



Maximizing renters insurance compliance in 2026 and beyond

**A data-driven action plan
for Multifamily Housing
professionals**

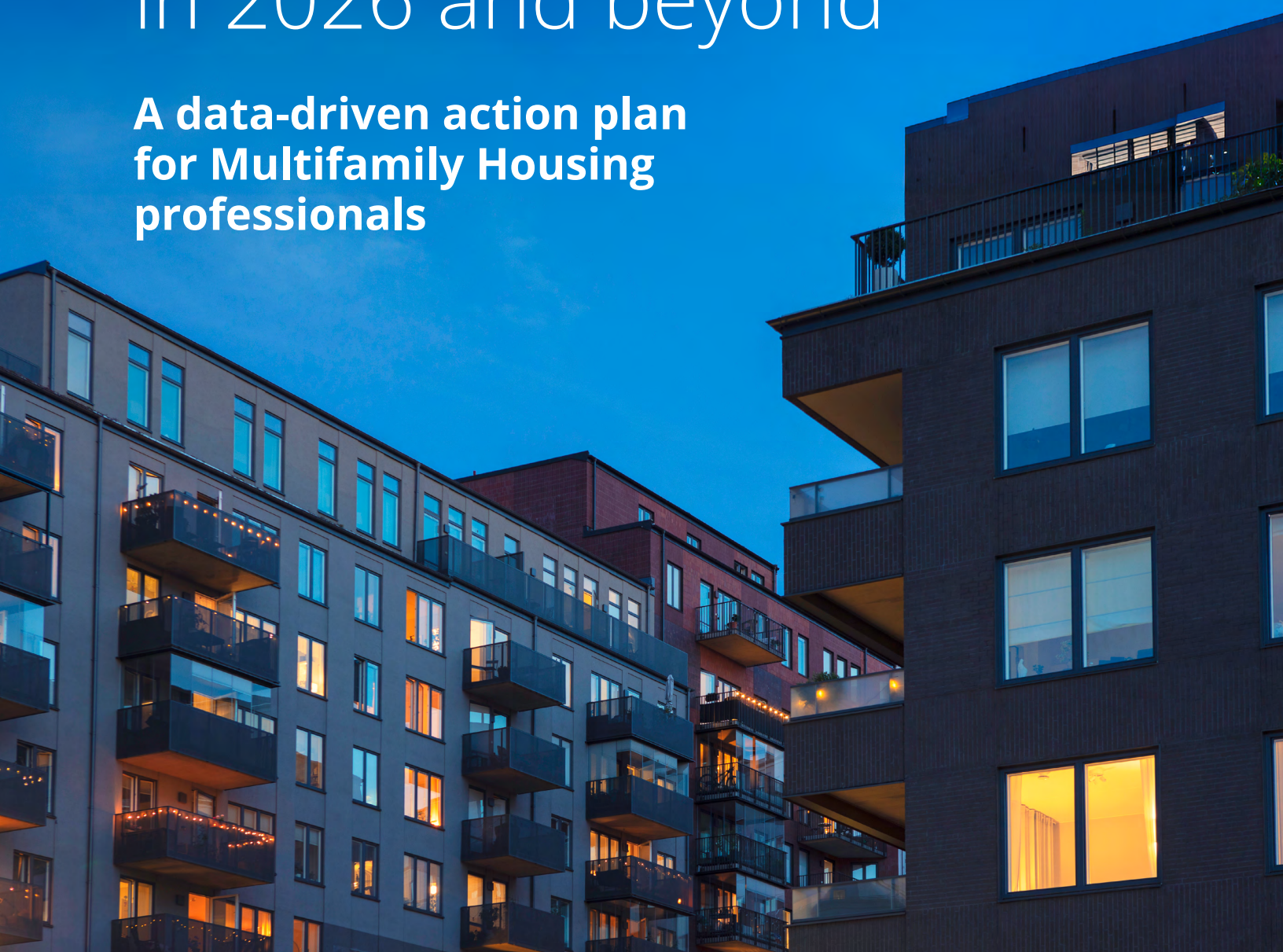


TABLE OF CONTENTS

CHAPTER 1 The 2026 landscape in 60 seconds	3
CHAPTER 2 The cost squeeze: why this matters now	4
CHAPTER 3 Sizing the compliance gap	5
CHAPTER 4 Why traditional methods fall short	7
CHAPTER 5 The playbook: five steps to help achieve maximum compliance	8
CHAPTER 6 Evaluating compliance partners	9

