

# FAIR HOUSING REVIEW HOMEOWNERS INSURANCE

## Protect Your Housing Investment

Homeowners insurance is coverage that protects you against losses from damage to the physical structure of your home and its contents. It also protects you from liability for personal injuries that might occur on your property. A home is usually the largest and most important asset your family will own. It is vital that this asset be protected in case of disaster.

Title VIII of the Civil Rights Act of 1968, otherwise known as the Fair Housing Act, makes it unlawful to discriminate in connection to any housing related transactions based on race, color, religion, national origin, sex, disability or familial status. This includes homeowners insurance.

## Know Your Rights

Discrimination in homeowners insurance occurs when an insurance company or agent unlawfully treats current or prospective homeowners differently because of their race, color, national origin, religion, sex, disability, or because they have children in their family. Homeowners insurance “redlining” is a form of discrimination where an insurance company or agent treats homeowners differently because of the race or national origin of residents in the neighborhood where their home is located.

The following are some examples of discriminatory treatment the Housing Equality Center has uncovered:

- A black consumer left several messages for an insurance agent over a five day period before finally getting a return call, whereas a white consumer received a return call on the same day as leaving the initial message.

## Homeowners insurance discrimination may include such things as:

- Charging higher rates
- Offering policies with inferior coverage
- Not returning calls for information
- Denying coverage altogether
- Imposing different terms and conditions for coverage if homes are in minority neighborhoods
- Refusing to write policies for homes in minority neighborhoods
- Offering inferior policies in minority neighborhoods

- Black consumers were told that only a verbal quote for insurance could be given, whereas the white consumers were able to get written quotes for insurance coverage from these same agents.
- Latino consumers were told that in order to receive a quote for insurance, they must submit their social security number. White consumers were not required to submit social security numbers to receiving a quote.
- A black consumer with a home was told that his property did not qualify for a replacement cost policy, and would only qualify for a market value policy. The quote the black consumer received for inferior coverage was three times higher than a quote a white consumer received with a home in a white neighborhood.

## Shop Around

The best advice to follow when seeking homeowners insurance is to shop around! You will find that both prices and products vary from company to company. This will increase your choice of products and could save you money. Ask your friends, check the yellow pages, research insurance agencies online, call the agency you have car insurance with, or call a housing counseling agency.

The Pennsylvania Department of Insurance has several useful consumer guides, and information can be accessed from their website regarding any complaints filed against particular insurance companies.

Don't consider price alone. The insurer you select should offer a fair price and deliver the quality of service you would expect if you needed assistance in filing a claim. So talk to a number of insurers to get a feeling for the type of service they provide.

*The work that provided the basis for this publication was supported by funding under a grant with the U.S. Department of Housing and Urban Development. The substance and findings of the work are dedicated to the public. The author and publisher are solely responsible for the accuracy of the statements and interpretations contained in this publication. Such interpretations do not necessarily reflect the views of the Federal Government.*



The Housing Equality Center is a nonprofit organization leading the effort to eliminate housing discrimination in Pennsylvania through education, advocacy and enforcement of fair housing laws. We provide victims of discrimination with legal help, perform testing to determine the existence of discrimination, educate the public, consult with and train housing providers, and work with housing and related service providers to ensure compliance with anti-discrimination laws. We assist housing discrimination victims and conduct testing investigations in Bucks, Chester, Delaware, Lehigh, Montgomery, Northampton and Philadelphia Counties.



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