

What if you came home from work only to find your apartment had been totally trashed by a burglar? Or what if you walked into your living room and found yourself standing in a 3 inch flood of water? Well, if you think it's not a major problem because your landlord will foot the bill, YOU'RE WRONG.

Your landlord's insurance does NOT cover your personal property. Things like your clothes, stereo, furniture, television, bicycle, jewelry, personal computer, artwork and other items are not covered by your landlord's insurance against destruction or loss. As sorry as your landlord may be about the 3 inches of water in your living room or your stolen stereo, you're the one who'll have to buy a new couch and stereo system not him.

But renters insurance covers your stuff and:

- protects you against losses from fire or smoke, lightning, vandalism, theft, explosion, windstorm, and water damage from plumbing.
- covers your responsibility to other people injured at your home or elsewhere by you, a family member or your pet and includes legal defense costs if you are taken to court.

COMMON QUESTIONS

Q. Does renters insurance cover all my stuff?

A. It depends. Some things like - jewelry and [computers](#) - often have a per-category limit (for example, some policies have a \$5,000 limit for computers). For these things you may want to buy a floater, this provides additional coverage for specific items not included in your basic policy.

Q. If I file a claim, will my policy be canceled?

A. If you didn't cause the loss or damage, your insurance shouldn't be affected. If you were at fault - if you caused a fire by smoking in bed for example -- the insurance company might consider this when setting the price for your next policy.

Q. Is my stuff covered away from home?

A. Yes, but coverage amounts vary from 10% of your personal property coverage to the full value.

Q. As a student, am I covered by my parents' policy?

A. If you're in college, are under 26, and your parents have a homeowners or renters insurance policy, their insurance might give you limited coverage in the dorm, but not if you live in an apartment.

Q. Can I purchase a renters policy with my roommates?

A. Yes, but the regulations might be different from state to state, and the policies might also be different from company to company. Find out what regulations apply in your state and then shop around to find an insurance company that can help your situation. Each roommate's name should

be included on the policy.

Q. What about unmarried couples?

A. Some insurance companies now allow unmarried couples who have been living together to obtain joint coverage, rather than two separate policies. Each person's name should appear on the policy.

Q. What happens if my rented or borrowed items are stolen?

A. Items that are "in your possession" are covered under a standard renter's policy.

Q. What if my insurance company doesn't respond to a claim?

A. Your [state insurance department](#) or local consumer protection office can answer questions on [filing claims](#) and also take complaints.

Q. Is my bike or car covered by renters insurance?

A. Your bike is covered, but vehicles aren't. You need to get a separate [auto insurance policy](#) to protect your car, van or motorcycle.

HOW DO YOU BUY RENTERS INSURANCE?

1) Take An Inventory:

Make a [list of everything](#) in your apartment. Record model numbers, serial numbers, date of purchase and price of item. Take photographs or make a video of these items.

Give one inventory to your insurance agent, and keep another for your self.

Keep your inventory and visual record of your things outside of the apartment maybe in a safety deposit box or at the office.

2) Ask About:

Theft Limits - For example, most renters policies have a \$1,000 total limit on jewelry that is stolen, a \$3,000 - \$10,000 limit for [computers](#). Ask for a list of standard coverage limits so you know whether you'll need to get additional coverage for some of your stuff.

Cash Or Replacement Value - Your policy can insure your stuff in one of two ways--either for the cash value or the replacement cost.

Cash value coverage takes into account the age and condition of items at the time of damage or loss. You would be reimbursed for the value of the item minus depreciation.

Replacement value pays today's cost for an item of similar kind or quality.

Deductible Options - Find out about the deductible or your out-of-pocket cost. Keep in mind that raising your deductible will usually lower your premium

3) Discounts:

Insurance companies frequently offer discounts to their auto policyholders interested in buying a

renters policy from them. You can also get discounts if your apartment or home has a security system, smoke detectors, or deadbolt locks. More discounts might be available depending on your age or whether you're a non-smoker.

4) Shop Around:

Look on the Internet, ask friends or relatives or flip through the yellow pages to find the agent that is right for you. Call a variety of insurance companies and agents and ask a lot of questions. Keep your inventory handy, so you can find the amount of coverage that is most appropriate for you. \$16,000 is usually the smallest amount of coverage you can get.

5) Review Your Policy:

Review your policy with your insurance professional so that you understand what's covered. For example, flooding is not a covered peril in a renters insurance policy. However, if you live in a flood prone area, you may want to consider purchasing a [flood insurance policy](#).

BACK

FORWARD