The 2026 landscape in 60 seconds



460K+
new units
projected
for 2026¹



<1.1
national
rent growth²
(4-year low)³



75%+
Multifamily
insurance increase
since 2019⁴



48%
of renters report
having active
insurance⁵

The Multifamily Housing market is in a margin squeeze. More than 460,000 new units are expected to come online in 2026,¹ while rent growth sits at the weakest level in four years.³ According to a Federal Reserve Analysis of CMBS-backed properties, property insurance costs per unit have increased more than 75% in real terms.⁴ Although industry data indicates that 2024 saw the first decline in rates since 2017, that decline doesn't offset the magnitude of the prior increases.⁶

Meanwhile, only 55% to 57% of renters nationally carry active coverage, leaving 20 million to 25 million renter households uninsured.⁴ Even properties that require coverage face a verification gap: Policies lapse mid-lease, documents go unchecked, and actual compliance can be materially lower than what operators assume.

Renters insurance compliance is a controllable lever that directly impacts NOI, risk exposure, and carrier negotiations. This guide shows you how to evaluate the gap and how the right renters insurance partner can help you shrink it.

Resources:

¹Yardi Matrix, 2026 multifamily delivery forecast, via Connect CRE.

²National Mortgage Professional, nationalmortgageprofessional.com/news/single-family-rent-growth-slows-prices-remain-elevated, Jan 2026.

³CNBC, cnbc.com/2026/01/29/apartment-rents-just-dropped-to-the-lowest-level-in-4-years.html, Feb 2025.

⁴Federal Reserve Board, "Rising Property Insurance Costs and Pass-Through to Rents for Apartment Buildings," September 2025.

⁵Zillow, zillow.com/research/renters-housing-trends-report, 2024-34387, Published March 2025.

⁶Federal Reserve Bank of Minneapolis, "Rising Property Insurance Costs Stress Multifamily Housing," March 2025.

The cost squeeze: why this matters now

Before we size the compliance gap, it helps to understand the forces making it more urgent. Renters insurance doesn't exist in a vacuum. It sits at the intersection of three pressures that define the 2026 operating environment: compressed revenue, rising insurance costs, and a regulatory landscape that grows more complex every year.

Property insurance is still the top cost pressure

The headline numbers tell a clear story. The Federal Reserve board shared data that Multifamily Housing property insurance rose more than 75% in real terms between 2019 and 2024.⁴ A separate survey from the Federal Reserve Bank of Minneapolis found that premiums doubled between 2021 and 2024, with year-over-year increases of 14%, 22%, and 45% in successive years.⁵ One respondent estimated that more than 50% of their overall operating expense inflation since 2020 could be explained by property insurance premium increases with their property insurance overhead increasing from 6% in 2020 to a forecasted 14% in 2024.⁶

Insurance and utilities now account for 17% of total expense growth despite representing only 8% of total expenses,⁷ a disproportionate drag on NOI that operators feel regardless of portfolio size.

For multistate operators, the pressure varies by market. In Los Angeles, Multifamily Housing premiums surged 30% year-over-year in 2024.⁷ In West Palm Beach, annual insurance costs hit more than \$1,800 per unit.⁷ These regional disparities make portfolio-level financial planning harder, and they underscore why a systematic approach to risk reduction matters more than ever.

Property insurance costs and renters insurance compliance are intrinsically linked. High resident coverage rates may help reduce uninsured loss exposure, strengthen carrier relationships, and create documented leverage for premium negotiations.

