



LeaseTrack • Thought Leadership

Renters Insurance Report Q1 2020 COVID-19: Part 2

LeaseTrack Renters Insurance Report

COVID-19 has impacted the the entire US economy, although for single- and multi-family industries, the impact on renters insurance is still being assessed. LeaseTrack analyzed over 25,000 rental properties and discovered renters insurance cancellation rates are the lowest they've been in over a decade. Cancellations will come due as financial assistance programs end, leading to a flood of uncovered losses and more risk for property owners.

Summary

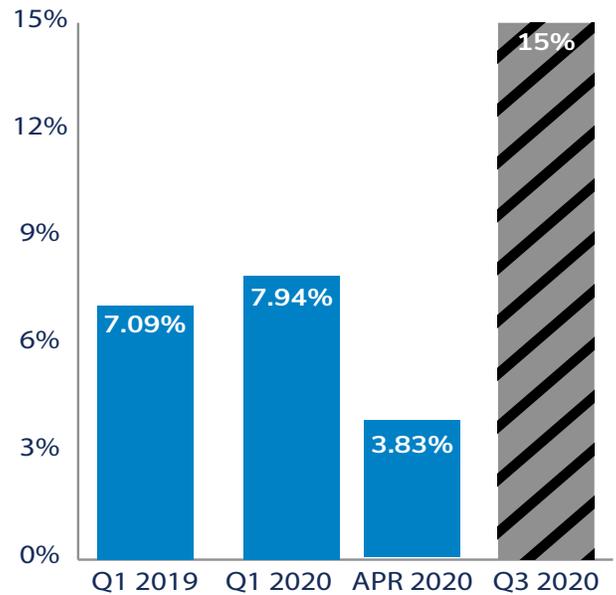
LeaseTrack conducted a study across 25,000 rental properties to analyze the volume of renters insurance policy cancellations, and found cancellation rates have risen steadily, up 11.9% in Q1 2020 vs Q1 2019. Once COVID-19 struck, cancellation rates fell to 3.83%, the lowest in over a decade of record keeping.

Insurance companies offered premium deferment programs at the end of March, and many states followed suit in April. Data is now available to see the impact of COVID-19 on the velocity of cancellation rates, and as predicted, cancellation rates are at their lowest rate in over ten years.

**“We will suspend cancellation and nonrenewal of coverage due to nonpayment through June 15, 2020”
-Travelers Insurance**

Cancellation rates have continued to slow since our reporting in March. Economic hardship assistance programs for policyholders are still in place for now, but LeaseTrack projects that these payments will come due starting in Q3 2020, and when that happens, cancellation rates will spike. Once cancellations begin, property owners' resident risk will increase.

Cancellation Rates By Quarter



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Preparing for Q3 Cancellations

Taking into account the cancellation trends pre-pandemic and considering the historic lows of April 2020, LeaseTrack projects an average cancellation rate of 15%+ starting in Q3 2020.

About LeaseTrack

Founded in 2019, LeaseTrack is the market leader in lease abstraction software. Lease Track provides a unique lens into resident risk management with proprietary tracking software and multiple partnerships in the renters insurance space.

To learn more about LeaseTrack, please visit leasetrack.ai or call **800.430.8075**

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