



Renters Insurance: Do I Really Need It?

Protect yourself and your personal possessions with renters insurance, whether you live in on or off the installation. Many service members aren't familiar with renters insurance because it isn't required by law, unlike car or homeowners insurance. A lot of renters mistakenly assume that the property owner's insurance covers their personal belongings. For those living in on-installation housing, the government covers only the actual value of possessions, not the cost to replace them.

Renters insurance covers your property if you rent or sublet a single-family home, apartment, duplex, condo, studio, loft or townhome. Even if you live in military housing, you may still want renters insurance to protect your belongings.

Renters insurance coverage

Renters insurance can protect you in the following ways:

- Covers the cost of repairing or replacing your personal belongings in case of fire or theft
- May cover expenses (hotel, meals out and laundry) if you have to leave your rented home during repairs
- May include personal liability protection against lawsuits if someone is accidentally injured in your rented home
- Provides coverage for your belongings if they're damaged or stolen outside your home
- May provide limited coverage for credit card fraud or check forgery
- Gives continuous coverage as you move your military household goods in and out of on-installation and off-installation housing

Military-provided personal property protections

If you're living in on-installation housing, the amount of coverage the military provides for your personal possessions depends on the particular installation. For this reason, you should check your housing agreement to find out how much coverage the military provides, and then decide how much more insurance you might need:

- In some cases, the government provides minimal, limited coverage for personal possessions damaged or stolen from your quarters.
- In other cases, the monthly cost of your quarters includes renters insurance, often as part of the monthly cost for privatized housing.
- In either case, the coverage amounts included may be large enough to replace your belongings if there's a fire or flood.

Types of renters insurance

Two common types of renters insurance are broad form and comprehensive form. **Broad form** is the most common:

- Covers the value of your possessions only for specific events named in the policy — typically fire, lightning, explosion, smoke, vandalism, theft and water-related damage from utilities

Contact

your [legal assistance office](#) if you have questions about your renter's insurance policy.

Learn

about the [Servicemembers Civil](#)

Relief Act.

- Doesn't cover floods and earthquakes
- Provides personal liability protection against lawsuits if someone is accidentally injured in your rented home

Comprehensive form covers all hazardous events except those specifically excluded by the policy:

- Provides a higher personal liability limit
- Costs more because the potential benefit has greater value

No matter which type of policy you buy, you must decide whether to base your benefits on actual cash value or replacement cost:

- Actual cash value policies determine the amount of money you're paid based on the value of the property at the time of loss.
- Replacement value policies pay you what it costs to replace your items, but these policies cost more.

Cost of renters insurance

Buying renters insurance is probably easier and cheaper than you think. Here's an example of a typical renters insurance plan:

- Replacement cost coverage for personal property valued at \$30,000 plus \$100,000 of personal liability coverage costs between \$180 and \$360 a year, or \$15 to \$30 per month.
- The deductible (the amount you have to pay out of pocket before coverage kicks in) is usually between \$250 and \$500.
- Rates vary depending on the specific terms of the policy, like the deductible and the coverage amount.
- Living in an area prone to frequent burglaries or natural disasters, like floods or hurricanes, can raise your premium higher than average.
- Adding a rider to provide extra coverage for unusually expensive items, like fine jewelry or an art collection, will increase your insurance costs.

Selecting and purchasing renters insurance

You may be wondering if you really need renters insurance. Being covered for losses can give you peace of mind. Consider the following actions when you're ready to buy insurance:

- Take an inventory, going room by room and listing your possessions.
- Figure out how much your personal property is worth.
- Take photos or make a video of your most expensive possessions.
- Compare the value of each item (minus depreciation) with the cost of replacing it.
- Total the value of all items to figure out how much coverage you need.
- Decide whether you want an actual cash value policy or a replacement cost policy.
- Update your inventory yearly, and decide if you need to increase your coverage amount.
- Keep your inventory in a safe place outside your home, like a safety deposit box at your bank.

Here are some factors to keep in mind as you shop for a policy:

- Shop around to compare the costs of several different policies, including cost differences between broad-form and comprehensive-form policies.
- Read policies carefully to check for exclusions and special explanations. Ask your installation legal assistance office to review the contract before you sign. Use the [Armed Forces Legal Assistance Legal Services](#) locator to find an office near you.

- Look into special coverage for items like jewelry or art.
- Find out if your building's insurance covers only the structure or if your personal belongings are also covered.

Here are some common ways to buy renters insurance:

- **Buy directly from an insurer.** Many companies sell policies online. Check with your state's department of insurance for names of insurers in your area. If you have car or other types of insurance, ask about renters insurance from the same company — you might get a discount for bundling two or more types of policies.
- **Buy from an insurance agent.** Look for an agent in the yellow pages or ask an agent who's currently handling other policies for you.

Do your research before you buy renters insurance. The cost may even influence whether you rent or buy a home. And if you decide to buy renters insurance, be sure to update the policy if you move.