

How the Pandemic Turned Homeowners Insurance Upside Down

Excerpted from the *Big I Independent Agent*
by Will Jones

Americans live differently now—which means their homeowners insurance coverage must change too.

In 2020, Americans have spent more time at home than ever before. From working at home to school closures, the family unit has shifted to the new normal. Consumer behavior and purchasing habits have also changed. From the droves of homeowners heading to the suburbs to a spike in purchases of home workout equipment, entertainment systems and outdoor grills, Americans live differently now—which means their homeowners insurance coverage must change too.

On one hand, certain exposures have decreased. Families spending more time at home means that there are fewer break-ins and fires, and a higher likelihood of catching leaks. But on the other hand, certain changes are leading to serious liability exposures and severe coverage gaps.

School's Out

Across the country, the vast majority of schools will be either partially or completely closed into 2021. As parents look for alternative ways to educate their children, unique exposures are created. “We're seeing kids working in pods where you have five or six families that are quarantining together. They hire a teacher and spend the whole day in a different person's house each day,” says Joshua Morey, president, J. Morey Company Inc. in Anaheim, California.

“What if a kid goes to the neighbor's house who hasn't taken care of their landscaping and they trip and fall? With kids spending more time not just at their own home but also in other people's homes, there's a lot more liability now,” Morey explains.

“We're having conversations with our clients about how they're handling schooling from home. If they're hosting a pod, we're encouraging them to increase their umbrella coverage by at least another million dollars,” he says. “If they're hosting multiple kids, we're encouraging them to get umbrella coverage up to \$5 million.”

Bringing the Office Home

It's not just the kids who are creating new exposure. In 2021, employers expect that the proportion of full-time employees working from home will level off at around 19%, which is less than half of early July levels (44%) but nearly three times what it was before the pandemic (7%), according to a Willis Towers Watson survey of 283 organizations in North America employing 4.4 million employees.

Additionally, 58% of companies are making adjustments to the definition of the role of the workplace and what work should be primarily done onsite versus remotely, according to the

