



Know Your Insurance

Home

Calculating Your Renters Insurance Needs

Unexpected events like theft, vandalism or fires can wreak havoc on your personal belongings and cost you a fortune. Renters insurance is an affordable way to protect your belongings from losses—losses that can be far more costly than you may expect.

Let's examine what renters insurance covers and how to calculate your policy needs.

What Renters Insurance Covers

While policies can vary, most offer coverage for the following:

- **Personal property coverage:** This helps cover the costs to repair or replace belongings that are damaged or stolen due to a loss covered under your policy. Furniture, electronics and clothing can all be covered under personal property coverage. Although landlords typically have a form of property insurance, their policy does not usually cover any personal property within your living space.
- **Additional living expenses:** If the apartment or home you're renting becomes uninhabitable, your renters insurance policy can pay for your relocation costs as well as anything considered an extra expense under the policy—such as laundry, meal or storage-related costs.
- **Personal liability coverage:** If someone is injured or their personal items are damaged on your rented property due to negligence, personal liability coverage can help pay any medical bills or damages, up to your policy limit.

How Much Renters Insurance Do I Need?

In order to determine the amount of coverage you need for your renters policy, there are a few things you can do:

- **Create a home inventory checklist**—Simply making this list can help you take note of what your possessions are worth and decide how much renters insurance you would like to purchase. This checklist may also become useful in the event that you have to file an insurance claim—all your possessions and their values are already laid out for you.
- **Deciding on any additional coverage**—Once you've determined how much your items are worth, you can now decide if you need additional coverage. It may be useful to increase your policy limits to cover your more valuable items or get a separate policy for certain items such as jewelry or artwork.
- **Pick the best deductible for you**—A deductible is how much you pay before your insurer starts paying for a covered incident. A higher deductible plan means your payments will be cheaper, but you'll have to pay more out of pocket in the event of a claim.
- **See if bundling options are available**—Most insurers give discounts as an incentive for having more than one policy with them. Talk to your broker to see if bundling options are available to you.

Securing the Coverage That's Right for You

Deciding on the amount of renters insurance coverage you need can be a bit tricky. But with the help of your insurance agent, it can make the decision a far easier process.

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