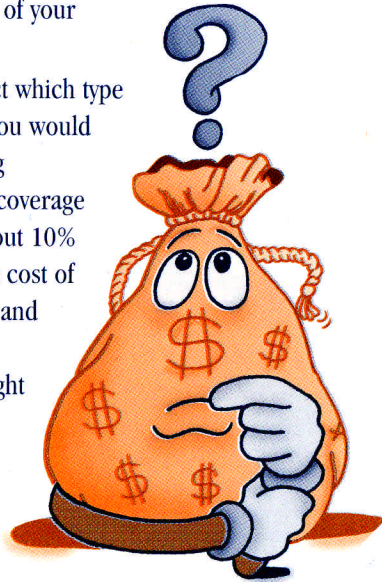


What It's All Worth

If your property does get damaged, destroyed or stolen, the insurance company will use one of two ways to determine its value:

- **Actual Cash Value** — The replacement cost of the item minus depreciation. For example, a new television set may cost \$500. If your 7-year-old TV set gets damaged in a fire, the value of it might have depreciated 50%. Therefore, the amount of your coverage for that set would be \$250.
- **Replacement Coverage** — The cost of replacing an item without deducting for depreciation. So today's cost for a TV set with features similar to the 7-year-old one damaged by fire would determine the amount of compensation. If it still costs \$500 today, that would be the amount of your coverage.

You can select which type of coverage you would prefer. Having replacement coverage adds only about 10% to 15% to the cost of the premium and may well be worth this slight increase.



Renting With Roommates

Usually, it is best if all roommates are on the same policy although it is possible for each to purchase his or her own coverage. If you do need to "go it alone," you alone receive the security of renters coverage.

A Final Note...

At least once during a lifetime most people will rent a home. Paying rent instead of a mortgage payment does not make your personal possessions any less valuable.

Should your belongings be damaged or destroyed, or should someone suffer an injury in your home, renters insurance can offer the peace of mind of knowing that you are protected. Your independent insurance agent can help you find the best combination of coverage and price to meet your rental insurance needs.



Other Brochures In This Series Include:

- After an Accident
- Filing Your Auto Insurance Claim
- Filing Your Home Insurance Claim
- Insuring Your Sports and Recreational Vehicles
- Protecting Your In-Home Business
- Protecting Your Small Business
- Taking Inventory of Your Home

FOR MORE INFORMATION,
CONTACT YOUR LOCAL INDEPENDENT AGENT.

RENTERS INSURANCE: SHATTERING A FEW MYTHS



INDEPENDENT INSURANCE AGENTS OF AMERICA
127 SOUTH PEYTON STREET
ALEXANDRIA, VIRGINIA 22314-2803
<http://www.iaa.org> • (800) 221-7917



QUICK READ
CONSUMER BROCHURE

Introduction...

Many renters overlook or underestimate their insurance needs because they believe only “homeowners” need insurance. However, just as most of us would not think of owning an automobile without auto insurance, renters need protection for their personal possessions and from liability. Even the smallest apartment can easily contain personal property worth thousands of dollars. And all of us are at risk for liability.

This brochure, prepared by the Independent Insurance Agents of America, provides you with important information about renters insurance.



Common Renting Myths

- **MYTH #1** — Insurance is too expensive. Some renters fail to insure their personal possessions because they believe insurance is too expensive, but renters insurance is typically available for as little as \$100 a year.
- **MYTH #2** — My landlord’s insurance protects me. Many renters think they are protected under their landlord’s policy. However, the property owner’s insurance covers the building itself and seldom a tenant’s possessions. Clarify this with your landlord before signing a lease.
- **MYTH #3** — My landlord is liable if someone trips in my apartment and gets injured. Again, the owner’s policy may specifically exclude liability for something that occurs within your rented residence. You could be held liable for injury to another person or damage to another’s property if the incident occurred within your rented residence.

A Look At Premiums

Renters insurance, because you are not insuring a building, is surprisingly inexpensive. Of course, like all property protection policies, the value of the property to be insured and other risk factors are weighed by the insurance company to determine your premium. As with your automobile insurance, your renters deductible is the amount you agree to pay in the event of a loss. For example, if your \$2,000 stereo is stolen from your home, and you have a deductible of \$250, the insurance company would pay you \$1,750, which is \$2,000 minus your deductible.

Coverage For All

Renters insurance offers the same general personal property coverage and liability protection as a homeowners policy. Property insurance covers the cost of repairing or replacing personal property that has been damaged, destroyed or stolen. Your property is covered both within your home and when you are traveling.

You also receive liability protection. If someone suffers an injury or damage to their property because of something you did or did not do, you could be liable. If, for example, your grandmother’s oak dresser dents the walls in your apartment’s lobby while you are carrying it into the building, you could be held liable. Likewise, if a fire starts in your apartment and spreads throughout the building, and you are deemed at fault, you could be held liable for damage to the entire building.

In addition, most renters policies include coverage for additional living expenses (also called “loss-of-use” coverage) if you are forced by fire or other damage to temporarily live elsewhere.



Alterations For A Better Fit

Most policies limit the amount of reimbursement for theft of valuable items, such as jewelry, furs, silverware and guns. If you have some particularly valuable items in these categories, you may need to purchase additional coverage called a “floater.” These types of policies cover each item individually and are usually quite inexpensive.

Other additions to your renters insurance that add or change the policy’s provisions are called endorsements. Some endorsements extend the number of risks insured against, some cover property otherwise excluded and some increase the amount the insurer will pay for a covered loss.

Also, it is important to note that the standard policy excludes damage from earthquakes and floods, so talk to your independent insurance agent about coverage for these incidents.

