



Renter's Insurance

Why Have Renter's Insurance?

There are two main reasons for obtaining rental insurance for your home. First, and most obvious, is to protect your property against theft or damage. Some policies will cover theft of your property from your home and your place of work. Damage can be from a flood, fire, storms, etc. Specific coverage will depend on your particular policy.

The second reason to get a policy is for the liability coverage, to protect you from a civil suit based on your negligence. An example of this is if you light a candle in a friend's apartment and it set the drapes, and consequently the apartment, on fire. Your friend may choose to sue you for damages, and your policy could cover you up to its limit. Some policies also pay medical damages in case your friend suffered injury from the fire.

Important Considerations

Every policy is slightly different. Shop around for the policy that meets your needs. Determine how much protection you need by talking to an insurance agent, but do not overbuy! Prices vary from company to company and so does protection. Many local agents carry policies from several different insurance companies, so shop for the best deal.

Deductible:

Most policies have a deductible. This is a specific amount deducted from every claim you file. For example, if your \$400 camera is stolen, and you have a \$100 deductible, you will receive \$300 in your adjustment. The purpose of this clause is to eliminate the paperwork for small claims. Unfortunately, insurance companies and students may have different ideas of what is small claim. It is a good idea to shop around because deductibles can vary from \$50 to over \$250. Some policies have a \$100 damage clause and a \$250 deductible for theft. That can make a difference if you own something worth \$200 and it is stolen.

Liability:

Liability coverage can range from \$100,000 to \$300,000. In most cases, more coverage is better. Check to see if your policy will cover your attorney costs in a civil suit, and/or medical damages to those who are injured due to your negligence.

Minimum Coverage:

Some policies won't cover your property for less than a specific amount. Usually the minimum range is between \$8,000 or \$10,000.

Total Package Price:

It is very difficult to quote prices because of the number of variables involved in rental policies. The best advice is to do some comparison shopping. The Yellow Pages list over 100 agents in the Fort Collins area. You may want to check with the Better Business Bureau at 484-1348 to get more information on a particular agent.

Roommates:

Each person will have to get their own policy to cover personal property and liability. Some companies will not write a policy for three non-related people living together.

When Living in a Residence Hall:

Check with your parents to see if you are still covered by their homeowner's policy. If not, you can get your own policy, but it will not cover any of your roommate's property, only your own.

Variables that Can Affect Your Rates:

- If you live in or out of city limits
- If the structure is frame or brick, how much theft and fire protection the home has (e.g., dead bolts, smoke detectors, etc.)
- Student or non-student status, and sometimes marital status
- If you live in a complex with four or more units
- If you have other policies with the company (e.g., auto insurance)
- How much property and liability coverage you want or need. Policies can be fitted to your specific needs.