The regulatory landscape is getting harder to navigate

Compliance complexity is increasing on multiple fronts at once. Rent caps now exist in California, Oregon, Washington, New York City, and several other jurisdictions, and the trend is spreading.⁸ Security deposit alternative mandates are also expanding. Data privacy obligations, including under laws such as CCPA, add complexity to the collection, storage, and sharing of resident insurance data.

Laws regarding renters insurance requirements exist in a patchwork. No state mandates coverage by law, but landlord lease requirements are increasingly common. Coverage minimums and the permissibility of landlord-required programs all differ depending on where you operate.

For firms managing properties in multiple states, every new market introduces new compliance variables. Organizations treating renters insurance as a per-property problem rather than a portfolio-wide one can find it harder to keep pace as they grow.

Multifamily Housing trends at a glance

Metric	2024	2025	2026 (proj.)
Avg. national rent growth	~0.6% ⁹	0.6–1.1% ^{1,2}	~2% ¹⁰
New MF units delivered	~600K ¹¹	~460K+ ¹¹	460K+ ¹
% renters with insurance ⁵	~48%	~48%	None reported
Application fraud rate	6.4% ¹²	5.1% ¹²	5% to 7% ¹³

Resources:

⁷Matthews Real Estate Investment Services, "Multifamily Insurance Costs in 2025."

⁸Law District, lawdistrict.com/articles/rent-control-laws-by-state, March 2026.

⁹Multihousing News, multihousingnews.com/2024-rent-growth/, Jan 2025.

¹⁰National Apartment Association, naahq.org/news/2026-apartment-housing-outlook, Dec 2025.

¹¹ALN Apartment Data, alndata.com/2025-multifamily-recovery-progressed-but-remains-incomplete/, Jan 2026.

¹²Multifamily Executive, multifamilyexecutive.com/technology/detection-improves-fraud-pressure-persists-multifamily, Feb 2026.

¹³Multifamily Insiders, multifamilyinsiders.com/multifamily-blogs/google-ads-in-multifamily-whats-changing-in-2026-and-how-to-stay-ahead, Jan 2026.

Sizing the compliance gap

Understanding the macro landscape is important, but the question every operator needs to answer is more specific: **What's the renters insurance compliance gap actually costing your portfolio?**

In a Zillow survey, only 48% of those surveyed reported having active renters insurance in place.⁵ If that same percentage were applied nationwide, there could be anywhere between 20 million and 25 million renter households without coverage.

