

RENTERS INSURANCE

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IF YOU'RE A RENTER, HERE'S WHY YOU NEED RENTERS INSURANCE.

While Amanda Petrusich was on assignment in Nashville, Tennessee, her luggage—including her digital tape recorder and some jewelry—was stolen from her rental car. Her renters insurance covered the loss, enabling the Brooklyn, New York-based writer to quickly get back to work.

Phil Rutherford, a Marshall University history professor who lives in Huntington, West Virginia, canceled his renters insurance to save some money. “Sure enough, there was a fire in the basement of my apartment building, and I lost a lot of books and clothing,” Rutherford says.

\$240

The average annual cost of renters insurance for about \$30,000 of property coverage and \$100,000 of liability coverage

A GROWING NEED

The situations faced by Petrusich and Rutherford illustrate the benefits of having renters insurance and the perils of going without it. Renters who opt not to have coverage often do so to save on expenses, or because they wrongly believe their possessions are covered by the landlord's insurance.

But as renting becomes a more attractive option for many, renters insurance becomes a bigger issue. A 2009 Insurance Research Council survey indicated that 14 percent of respondents who were renters had canceled homeowners or rental policies.

Rental properties aren't immune from loss. According to the National Fire Protection Association, there were an estimated 90,000 fires in apartment structures in 2009, which caused more than \$1 billion in damage. And according to the National Crime Prevention Council, apartments are 85 percent more likely to be victimized by burglaries than other types of housing.

POLICY POINTS

SENSE OF SECURITY

A typical renters policy includes:

- ▶ The ability to replace belongings. Many people underestimate the value of their possessions. The reality is that replacement costs for clothes, furniture, electronics and other belongings add up quickly. Renters insurance can cover these costs. As an added benefit, policies often cover your belongings in locations other than your home—for example if your bicycle is stolen while you're at a coffee shop.
- ▶ Coverage for a wide array of damages. It's an unpredictable world, and renters insurance policies typically cover losses caused by a number of events, ranging from fire to burglary. Separate policies or endorsements may be available for floods and earthquakes.
- ▶ Liability protection. This coverage may help you pay for bodily injury and property damage caused to others by an occurrence for which you're legally liable and to which this insurance applies. In addition it may pay for your defense against these claims or suits.
- ▶ Assistance if your home has a fire or other damage that makes it uninhabitable. This coverage may pay for certain losses when your home is damaged and rendered uninhabitable because of an insured loss. State Farm covers the actual loss incurred for increased expenses beyond what you normally spend for food, shelter and related items for the shortest time required to repair or replace your home or for your household to settle elsewhere, up to 24 months.

Rutherford, by the way, got renters insurance again after the fire in his building. “It's a small price to pay for that kind of security,” he says, “both in your home and on the road.”

This is only a general description of coverages and is not a statement of contract. Details of coverage or limits may vary in some states. All coverages are subject to the terms, provisions, exclusions, and conditions in the policy itself and in any endorsements.

\$2,096

The average dollar loss in the U.S. per burglary offense in 2009

67%

Percent of renters who say they don't have insurance