

Renting Your Home? Protect Your Belongings with Renters Insurance

If you are renting your home you might think, “Why do I need insurance?”—since the landlord is responsible for problems with the building. But personal belongings damaged or stolen from the home will not be covered by a landlord or property management company’s insurance policy, leaving you with the loss should anything happen .

Top Considerations

Know what is covered: If you live in a rented apartment, house or condominium, your landlord’s insurance doesn’t cover your personal property. In addition to covering your belongings, some policies will also cover living expenses if your apartment or home is uninhabitable. Renters insurance may also protect you from lawsuits alleging negligence.

Actual cash value vs. replacement cost: **Actual cash-value coverage** will reimburse you for the cost of the personal property at the time of the claim, minus the deductible. It’s important to account for depreciation when considering this coverage option. For example, if a stereo system was stolen from your apartment five years after the stereo was purchased, the policyholder would be reimbursed for the current value of the system. **Replacement cost coverage** will reimburse the full value of a new stereo system.

Renters policy options: Most policies provide two basic types of coverage: personal property and liability. Personal coverage pays to repair or replace personal belongings if they are damaged, destroyed, or stolen. Liability insurance provides coverage against a claim or lawsuit resulting from bodily injury or property damage to others caused by an accident while on the policyholder’s property. There are two major types of renters insurance:

1. **The Broad Form** covers personal belongings against specific events, such as fire or theft. This is the most commonly purchased renters policy. Typical coverage under this form includes damage from fire, lightning, explosion, smoke, vandalism, theft and water-related damage from property utilities.
2. **The Comprehensive Form** provides coverage from a range of events, such as storm damage, unless specifically excluded by the policy. Considering the potential amount of coverage, the premiums for this type of policy may be higher.

Policies can protect possessions outside of the home: Many policies do not limit protection to home-based situations. For example, items you have insured often are covered if they are stolen by someone who breaks into your car or if they are damaged while not on your property.

How To Protect Yourself

Weigh the cost vs the benefits: An average policy costs between \$15 - \$30 a month. Replacing all of your possessions or being liable for an accident on your premises will likely cost much more. Even if you don't think you own that many valuables to justify the cost, policies cover everything from electronics to clothing to household appliances. Even a minimal number of items could add up to thousands of dollars' worth of merchandise, which can all be covered in a basic policy.

Evaluate your situation to determine which coverage you need: Determine which form (Broad or Comprehensive) is right for your situation. Think about your location. For example, if you live in an area prone to violent storms, you might require a comprehensive policy that specifically addresses storm damage. If you have unusually expensive items, such as fine jewelry or an art collection, these may require you to purchase additional coverage, called a rider or floater.

Ask about discounts: Many insurers will reduce your premiums if you have fire or burglar alarms, fire extinguishers, sprinkler systems and/or deadbolts on exterior doors. Some companies might also offer discounts if you have more than one policy with them. Be sure to ask about any discount you might be eligible to receive.

Creating a home inventory can speed up the claims process: A home inventory – along with photos and proof of ownership – make it easier to file an accurate, detailed insurance claim in case your home is damaged or destroyed from an event.

Keep a paper **inventory** of your personal belongings in a safe place, or create an inventory on your smartphone from a free home inventory app: **iPhone**® | **Android**®

Top Things to Remember

1. Don't leave it up to a landlord. Only a renters policy will protect your possessions if they are damaged or stolen.
2. Evaluate your needs to determine if you should purchase a Broad or Comprehensive Form. If you have unusually expensive items, ask your agent if you will need to buy additional coverage.
3. While purchasing actual cash value coverage might save you money initially, it could cost you more in the long run if you need to replace damaged or stolen items. Discuss your options with your insurance agent.

Additional Information

Additional insurance information on all types of insurance coverage are available on the Department's website at **doi.nebraska.gov**. If you have insurance-related concerns, call the Department's toll-free consumer hotline at 1-877-564-7323 for assistance.