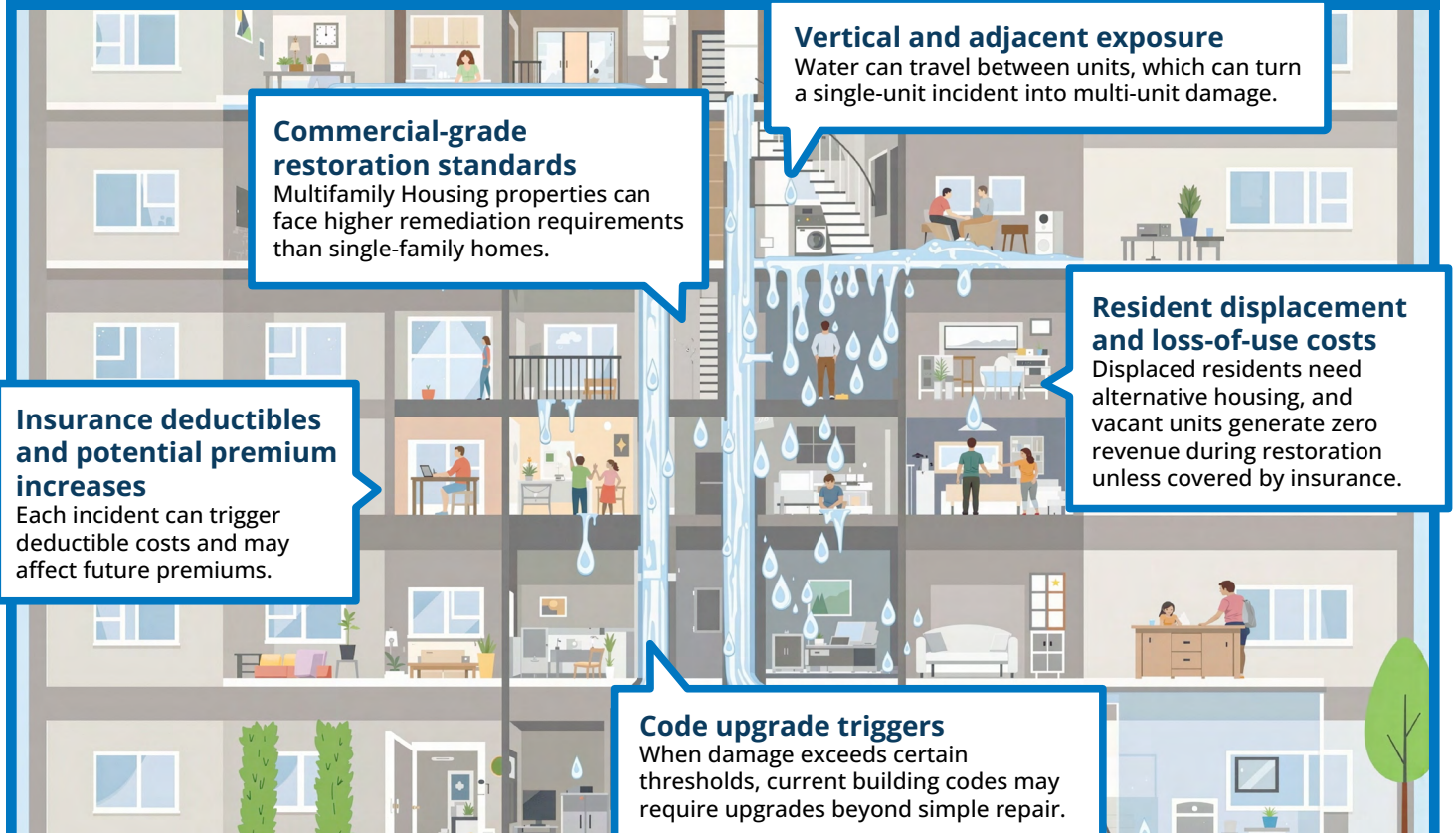
But the national average only tells part of the story. Even in properties that require coverage as a lease condition, the gap between “enrolled at move-in” and “verified active policy today” is significant. Policies lapse. Renewal reminders go ignored. Documents expire in a filing cabinet. The result is that an operator’s actual, verified compliance rate is often materially lower than what they assume.

The problem is structural, not just an enforcement failure. And the costs are real.

What noncompliance actually costs

The financial impact of uninsured residents hits operators from multiple directions at once, and those costs compound quickly.

FEMA data¹⁴ shows that even one inch of water can cause **\$25,000** in damage to a single-family home. For Multifamily Housing properties, the Insurance Information Institute estimates the cost is six to seven times higher due to several compounding factors.¹⁴



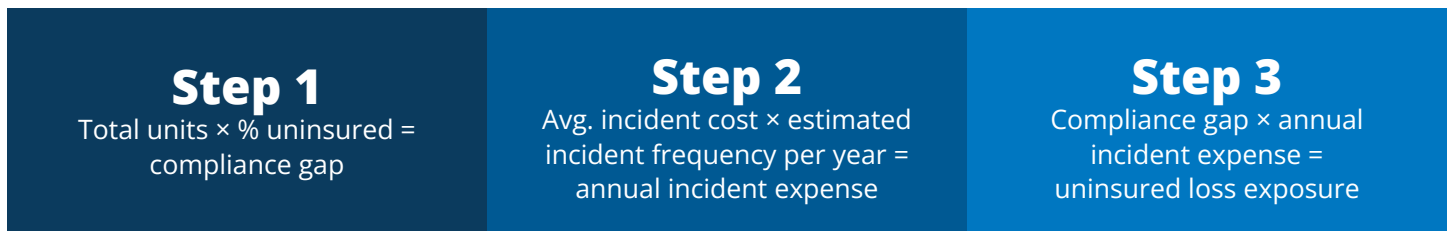
When these factors compound, the true cash exposure for a single Multifamily Housing water damage event can multiply significantly depending on severity and the number of affected units.

