



Renters Insurance: You Don't Own the Building, but You Own the Stuff

Renting eliminates many of the financial responsibilities of homeownership. If the roof needs replacing, that's normally the landlord's problem.

If a fire destroys your sofa, television, computer and clothing, however, you may have a problem of your own.

The Landlord's Insurance Isn't Your Insurance

A landlord normally insures the building.

That insurance should not be confused with protection for the tenant's personal belongings. If your possessions are stolen or destroyed in a covered event, the landlord's property insurance generally isn't there to replace them.

That's the job of renters insurance.

Renters Insurance Protects More Than Furniture

A renters policy can provide personal-property protection against covered causes of loss. Depending upon the policy, that can include losses involving fire, smoke, theft, vandalism and certain types of water damage.

It can also include **personal liability coverage** if you become legally responsible for covered injury or property damage involving somebody else.

And **additional living expense coverage** can help pay increased living expenses if a covered loss makes the rented home temporarily uninhabitable.

Replacement Cost Matters Here, Too

Renters face the same actual-cash-value versus replacement-cost decision as homeowners.

Actual cash value subtracts depreciation. Replacement-cost coverage generally bases payment on the cost of replacing covered possessions with comparable new items, subject to policy provisions.

The difference can become substantial when an entire apartment full of belongings has to be replaced.

You Still Need an Inventory

Renters accumulate property just as homeowners do.

Walk through the apartment with a phone camera. Record the furniture, electronics, clothing and other significant belongings. Save receipts for expensive items and document serial numbers when practical.

Valuable jewelry, art or collections may require additional coverage.

Flooding Is Still Different

Renters insurance should not automatically be assumed to cover flooding.

The National Flood Insurance Program offers contents coverage for renters because most renters policies, like most homeowners policies, do not cover flood damage.

That distinction can matter even if you don't live next to a river. FEMA reports that flood claims also occur outside areas classified as high risk.

The Building May Belong to Someone Else

The sofa doesn't.

Neither do your television, computer, clothes, dishes, books, bicycle or other possessions.

Renters insurance recognizes that important distinction. You don't have to own a house to have property worth protecting.