

Renters Insurance

If you rent a house or apartment, you need renter's insurance to protect you financially if you experience a fire or other disaster. The landlord's insurance does not extend coverage to tenants.

Renters insurance is like homeowners insurance, without building coverage. Like homeowners insurance, renters insurance includes three key types of financial protection:

1. Coverage for personal possessions

Make sure you have enough insurance to replace all your personal possessions in the event of a burglary, fire or other covered disaster. Choose replacement cost if offered to avoid a depreciation deduction for your contents. Special items such as jewelry, some electronic equipment, art, silver and other specialty collections will have a limited amount of coverage; if you need more ask about an endorsement to your policy. Flood and earthquake insurance is not covered by most renters policies.

2. Liability protection

Make sure the amount of liability coverage provided by your policy is enough to protect your financial and other material assets in the event of a lawsuit. Ask about an umbrella policy if you need more coverage. Many carriers exclude coverage for accidents involving pets, so check with your agent if you are a pet owner.

3. Additional living expenses

The additional living expenses portion of your renter's insurance policy pays for hotel bills, temporary rentals, restaurant meals and other expenses you incur while your rental home is being repaired or rebuilt. Essentially, it covers the expenses you would not have to incur if you had your usual roof over your head.

The premium for a renter's insurance policy varies according to several factors, but in general you can expect to pay \$150-\$200 a year for a basic policy of \$25,000 contents coverage with \$300,000 liability coverage.

Important notes:

Read your policy. Be sure to read and understand all the terms of your policy. Certain classes of property- such as jewelry, silver, collections, and computer equipment- have limitations on coverage. Exclusions and conditions are listed in your policy.

Make an inventory list - It is very helpful to prepare some type of inventory of your possessions now, before something happens to them. Use an inventory form, take pictures or record a video of each room. Describe all your content to your agent to be sure your policy offers the correct coverage for your situation.

Loss prevention tips - Take steps to prevent losses, such as installing and checking smoke and carbon monoxide detectors, practicing family evacuation drills, and keeping your home clear of trash, debris and clutter can help prevent losses.

Discounts – Ask about discounts for auto insurance companion policy, other multiple policies and alarm systems.