

Chubb Relocation and Renovation Survey: Executive Summary



As COVID-19 gripped the nation, nearly everything about our day-to-day lives changed. Routines we used to take for granted—packing into a crowded subway to get to the office, waiting in line at the grocery store, attending large parties to celebrate marriages and graduations—suddenly shifted.

Our homes became the center of our lives, operating as offices, classrooms, movie theaters and restaurants. As a result, many city-dwellers decided to leave their condos and apartments and move to the suburbs.

This trend was particularly prevalent among affluent Americans and Canadians, who had the means and resources to relocate on short notice. Almost eight months after the first wave of COVID-19 suburban flight, Chubb surveyed affluent Americans and Canadians to discover how their relocation priorities evolved in light of the pandemic, as well as how subsequent renovations were proceeding.

A summary of the results follows.

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New Priorities for Living in a New Normal

Perhaps unsurprisingly, 80% of respondents who relocated since March 2020 said COVID-19 was an influential factor in their decision to relocate. However, these moves weren't only about a desire to have more indoor and outdoor space, as survey results reveal broader shifts in the way affluent Americans and Canadians view home life in a new normal.

For instance, over half of respondents (58%) strongly agreed that changes to their lifestyle/desires were factors they considered when moving. With COVID-19 cases climbing, family was central to relocation decision-making: Nearly three quarters (72%) of respondents said proximity to family was somewhat or much more important when relocating, compared to only half (51%) who said the same for proximity to work.

Interestingly, affluent Americans' and Canadians' definition of family seems to have expanded: Over a third (36%) reported that they were more likely to have live-in help to care for children or aging adults. Respondents also made it clear that they desired a strong sense of community and valued convenience. Sixty-four percent said that when thinking about their ideal neighborhood, the ability to shop at small businesses was somewhat or much more important, and 68% said it was somewhat or much more important to be within a short distance to grocery stores and pharmacies.

Understanding Replacement Cost and Domestic Staff Liability

When purchasing a new home, homeowners are rightly focused on market value and getting the best deal. However, when it comes to insurance valuations, what someone paid for their house is not necessarily what it is worth.

After closing, homeowners need to focus on their homes' replacement cost value, which represents the costs that would be required to rebuild a home exactly as is in the event of a total loss. While a home's market value emphasizes location and lot size (among other factors), replacement cost considers factors relating to the home construction –including nuances such as specialized or hard-to-source materials, custom cabinetry and flooring details. Assuming a home's market value is the same as its replacement cost value could leave homeowners facing significant out-of-pocket costs in the event of property damage.

To help make sure their insurance is appropriate, homeowners should ask their insurance carrier if they offer home evaluations by highly trained risk consultants who can conduct a home assessment to help document even the smallest details of the property. This can give homeowners more assurance that their home is adequately protected and that their home will be repaired quickly in the event that damage occurs.

But property protection isn't the only coverage homeowners may need—especially those with live-in help. Homeowners with domestic staff should make sure they have the appropriate liability protection in place. This includes seeking out a carrier that offers employment practices liability coverage that can help defray costs of legal fees and damages and can help with reputation management in the wake of a covered incident.

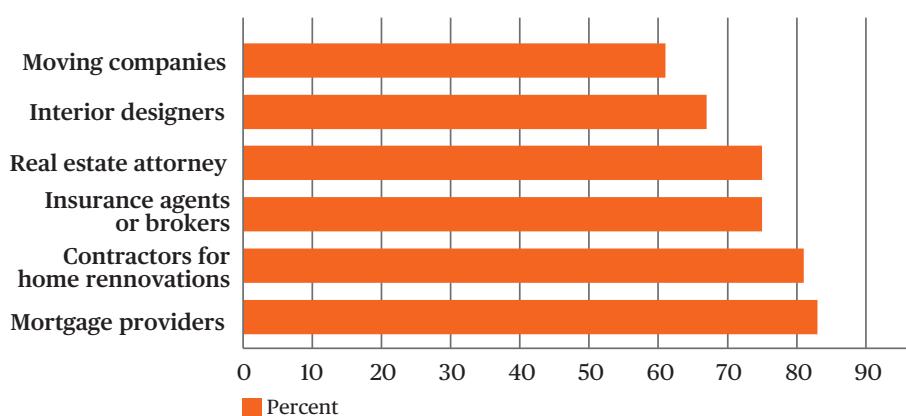
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The Value of Relationships

When it came time to make their relocation dreams a reality, affluent Americans and Canadians looked to those they trusted the most: people they'd worked with before. A plurality (48%) purchased their new home through a realtor they had previously used.

But realtors' work didn't end with closing the deal. As the chart below reveals, realtors served as affluent Americans' and Canadians' confidants throughout the relocation process, demonstrating how much home buyers value their realtors' broader professional network.

Affluent Americans and Canadians indicate that it is important for their realtor to have connections to the following professionals or services



It's clear that networking and referrals are powerful business tools—people gravitate toward those they trust, and home buyers are no exception. Realtors should make sure they're maximizing the value they bring to clients by expanding their network of trusted home professionals who can help them navigate other aspects of the home purchasing process.



Understanding the Value of Specialized Carriers

It is clear that relationships play a large role in the home buying process—both in terms of a bond built amongst client and realtor, and also among realtor and other professionals or services. Therefore, realtors should capitalize on every opportunity to take on more than just a transactional role in their clients' home-buying journeys.

