



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Leslye Krutko
Jeffrey Clet

**SUBJECT: RENTER'S INSURANCE
OUTREACH PLAN**

DATE: February 10, 2006

Approved

Date

COUNCIL DISTRICT: Citywide
SNI Area: All

RECOMMENDATION

It is recommended that the Driving a Strong Economy Committee accept this report outlining the City's plan to conduct a citywide campaign promoting the benefits of renter's insurance.

BACKGROUND

According to the 2000 Census, there are approximately 106,000 renter occupied housing units in the City of San José. According to the Insurance Information Institute, seventy-one percent of renters do not have renter's insurance, and the percent of uninsured is believed to be even greater among lower-income households. There are many common misconceptions about renter's insurance: (1) a belief that tenant's personal belongings are covered by their landlord's building insurance policy, (2) the cost of a renter's insurance policy is prohibitively expensive, (3) a belief that tenant's few possessions are not worth insuring, and (4) a general perception that "it won't happen to me."

Over the last few years, many residents in San José have suffered devastating losses due to fires and other catastrophes. In 2005, the Willow Street fire destroyed 84 apartments and displaced 243 residents, and the Santana Row fire of 2002 displaced 34 families in the Moorpark Garden Apartments and Village Townhomes. When a catastrophe such as a fire or flood occurs, the American Red Cross provides immediate assistance to those impacted, including hotel vouchers for up to one week. Other local nonprofit agencies, such as EHC Lifebuilders, provide further assistance with temporary shelter, food, and clothing. Despite this assistance, families without insurance are left with little or no resources to begin to rebuild their lives.

The City's Housing and Fire Departments work cooperatively with the American Red Cross, EHC, and other disaster assistance agencies to respond and provide assistance. The Housing Department provides funds to nonprofit agencies to locate temporary housing and to find affordable permanent housing for low-income households. Some families are able to stay at The

Haven, a Victorian home consisting of four fully furnished apartment units. The Haven was developed with City assistance, and provides up to 30 days of transitional housing for victims of fire and other disasters.

Tenants with renter's insurance are able to recover more quickly from their losses than those with little or inadequate insurance. In the event of a fire, many insurance companies reimburse the affected tenant for the cost of temporary hotel vouchers and for the replacement costs of common household items such as linens, clothing, appliances, and electronic equipment.

OUTREACH/EDUCATION PLAN

Beginning this Spring, to address the myths about renter's insurance and encourage renters to carry insurance, the Housing and Fire Departments, in collaboration with other local agencies, will spearhead a public awareness campaign designed to promote the benefits of Renters Insurance. Following is a description of the steps that will be taken over the next six months.

Message/Partnerships

Targeting lower- and moderate-income renters, as well as landlords, the campaign will promote the importance of carrying rental insurance. The campaign may be expanded to include outreach to long-time homeowners, who run the risk of being uninsured because they have not increased their insurance coverage commensurate with the increase in home values.

The success of the campaign will depend on partnerships with a cross-section of agencies, including the Tri-County Apartment Association (TCAA), the American Red Cross, and representatives of the insurance industry. The Housing Department is exploring the possibility of partnering with the insurance industry to offer reduced-cost renter's insurance packages or to take an active role in the education and outreach campaign. Contacts have already been made with the State Insurance Commissioner's Office to share and maximize available resources.

Outreach Materials

New collateral materials will be developed, including flyers, brochures, and other promotional materials. These materials include general informational handouts, a tenant survey, brochures, posters, and print advertisements. The collateral materials will be made available in three languages (English, Spanish, and Vietnamese) and will be disseminated to tenants and landlords, and to a broad range of nonprofit housing, disaster relief, and emergency preparedness groups. In addition to collateral materials, the campaign will include a media component, with print and television spots.

Meetings and Events

Both the Housing and Fire Departments will work with the City's Strong Neighborhood Initiative (SNI) community coordinators and participate in community and Council resource fairs

on an ongoing basis to discuss the subject of renter's insurance. Other opportunities for direct contact with the public will be sought to spread the campaign message.

PROGRAM EVALUATION

To measure the success of the campaign, the City will work with TCAA and its membership to collect information about the number of insured renters in San Jose and attitudes about renters insurance (both before and after the campaign start). The City will collect and maintain data on its outreach efforts, including the number of presentations held, number of flyers distributed, number of ads placed. A progress report that details the results of the survey efforts will be presented to the Driving Strong Economy Committee in mid-2007, once sufficient time has passed to effectively measure impact.

COORDINATION

This memorandum was coordinated with the Office of the City Attorney.

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