

# Why Tenants Need Renter's Insurance

One common mistake made by renters is to assume they do not need homeowner's insurance because they are not the "owner". However, a renter may sustain losses not covered by the policy carried by the property owner. That is why there is a category of insurance specifically for people renting a home.

## Personal Property

The property owner's policy does not cover personal property belonging to the renter. It is the responsibility of the individual tenant to obtain insurance for their personal possessions. The exclusion of your property includes, but is not limited to, such events as fire or theft.

## Types of Losses

In addition to fire and theft, renter's insurance will cover your personal property in a range of other losses or "events", whether or not the property loss (or damage) occurs at your home or in another location. Most policies provide coverage for damage due to windstorms, hail, explosions, vandalism, a riot, civil disturbance and even a volcano! However, damage caused by earthquake or flood must be purchased separately with an endorsement(?) to your policy or by purchasing an additional policy.

## Category Limits

Like other types of insurance, a renter's policy sets limits of coverage for some categories of personal property; i.e. jewelry, silverware, and collectibles. Check with the insurance agent to determine what categories may have limited coverage. Should the value of your property exceed standard limits, you may choose to increase the coverage of your renter's policy, or to insure items separately.

## Liability

In addition to coverage for your personal property, a renter's policy also provides liability coverage. And, why do you need liability coverage when the property owner's policy has it? The owner's policy covers their liability, only. It does not cover **your** liability. Renter's insurance covers your liability, within limits, (providing the loss was not intentional). Liability coverage is not limited to damage to your property, or that belonging to others, if an event occurs at your residence. It also covers legal defense expenses and your personal liability outside the home.

## Savings

You may qualify for a multiple-policy discount if you purchase your renter's insurance from the same company carrying your automobile insurance. Other savings are available through some carriers if your residence is equipped with deadbolt locks, a fire extinguisher or a security alarm.