”)



85% Men
78% Women

Have a Fire Extinguisher in Their Home (Shown % Selected “Yes”)



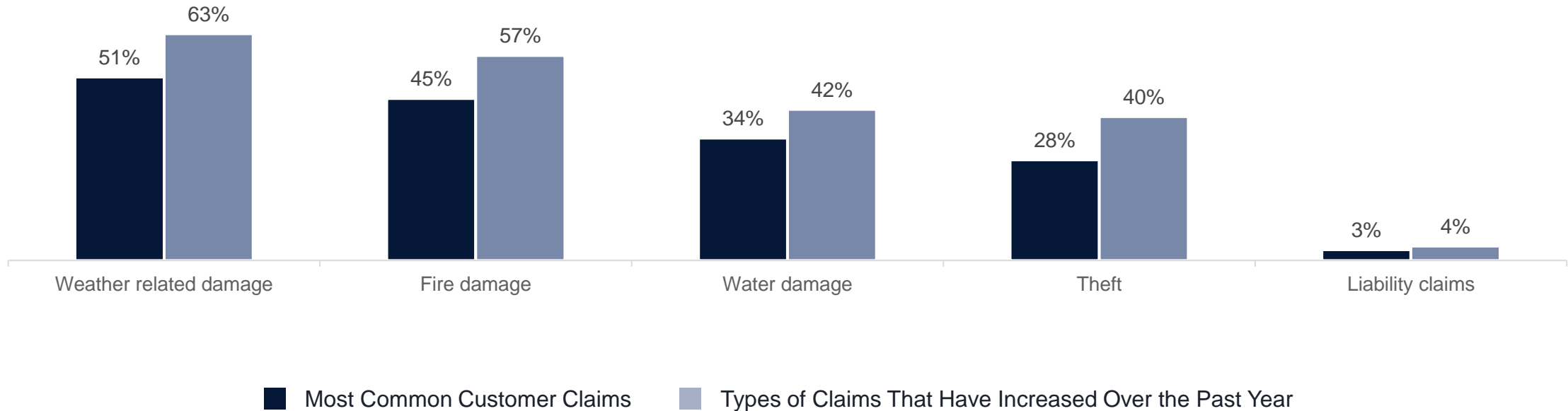
■ U.S. Homeowners

Reasons for Filing Homeowners Insurance Claim (Shown: % Selected, among those who have filed a homeowners insurance claim)

	U.S. Homeowners
Weather-related damage (e.g., wind, hail, etc.)	56%
Water damage	37%
Fire damage	13%
Theft	9%
Liability claims	9%

The most common homeowners claims experienced by agents stem from weather-related damage and fire damage – with most agents reporting an increase in these types of claims over the past year

Most Common Homeowners Claims / Changes Over the Past Year
(Shown % Selected)



Q45. Which of the following are the most common reasons customers file homeowners insurance claims? Base: Total (Independent Insurance Agents n=400) Q46. Have you seen an increase in any of the following types of homeowners claims over the past 12 months? Base: Total (Independent Insurance Agents n=400)



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Appendix

Additional Findings

The most common routine maintenance tasks performed by homeowners include smoke detector inspections, landscape maintenance, and cleaning or replacing HVAC/furnace filters

Routine Maintenance Tasks Performed
(Shown % Selected)

	Within the past year	1-5 years ago	More than 5 years ago	Never
	US HO	US HO	US HO	US HO
Inspected smoke detectors	77%	15%	2%	4%
Landscape maintenance (for example tree trimming)	75%	13%	2%	4%
Cleaned or replaced HVAC/furnace filters	74%	12%	2%	4%
Washed windows or siding	63%	21%	5%	9%
Inspected sink, shower, or bath caulking	56%	24%	6%	12%
Cleaned faucet aerators or showerheads	55%	23%	3%	17%
Inspected carbon monoxide detectors	54%	16%	4%	11%
HVAC/furnace serviced by a professional	52%	26%	8%	8%
Cleaned the gutters	52%	17%	4%	8%
Plumbing inspection by a professional	33%	27%	11%	26%
Drained or flushed the water heater	29%	27%	8%	30%
Termite inspection by a professional	29%	22%	15%	25%
Cleaned my pool / hot tub / spa	21%	3%	1%	3%
Replaced / repaired electrical panels or outlets	21%	26%	14%	31%
Repainted home exterior	17%	26%	15%	23%
Replaced / repaired roof	17%	31%	24%	22%
Supply line inspection by a professional	15%	18%	7%	42%
Replaced / repaired windows	15%	24%	20%	34%
Replaced/ repaired siding	13%	18%	12%	30%

Roughly half or more report increases in home equity, insurance premiums, and construction costs over the past year

Experiences as a Homeowner over the Past Year (Shown % Selected "Yes")

	U.S. Homeowners
Increased home equity	55%
Higher homeowners insurance premiums	55%
Increased construction / labor costs	47% <div style="border: 1px solid black; padding: 2px; display: inline-block;"> 56% Millennial 51% Gen X 42% Boomer </div>
Increased mortgage payments	27% <div style="border: 1px solid black; padding: 2px; display: inline-block;"> 39% Millennial 31% Gen X 20% Boomer </div>
Reduced home equity	10%
Difficulty refinancing my mortgage	7%
Difficulty selling my home	5%

Regardless of whether it's included as part of their home insurance policy or supplemented by another service, homeowners are most commonly covered for fire damage, liability protection, and dwelling protection

Coverage Types – Homeowners Policy + Supplemental Services

(Shown: % Selected)

	U.S. Homeowners
Fire damage	82%
Liability protection	68%
Dwelling protection	68%
Personal property replacement cost protection	65%
Windstorm damage	55%
Collectibles / jewelry protection	46%
Sewer / water backup protection	42%
Flood damage	40%
Umbrella insurance	34%
Additional home roof protection	31%
Seepage coverage (for example from any slow drip leaks)	30%
Service line protection	28%
Earthquake damage	27%
Identity theft protection	25%
Equipment breakdown	25%