

What You Need To Know About Renters Insurance

Renters Insurance

Renters face many of the same risk as homeowners. Your landlord may have insurance, but it only protects the building structure, not your personal property. Renters insurance can protect your belongings in case of disaster. Liability protection is also standard with most renters' policies.

How much renters insurance do you need?

Talk to your insurance agent or company about the property you want to protect and the property hazards you would like to be insured from. Your agent can give you coverage policy specifics based on your state and the type of policy you want. They will answer any important questions you have about:

- What hazards are included in your plan and if you need a separate policy for specific circumstances
- If your insurance plan affects your roommate(s), if any
- How you should determine value for your items
- What some of the insurance terms mean or what they include
- What optional coverage might be available to you
- How much liability coverage is included in your plan

Actual cash value vs. Replacement cost

- "Actual cash value" (ACV) coverage will pay only what your property was worth at the time it was damaged or stolen. So, if you bought a television five years ago for \$500, it would be worth significantly less today. While you'd still need to spend about \$500 for a new TV, your insurance company will pay only what the old one is worth, minus your deductible.
- Replacement cost coverage will pay what it actually costs to replace the items you lost, minus the deductible. Replacement cost coverage will have a higher premium, but it will pay out more if you ever need to file a claim.

Creating a home inventory

A home inventory, along with photos and proof of ownership, make it easier to file an accurate insurance claim in case your home is damaged or destroyed. A home inventory can also help determine how much coverage you need from your renter's insurance.

- Group your possessions into logical categories, i.e., by hobby, by room in your home, etc.
- Your list should include special purchases like jewelry and art, as well as everyday leisure items such as televisions and guitars.
- Don't forget items that are used rarely such as holiday decorations, sports equipment, tools, etc.
- Pull together copies of original sales receipts and/or appraisal documents. Also note model and serial numbers.
- Carefully photograph or videotape each item and document a brief description, including age, purchase price and estimated current value.
- Store your home inventory and related documents in a safe, easily accessible place online, on your computer or in a fire-proof box or safe deposit box. Consider sharing a copy with friends, relatives and your insurance provider.

iPhone® users — The NAIC's free downloadable app, myHome Scr.App.book, lets you quickly photograph and capture descriptions of your possessions room by room, then store electronically for safekeeping.

Android® users — With the home inventory app, myHome Scr.App.book, you can quickly capture images, descriptions, and serial numbers of your possessions, then organize the information by room or by category. The app even creates a back-up file for email sharing.