

# Renters Insurance

## Protect your stuff

THE  
**ABCs**  
OF RENTERS INSURANCE

Why you may need renters insurance

What it covers

How to read a policy

Worksheets for shopping

How to protect against a lawsuit

How the value of your stuff is calculated



**DCI**

Missouri Department of Commerce & Insurance

THE  
**ABCs**  
OF RENTERS INSURANCE

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## Need help? Contact us:

800-726-7390  
insurance.mo.gov

or

Scan the  
QR code





Your belongings are valuable to you.

## But what if ...

- ▶ Your apartment or rental home is damaged by a fire or storm?
- ▶ Your place is robbed?
- ▶ A guest is injured in your home?

Do you have the funds to replace everything that was damaged or stolen? **Insurance can protect you from such unpredictable events.**

### Buying renters insurance

The Missouri Department of Insurance has tools on its website to help you:

- ▶ Search for companies that sell renters insurance.
- ▶ Review frequently asked questions about renters insurance.
- ▶ Search for a licensed agent or agency near you.
- ▶ Review consumer complaint history for insurance companies.

### Average cost

**\$8-21 per month**  
for \$20,000 to \$30,000  
of coverage for your  
possessions.



That's the **cost of 2-4 large lattes** at your favorite coffee shop.



Log on to [insurance.mo.gov](https://insurance.mo.gov) to find out more

# Renters insurance basics

Renters insurance protects you from the unexpected burden of paying to replace your belongings should disaster strike. It also helps pay:

- ▶ Cost of additional living expenses while you are displaced from your residence.
- ▶ Medical bills, up to a limit, if a guest is injured on your property.

## THE ABCs OF RENTERS INSURANCE



Review your renters policy annually to make sure you have enough coverage. You don't want to be underinsured if disaster strikes.

## RENTERS INSURANCE

### What is covered:

- ▶ Fire & smoke
- ▶ Windstorm & hail
- ▶ Lightning
- ▶ Vandalism & theft
- ▶ Weight of ice, snow or sleet
- ▶ Damage from car



### What is not covered:

- ▶ Flood
- ▶ Earthquake
- ▶ Sewer & drain backup
- ▶ Normal wear & tear
- ▶ Cars parked on your property



## Speak Up

Take time to go over the details of your policy with your agent. If you think you need more coverage, tell your agent.

# What's not covered by renters insurance

The right renters insurance coverage can bring peace of mind. However, there are a few things that don't fall under the standard renters policy, including:

- ▶ Flood damage
- ▶ Earthquake damage

You'll need a separate policy to cover this type of damage.



## Add it on

If you own expensive items, you may need extra coverage on your policy to ensure that your belongings are better protected. Here is coverage (called a rider or endorsement) you can add to your renters policy:

### Sewer and drain backup

This covers damage caused by water backup from drains, sewers or sump pumps.

### Jewelry, antiques, firearms

Expensive items need additional coverage. You may want to get them appraised for their value.

### Home-based business

If you have a home business, this ensures your business items are better protected.



## College students:

If you live on campus, your parents' renters (or homeowners) policy may cover your belongings.



You will be responsible for the policy deductible if you have a claim. A higher deductible can save you money on premiums.



## Target best policy price

Missouri has a highly competitive insurance market. Use this worksheet to compare offers as you shop.

Renters policy coverage amount			
Fill in company name (above) and cost (below) to compare policies			
Personal property limits	\$	\$	\$
Liability protection (each occurrence)	\$	\$	\$
Guest medical (per person)	\$	\$	\$
Damage to property of others	\$	\$	\$
Optional coverage (ask your agent)			
Replacement coverage	\$	\$	\$
Sewer and drain backup	\$	\$	\$
Jewelry and firearms	\$	\$	\$
Art, collectibles and antiques	\$	\$	\$
Additional policies			
Flood	\$	\$	\$
Earthquake	\$	\$	\$
Annual premium	\$	\$	\$
Deductible	\$	\$	\$



**Compare prices of renters insurance from different insurance companies every two years.**

# QUESTIONS TO ASK INSURANCE AGENT

What does this policy cover? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

What is not covered? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Do I have enough insurance to replace my belongings? \_\_\_\_\_

Does this policy give me replacement cost or actual cash value coverage? \_\_\_\_\_

Will my coverage limits increase over time or will I have to adjust them periodically? \_\_\_\_\_

Does this policy cover water damage, including damage from sewer, drain or sump pump backup? \_\_\_\_\_

Do I need flood & earthquake insurance? What is the cost? \_\_\_\_\_

Are there limits on expensive items like jewelry or firearms? \_\_\_\_\_

How much will my premium be? \_\_\_\_\_ How much can I save by increasing my deductible? \_\_\_\_\_

What discounts are available? \_\_\_\_\_

Are there any improvements I can make to lower my premium? \_\_\_\_\_

How do I file a claim? \_\_\_\_\_

Does your company have 24-hour claim service? \_\_\_\_\_



**Check with us to make sure your agent is licensed in Missouri.**

# Understanding your declarations page

This page provides policy details. Know how to read it to better understand your coverage.