Resources:

¹⁴FEMA residential water damage cost estimates; III multifamily multiplier data.

Portfolio exposure at scale

Sizing the gap across a portfolio comes down to a simple three-step calculation.



The chart below demonstrates what that may look like at three different scales using industry data and conservative incident frequency estimates. Your actual gap may be higher or lower, which is why auditing your real compliance rate is an essential first step.

	80-unit property	500-unit portfolio	2,000-unit portfolio
Uninsured units (~43%)	~34	~215	~860
Est. annual incidents	1 – 2	5 – 10	20 – 40
Est. annual exposure	\$62K – \$124K	\$310K – \$620K	\$1.2M – \$2.5M

The uninsured rate is based on national III/Census average (43% without coverage). Incident frequency is illustrative and varies by property age, geography, and maintenance practices.

The carrier negotiation angle





Beyond direct loss avoidance, there's an increasingly important financial lever worth noting. **Property insurance carriers may be factoring resident insurance penetration into their evaluation of risk profiles at varying and unknown levels. Operators with documented high compliance rates are favorably positioned to approach carriers with documentation that supports lower-risk profiles, and, by extension, the possibility of best rates and renewal terms.**

For operators already under pressure from elevated premiums, this may be one of the few negotiation tools they can directly control. Multistate operators with centralized compliance data may even have a stronger position because they may be able to demonstrate portfolio-wide risk reduction in a format underwriters understand.

High renters insurance compliance isn't just about avoiding losses. It's an active financial strategy, one that can directly improve your property insurance terms and contribute to NOI.

Why traditional methods fall short

If the compliance gap is this costly, why hasn't the industry closed it? Not for lack of effort. The most common approaches have structural limitations that cause them to plateau well before operators reach the compliance rates they need.

 <p>Fragmented tracking Business impact: blind spots and greater chance of uninsured losses</p>	 <p>Resident friction Business impact: difficulty maintaining reliable compliance</p>	 <p>Manual verification Business impact: increased fraud exposure and coverage gaps</p>	 <p>Multistate complexity Business impact: processes and systems that are difficult or impossible to apply across an entire portfolio</p>
---	---	--	---

A closer look

Fragmented tracking

Policy documents, expiration dates, and payment records live across disconnected systems. No single source of truth means no reliable compliance picture, and blind spots grow with every property added to the portfolio.

High resident friction

Compliance rates spike at move-in and decay steadily over the lease term. Every step that requires resident action is a compliance leak.

Manual verification doesn't scale

Spot-checking works at 30 units. At 300 or 3,000, it creates a false sense of compliance. And, with 93.3% of operators reporting application fraud¹⁵ and 5.1% of submissions containing manipulated documents,¹⁶ manual review increasingly misses what it's supposed to catch. If application documents are being forged at this scale, proof-of-insurance documents can face the same risk.

Multistate complexity multiplies everything

Coverage requirements, liability minimums, and landlord-required program rules differ by jurisdiction. Most operators manage this with spreadsheets and institutional knowledge, which works until someone leaves, a new market opens, or a regulation changes.

None of these are failures of effort. They're structural limitations. The firms achieving the highest compliance rates are doing something fundamentally different.

Resources:

¹⁵Snappt, "2026 Multifamily Fraud Report," February 2026, via Morningstar/BusinessWire.

¹⁶NMHC fraud survey, cited by NAA, AAGLA. 84.3% falsified documents.

