



FOR IMMEDIATE RELEASE: February 2, 2021

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Insurance Will Face COVID-19 Side-Effects Even After Pandemic Ends

MALVERN, Pa., February 2, 2021—A new study from the Insurance Research Council (IRC) finds that two-thirds of respondents worked from home at least part of the time during the COVID-19 pandemic. The survey, conducted in October, also reveals half expect to continue working from home entirely or alternate between working and not working from home in the future. Many consumers also expect to continue shopping on-line, with nearly half saying they expect to do less in-person shopping in retail stores even after the pandemic retreats. Both findings point to a continuing reduction in vehicle travel.

One-third of homeowners indicated they had undertaken substantial home improvement projects since the start of the pandemic. Significant home improvements have insurance implications to the extent that they increase the replacement cost of the home or, in some cases such as installing swimming pools, introduce additional liability risk. Other pandemic developments with possible impact on liability risk include the number of Americans adopting dogs (21 percent) or acquiring firearms (13 percent).

The study also explored attitudes toward economic conditions and steps taken in response. Half the respondents said they were concerned about their financial future; the most commonly cited actions taken were to reduce spending on travel and entertainment. A small percentage of respondents indicated that they had taken steps to reduce insurance spending, such as shopping for less expensive insurance or reducing coverage.

“This survey suggests the effects of COVID-19, including those impacting the property-casualty insurance industry, may continue even after the virus is under control,” said David Corum, CPCU, vice president of the IRC. “The results also reveal younger, urban, and lower income consumers have been more severely impacted by many aspects of the pandemic.”

The report, *Consumer Responses to the Pandemic and Implications for Insurance*, presents findings from an October 2020 survey of 2,147 adults who acknowledged some role in household insurance

purchasing decisions. For more information on the study's methodology and findings, contact David Corum at (484) 831-9046 or by email at IRC@TheInstitutes.org.

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ABOUT IRC: The Insurance Research Council (IRC) is a division of the Insurance Information Institute (Triple-I), the trusted source of unique, data-driven insights on insurance to inform and empower consumers. The IRC provides timely and reliable research to all parties involved in public policy issues affecting insurance companies and their customers. The IRC does not lobby or advocate legislative positions. It is supported by leading property-casualty insurance organizations.