



## Renters Insurance Quick Facts

The landlord of your apartment has insurance, but it probably only covers the building where you live – not your belongings or your liability for accidents. If your possessions are stolen during a break-in or damaged by a fire or severe weather, a renters insurance policy will allow you to recover their value.

### What Does Renters Insurance Cover?

Examples not limited to:

- Fire or Lightning
- Windstorm or Hail
- Freezing of plumbing system
- Theft

### Renters Insurance Doesn't Cover:

- Bodily injury or property damage that is expected or intended by the insured
- Business pursuits
- Professional services provided or not provided
- Ownership, operation, use, or maintenance of aircraft, motor vehicles, and certain watercraft

### Common Myths about Renters Insurance:

**Myth #1:** “The landlord's insurance covers your possessions.”

Don't count on it. Most landlords' insurance covers only the building and damages due to negligence. Coverage for some of the most common causes of property damage and loss, such as theft, vandalism, and fire, is entirely up to you. Without renters insurance, you may have to bear the financial burden of a loss on your own.

**Myth #2:** “Renters insurance is expensive.”

In this case, the numbers speak for themselves. According to the IIABA, the average renters policy costs just \$12 a month for up to \$30,000 in personal property coverage. That's solid coverage for less than the cost of a couple of cups of coffee a week. Still concerned about price? Your insurer will work with you to find the combination of coverage and costs that suits your needs. You might even qualify for a discount by taking some simple home safety precautions or purchasing another policy, such as auto insurance, with the same insurer.

**Myth #3:** “You don't need insurance if your stuff isn't expensive.”

Most renters' belongings cost more than they think. In fact, the average person has over \$20,000 worth of belongings that are probably not covered by a landlord's policy. Think that number is too high? Take a moment to add up the approximate cost of your computer, television, stereo, furniture, jewelry, and clothing. If a fire gutted your apartment tomorrow, would you have the cash on hand to replace it all?

**Myth #4:** “Renters insurance covers only your possessions.”

In fact, renters insurance covers much more than just your personal property: The average policy also includes up to \$100,000 in liability coverage. That means your insurer will help cover the costs if you're held responsible for injuring another person or damaging another person's property, including your landlord's. Moreover, this coverage applies whether the incident occurred within your residence or elsewhere.

**Myth #5:** “Renters insurance is hard to get.”

The Internet makes getting renters insurance easier than ever before. You can research providers, compare quotes, and even find an agent online. Or, just as easily, you can place a quick call to an insurance representative. Answer a few questions and you're likely to get a rate quote in minutes. Don't let the myths about renters insurance keep you from the real benefits of coverage.

**How to Save on Renters Insurance:**

**Reduce Your Risk, Reduce Your Rates**

- Where you live will play an important role in determining your renters insurance rates. In general terms, prices will vary based on your state, city, and neighborhood. Safer locations mean lower rates.
- Installing smoke detectors and fire extinguishers in your apartment can mean real savings. Ask your agent about available safety discounts for your renters insurance.

**Bundle And Save**

- Many insurers offer significant discounts if you buy more than one policy with the company. For renters, this usually means bundling auto insurance with a renters policy, but life, business, and other plans may also qualify. If you have several insurance needs, be sure to talk to your agent about multiple line discounts.

**Choose The Right Deductible**

- A deductible is the amount of a covered loss or liability that you pay out of your own pocket. In other words, it is the amount “deducted” from any payout by your insurer. For example, if a fire causes \$1,500 in insured damage to your personal property and your deductible is \$500, then your insurer will pay you \$1,000.
- Your renters insurance premiums will reflect the deductibles that you agree to pay. Lower deductibles mean higher premiums; higher deductibles mean lower premiums. Keep in mind that an insurer will not reimburse you for a loss amount that is lower than the deductible. This means if your deductible is \$2,000 and you suffer \$1,750 in losses, then you are entirely responsible for those costs, even if the cause of the loss is covered by your policy.
- When choosing a deductible, think carefully about the out-of-pocket costs that you are willing – and able – to pay. A disciplined saver may be able to offset the greater risk of a high deductible with cash reserves. Others, however, will have to balance the benefit of a higher deductible against the risk of greater out-of-pocket expenses.