- 1 Policy period:** When coverage begins and ends
- 2 Limits:** The most your policy will pay
- 3 Deductible:** What you pay when you have claim

## Your Insurance Company

3535 Second St.  
Company Town, USA 54321

Policy number XX-XXXXXX-XX

**1 Policy period:** 12 months  
**Effective date:** May 1, 2013  
**Expiration date:** May 1, 2014

## Renters Policy <SAMPLE>

**Automatic renewal:** If the policy period is shown as 12 months, this policy will be renewed automatically subject to the premiums, rules and forms in effect for each succeeding policy period.

**Location of residence premises:** Same as insured's address

<p><b>Coverages &amp; property</b> <b>2</b></p> <p>SECTION I</p> <p>A Personal property \$25,000</p> <p>B Loss of use Actual loss sustained</p> <p>SECTION II</p> <p>L Personal liability (each occurrence) \$100,000</p> <p>Damage to property of others \$1,000</p> <p>M Medical payments to others (each person) \$2,000</p>	<p><b>Liability limits</b></p>	<p><b>Inflation coverage index</b> XXX.X</p> <p><b>Deductibles – Section I</b> <b>3</b></p> <p>Other losses \$500</p> <p>In case of loss under this policy, the deductible will be applied per occurrence and will be deducted from the amount of loss. Other deductibles may apply – refer to your policy.</p>
<p><b>Loss of settlement provisions (see policy)</b></p> <p>A1: Limited replacement cost – Coverage B</p>	<p><b>Forms, options and endorsements</b> <b>4</b></p> <p>Renters policy XX-XXXX</p> <p>Sewer and water backup XX-XXXX</p> <p>\$10,000/\$500 deductible</p> <p>Jewelry and furs \$2,000 each Option XX</p>	<p><b>Policy premium</b> <b>5</b> \$200</p> <p><b>Discounts applied</b> <b>6</b></p> <p>Renters/Auto</p> <p>Renters protection (fire alarms, smoke detectors or burglar alarms)</p> <p>Claim record/Customer longevity</p> <p>Age of customer</p>

Your policy consists of this page, any endorsements and the policy form. Keep together.

- 4 Extra coverage:** Can be added for more protection
- 5 Premium:** Cost for policy period
- 6 Discounts:** Number of discounts applied to policy

# Replacing your belongings

## Actual cash value

The amount needed to repair or replace your belongings, minus depreciation. Depreciation is the decrease in value of property because of age or use.

vs.

## Replacement cost

The amount needed to replace an item at today's price.

**Will the insurance company always pay the personal property limit shown on your policy?**

No. The policy limit is the **most** the company will pay.

## HOUSEHOLD BELONGINGS

## ACV vs. Replacement cost

(Most companies follow this formula)

**How replacement cost works:** An insurance company will first pay you the ACV of an item. Once the item is replaced and receipt submitted, the company will then settle up with you.

	Actual cash value		Depreciation		Replacement cost
 <b>Television</b> (1 year old)	\$640	+	\$160 (20%)	=	\$800
 <b>Leather couch</b> (10 years old)	\$1,120	+	\$1,680 (60%)	=	\$2,800



Replacement cost coverage may increase your premium.

# Preparing a home inventory

A home inventory is a list of all your belongings – from socks to computers to furniture. If your personal property is damaged or stolen, having an inventory makes filing a claim with your insurance company much easier – you may even get a larger payment because your list will be more comprehensive.

## Check it off: Tips to make your home inventory more useful

- ▶ Record specific details such as the serial numbers for electronic items and appliances.
- ▶ Photograph or videotape valuable items and attach them to your checklist.
- ▶ Update your inventory annually and when you make large purchases.



## Download an inventory

The department's website offers three options:

### Our book



Order or download from our website.

### iPhone



### Android



Scan the QR codes to download a home inventory app on your smartphone. Or go to Apple's App Store or Google Play Store.

## Lock it down

Keep your home inventory in a safe, fire-proof box, or store it at the home of a family member or friend. For electronic versions, email them to yourself.



**Out-of-pocket cost: You will be responsible for the deductible if damage or loss occurs to your belongings.**

# Protecting against lawsuits

## Accidents happen

Renters insurance gives you the protection you need in case someone is injured on your property.

It also protects you from:

- ▶ Lawsuits against you or your family members.
- ▶ Damage or injury your pets cause to others.



## Protect everything else, even while away from home



Renters insurance covers your possessions even if they are damaged or stolen while off site – such as in a car.

### Contact us

For more information on other types of insurance, including:

- ▶ Auto
- ▶ Life
- ▶ Health
- ▶ Business



Talk to your agent about increasing your liability limits for more protection.



If you have questions about your insurance policy or need to file a complaint or verify the license of an insurance company or agent, contact us:

**800-726-7390**  
**[insurance.mo.gov](https://www.insurance.mo.gov)**