

Bankrate

Roughly 1 in 4 Homeowners Are Financially Unprepared for Costs of Extreme Weather Events

43% of homeowners have not taken action in the past five years to protect against property damage due to extreme weather

NEW YORK - September 9, 2024 - Tomorrow marks the peak of Atlantic hurricane season, and according to a new Bankrate survey, over 1 in 4 homeowners (26%) say they are financially unprepared for potential costs associated with an extreme weather event (e.g. hurricane, tornado, wildfire, flooding, heavy snow, severe storms, extreme heat, drought, etc.). This includes 14% who say they are somewhat unprepared and 12% who say they are very unprepared. Further, 15% of homeowners say they would not be able to pay their deductible without going into debt should their home incur damage from an extreme weather event. Click here for more information:

<https://www.bankrate.com/insurance/homeowners-insurance/severe-weather-financial-impact-survey/>

In general, over 2 in 5 homeowners (43%) say they have not done anything in the past five years (e.g. since July 2019) to protect against property damage due to extreme weather events. Slightly less (39%) say they have reviewed their home and/or auto insurance policies to ensure they had proper coverage, and 29% say they made at least one change to their insurance policy within the last five years as a precautionary measure. Just 9% of homeowners invested in weather-proofing strategies (e.g. hurricane shutters, upgraded home with fire-resistant materials, roof reinforcement, etc.) within the last five years, and 7% moved to an area at lower risk from extreme weather events.

“Extreme weather has changed the insurance landscape, and understanding your home insurance policy coverage is more critical now than ever,” said Bankrate Analyst Shannon Martin. “Many insurance companies have reevaluated how they rate extreme weather, and some have changed the perils they are willing to cover. Reviewing your insurance policy to ensure you have proper coverage is the best first step.”

However, 13% of homeowners say they do not know what their deductible is, and 7% do not have homeowners insurance, with that figure increasing to 15% for homeowners

earning under \$50,000 annually. These lower-earning homeowners are also nearly three times as likely to say they would be unable to pay their deductible without going into debt if their home sustained major damage from an extreme weather event, compared to homeowners earning \$80,000 or more annually (21% vs. 8%, respectively).

Regional Breakdown

Overall, homeowners in the South and West are more likely to say they are financially unprepared for the costs of extreme weather events, more likely to have invested in weather-proofing strategies, and more likely to say they would be unable to pay their deductible if impacted by an extreme weather event.

	South*	West*	Northeast*	Midwest*
Feel financially unprepared to handle the potential costs associated with an extreme weather event	29%	28%	25%	19%
Invested in weather-proofing strategies in past 5 years	10%	12%	6%	5%
Feel unable to pay their deductible without going into debt if their home sustains damage from a severe weather event	20%	13%	11%	10%

**Includes current homeowners by Census region*

“All homeowners should be aware of the natural hazards in their area and work to protect their homes accordingly, but this can look different depending on where you live and your financial situation,” Martin added. “Ultimately, every step toward protecting the investment you have made in your home, whether big or small, is a positive one.”
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Methodology:

Bankrate commissioned YouGov Plc to conduct the survey. All figures, unless otherwise stated, are from YouGov Plc. The total sample size was 2,374 U.S. adults, of whom 1,293 are homeowners. Fieldwork was undertaken between July 29–31, 2024. The survey was carried out online and meets rigorous quality standards. It employed a non-probability-based sample using both quotas upfront during collection and then a weighting scheme on the back end designed and proven to provide nationally representative results.

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