



Clallam County Fire District 3

Motto: *Serve, Respect,
Prevent and Protect*

Renters Insurance

What is Renters Insurance?

For those who rent, renters insurance covers damage to, or loss of, your personal property. Whether you rent from a house owner or a property manager, consider purchasing renters insurance.

Your Landlord's Insurance Policy Doesn't Cover You

A common misperception among renters is that they are covered by their landlord's insurance. Although landlords do carry insurance policies, they insure the physical building against damage for occurrences such as fire, hail and vandalism. However, their insurance policy does not cover personal assets in your apartment.

The first time most people think about insurance is with their first car or home. Usually this is because the law or bank requires it. Although renter's insurance is usually not required, it is just as necessary to have. Not only will it protect your personal items, but it will also give you help with temporary housing and liability protection, such as medical expenses for people on your property or a lawyer if you are sued by someone unintentionally injured on your property. Once you determine your need for renter's insurance, knowing your options will help you choose the best policy.

Renters Insurance Protects You from Disaster

If the ceiling in your rented property is damaged by wind or hail in a storm, of course the ceiling is covered by your landlord. What about your brand new computer and TV that was damaged? Also, while the ceiling is being fixed, do you have enough money to immediately find another place to stay? These are the types of things that would be covered by your renters' insurance policy. Along with personal property coverage and living expenses, your policy will also cover your liability or damage you cause to others or their property.

There are some things to consider when purchasing a renter's insurance policy that will affect the price and coverage:

1. Dollar Amount of Coverage: This is a leading factor in the price and coverage. A dollar amount is not placed on each piece of property. Instead a fixed amount for all of your possessions will be determined. Of course, the more coverage you purchase, the higher the price of the policy.
2. Deductible: This would be a leading factor to consider in the cost and how much you are willing to pay out of pocket before your insurance kicks in. Coverage's subject to the deductible would be everything except liability coverage.
3. Location and Previous Claims: If you rent in an area prone to thefts you will probably pay more for your insurance and if you or the previous person or neighbors have had a large amount of claims, this is likely to affect the cost of your policy.

4. ACV(Actual Cash Value) or Replacement Cost: When the insurance company comes to reimburse you for your computer and TV, what they give you is determined by these factors. A basic policy will pay you ACV, which is the value of the property at the time of the loss. But, if you opt for replacement cost you will get an actual replacement. For example, your 5 year old TV will be replaced with as much money as it would cost for you to purchase a new comparable TV. Expensive items prone to theft such as jewelry and guns, only have limited coverage so it is wise to place these items on a separate policy. Replacement cost is well worth the small amount more it may cost for your policy.

Even if you feel your personal property is not worth enough to insure, the value of having liability coverage is well worth renter's insurance.

Carrying Renters Insurance Helps You Get Homeowners Insurance in the Future

Renters insurance helps you build history with an insurance company. If you are considering the purchase of a home, having a renter's insurance policy may make it easier and may result in a discount on your homeowners' policy.

How much is renters insurance?

Surprisingly, a basic renters' insurance policy is typically less than \$200 per year. Renters with tens or hundreds of thousands of dollars worth of personal possessions or who need larger liability coverage, will pay more. Your own quote will depend on a number of factors including your previous insurance history and where you live. According to the National Association of Insurance Commissioners, the countrywide average premium for renters insurance in 2000 was \$175 for an annual policy, although the premiums range widely by state. Despite the low cost and high benefits, a 2003 poll conducted by the Independent Insurance Agents & Brokers of America found that 64 percent of respondents living in rental homes had no renters insurance.

What else do I need to know?

Additionally, consider the following to ensure you select a renters' insurance policy that's right for you. First, all insurance policies have a deductible. The lower the deductible, the higher the insurance premium paid. While you can lower your premium by having a higher deductible, be sure that you can afford the deductible should disaster strike. Second, insurance policies have exclusions that you need to be aware of. Basic policies do not generally insure you for natural disasters, such as floods and earthquakes or the loss of certain items such as jewelry or art. However, you can purchase additional coverage to insure for these potential losses.

How do I buy renters insurance?

Buying renters insurance is easy. You can get a quote and purchase insurance online or you can purchase renters insurance from your local insurance agent. Some insurance providers offer discounts to people who already have their auto insurance. Check if your auto insurance has such discounts.