The playbook: five steps to help achieve maximum compliance

Overcoming structural limitations regarding renters insurance compliance means being proactive and strategic in your response. The following action items add up to a comprehensive approach aimed at reducing compliance gaps and associated operating costs.

1. Audit your actual compliance rate.

Most operators overestimate compliance because they track move-in enrollment, not currently verified active coverage. A real audit measures three things: enrollment rate, active and verified rate, and claims-ready rate. Run it at the portfolio level. The aggregate view reveals patterns that can be less visible property by property.

2. Reduce friction with proactive renewal.

The biggest compliance killer is the renewal gap. When coverage is built into the lease workflow, activating at signing and renewing with minimal friction, participation rises because it doesn't depend on residents remembering to act. Evaluate partners on ease of enrollment, coverage scope, post-lease verification, and policy tracking.

3. Streamline verification.

Your team should prioritize reviewing the roughly 5% of cases that flag as out of the ordinary, not 100% of policies. Continuous monitoring with built-in fraud detection and seamless placement for coverage gaps provides reliability that manual processes can't match.

4. Build multilocation compliance into your system.

Evaluate partners on their ability to skillfully handle jurisdictional variation between states, cities, and municipalities with ease. The right platform should map requirements per market, flag regulatory changes, and adjust compliance parameters without manual configuration by regional staff.

5. Use compliance data as a financial lever.

Document verified compliance rates and present them to your property insurance carrier at renewal. Look for carriers that are factoring resident insurance penetration into underwriting. Frame compliance as an NOI contributor in owner and investor reporting, not just a risk management checkbox.

Want a detailed breakdown of how to implement these steps into your workflows? Download the companion 14-Day Compliance Checklist for concrete actions on each of these steps.

 **(LINK TO SEPARATE DOCUMENT)**

Evaluating compliance partners

With the amount of financial pressure property managers and operators are facing, it's not surprising that many have turned to proptech in search of a quick solution. But the reality is that software and technology only address a few aspects of the compliance challenge. They simply aren't built around underwriting, real-life claims data, and carrier requirements, which can make them difficult to scale.

An insurance-first partner works with operators to address risk holistically, beyond just workflow efficiencies. They help anticipate and prevent compliance gaps from inadequate coverage. They navigate differing regulatory environments with ease. And they add underwriting expertise to the strategy so that risk is effectively managed at the individual property level and across the entire portfolio.

In a world of growing complexity and tight margins, renters insurance compliance must be more than an administrative task. It needs to be a financial strategy. Asking the right questions helps make certain that renters insurance partners are properly aligned with your goals.

- Coverage breadth:** Contents plus liability plus loss of rent? Or contents only?
- Enrollment model:** Lease-integrated streamlined enrollment? Or manual opt-in? This is a significant driver of long-term compliance.
- Compliance monitoring:** Real-time API into property management software? Or periodic CSV exports?
- Fraud controls:** AI-powered verification and seamless placement for gaps?
- Multistate support:** Built-in jurisdictional variation or manual configuration per property?
- Carrier data integration:** Can the partner generate documentation for premium credit negotiations?
- Resident experience:** Low-friction enrollment and transparent claims process?
- Scalability:** Works for one property today, grows across states tomorrow?

Assurant's renters insurance programs, including Cover360, are designed around these principles, with coverage in all 50 states, lease-integrated enrollment and coverage verification, continuous compliance monitoring, and carrier data integration built in to help drive maximum compliance.

What comes next

The business challenges between compliant and noncompliant renters is widening in direct costs, carrier relationships, and operational efficiency. The good news is that the gap is solvable. The firms that close it have an opportunity to convert renters insurance from an administrative burden into a measurable NOI contributor.

The operators who will come out ahead in 2026 are the ones who start treating renters insurance as a financial strategy. The data is there. The tools are there. Success is a direct reflection of the decision to act on it.

— Mary Ellis
VP, Renters Solutions,
Business Development