

# RENTER'S INSURANCE

## **What Is Renter's Insurance? Why would I need it?**

There are two good reasons to obtain Renter's Insurance. First, is to protect your property against theft or damage. Some policies will cover theft of your property from your home, apartment or even your work place. Damage could come from fire, water, storms, etc. Specific coverage will depend on your particular policy. Think seriously about what just might happen.

The second reason to purchase a policy is concerning liability coverage. This coverage might protect you from a civil suit based on your negligence. For example, if you light a candle and the result is fire damage, and your roommate's things go up in smoke, your insurance could cover your expenses to replace your roommate's possessions. Some policies may also pay medical damages in case your friend is hurt during that incident.

## **Does my parents' homeowners policy cover my things at school?**

That is very possible. Be sure and check that possibility before you spend the money on a separate policy. You may very well be covered!

## **What things should I consider?**

Every policy is slightly different. Take some time and shop around for one that suits your needs. You need to have enough insurance to cover the cost of replacing your belongings, but be smart. Calculate the most costly items you will miss, of course, like your ipod and cds, but don't forget how expensive replacing ski jackets, sports equipment, and books can be, too!

## **What is the "deductible"?**

The deductible is a specific amount deducted from every claim you may file. For example, if your \$500 camera is stolen, and you have a \$100 *deductible*, you will receive a \$400 adjustment. Deductibles can vary in policies you are considering, so decide what you would be able to pay towards the replacement of your valuables. Usually, the higher the deductible, the lower your monthly payment will be for your policy.

## **What is "liability coverage"?**

This amount is what you may be under obligation to pay in case of a civil suit, and/or medical damages to those who may be injured due to your negligence. For example, in the case of the candle incident, if your roommate had medical expenses, your *liability coverage* would help pay them.

## **What is "minimum coverage"?**

This is the minimal amount your policy will cover. Usually the amount is between \$8,000-\$10,000. A student usually has at least this value of possessions in her care. When you add textbooks, clothing, computer equipment, and ipods, for example, you usually will see that replacing these things would be quite expensive if it came from your own pocket.

## **Variables that will affect your rates.**

- \* Do you have other policies with the company? Car insurance, maybe?
- Where will you be living? Some zip codes will have higher rates.
- How much theft and fire protection does your home/apt have?
- How much protection do you really need? Be wise. Only pay for what you really need.

**The bottom line is be smart and be pro-active. Check to see if you need your own policy, first. If you are protected under your parent's homeowner insurance, you need not spend the money.**

**If not, it is a wise investment. Shop around for the best rates!**