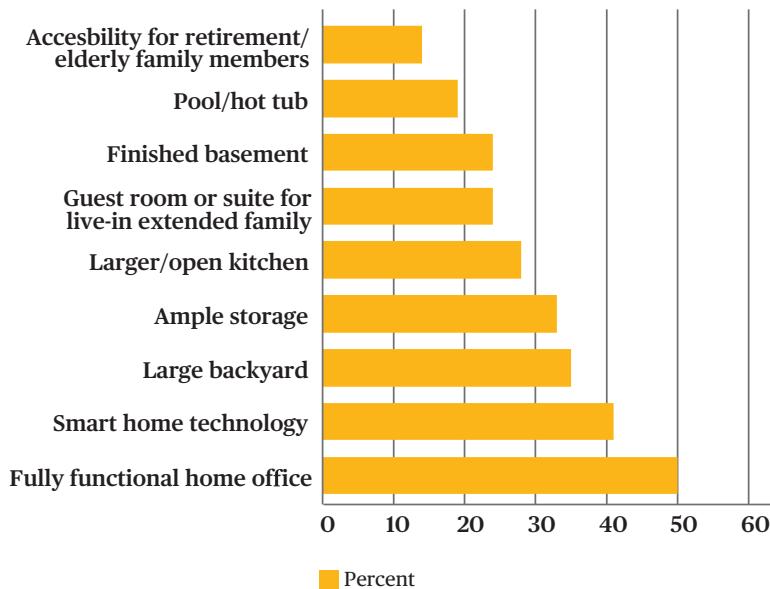
For example, in an effort to maximize the value they provide to their clients, realtors should also offer to connect clients with trusted insurance agents or brokers who can provide insight into the far-reaching effects insurance could have for them. To illustrate, when a client seeks to sell their home at some point after a loss, the scope and quality of repairs may become an issue. If your clients' home is not repaired properly or to the original specifications, negotiation over additional corrections or repairs may potentially complicate closing or impact the sales price. However, the proper insurance coverage will pay to have a home repaired or rebuilt to its pre-loss condition, and could even pay for upgrades to be made in accordance with any changes to building code requirements.

Taking all this a step further, insurance itself is not one-size-fits all. Affluent homeowners' unique homes have unique needs—from protecting valuable wine collections stored in custom-built cellars to the installation of swimming pools and elevators. Beyond one-of-a-kind coverage needs, there are also certain service expectations affluent individuals have when working with vendors. In addition to customized policies geared toward affluent Americans' and Canadians' lifestyles, specialized carriers can often respond and issue payment quickly in the event of a claim. They can address more complex matters readily as well, including helping arrange lodging—be it a premium hotel or rental house that is of the same standard as homeowners' primary residences. The bottom line: affluent individuals will often seek to work closely with an independent insurance agent or broker to identify their specific coverage needs.

How Affluent Americans and Canadians are Making their Homes Quarantine-Friendly

Once they moved, affluent Americans and Canadians were keen on making their homes even more COVID-19 friendly. Per the chart below, this meant that creating spaces conducive to work and a new kind of home life were critical.

Home features that have increased the most in importance since the onset of COVID-19



Additionally, after watching virus outbreaks spread in nursing homes and long-term care facilities, 70% of affluent Americans and Canadians said they were more likely to age in place. For the 13% who are already planning to make accessibility improvements, this could mean undertaking extensive renovation projects. Still, it seems to be worth the cost, with 14% of respondents saying that accessibility for retirement or elderly family members is the aspect of their home that has increased the most in importance since the onset of the pandemic.



Understanding Contractor Safety During COVID-19

Whether making renovations to support short- or long-term lifestyle changes, homeowners should make sure they're taking action to protect themselves from potential risks. When hiring contractors to conduct renovations during this time, homeowners should make sure they take the proper safety precautions, including:

- Requesting contractors' certificates of liability to make sure their insurance limits are high enough for the tasks at hand (regardless of COVID-19)
- Asking contractors questions before they arrive, such as:
 - Are you showing symptoms of COVID-19 (fever, cough, tight chest, etc.)?
 - Have you had recent contact with anyone who has tested positive for COVID-19?
 - What standard daily precautions have you been taking to protect yourself and other customers?
- Requesting that contractors wear masks when conducting work inside the home
- Opening doors and turning on lights to reduce contractors' need to touch items
- Considering using digital payment options
- Fully disinfecting the area in which contractors have worked after they leave

Understanding Risk Consultations for Aging in Place

Americans and Canadians aren't alone when it comes to making their property more suitable for aging in place. Carriers that offer [risk consulting services to improve accessibility](#) can help clients make their homes more accessible without compromising structural integrity or diminishing value. For example, risk consultants can help clients consider ways to:

- Make things easily reachable by installing pull-out shelves in cabinets, installing hand-held showers, providing electrical outlets within reach, and installing appliances with front or side controls
- Design accessible entryways, from installing ramps or lifts to evaluating the slope/grade from the parking area to the entryway
- Make doorways more accessible by widening them to at least 32 inches clear or installing sliding or pocket doors
- Simplify operational controls, including selecting door hardware, faucets, and appliances that can be easily operated with one hand and limited hand function and avoiding those that require pinching or turning

About the Survey

In late fall 2020, Chubb surveyed affluent Americans and Canadians to take a deeper dive into why those who relocated chose to move, the experts they relied on during the moving process and how they were making their new residences more COVID-19-friendly.

The survey was conducted by Qualtrics and fielded online between October 27 - November 9, 2020. The results are based on 612 completed surveys.

A breakdown of respondents is as follows:

- **Gender:** Male (60%), Female (40%)
- **Age:** Under 20 (0%), 20-35 (24%), 36-45 (29%), 46-55 (26%), 56-65 (13%), 66+ (7%)
- **Total Annual Household Income:** \$250,000 to less than \$500,000 (57%); \$500,000 to less than \$1,000,000 (16%); 1,000,000 or more (27%)
- **Current Residence:** United States (88%), Canada (12%)



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Learn more

To find out more about how successful individuals and families are changing and what you can do to make the most of the opportunity, visit our website

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