

Renter's Insurance... Don't Need It? Think again!

Add up the cost of all of your belongings such as your computer, CDs, clothing, electronics, books, furniture, and other personal property. How would you replace all of that property if your apartment was damaged by a fire or flood or if you were the victim of theft? Did you know that your policy should also cover you outside of your home?

What if someone was at your home, slipped and fell, and broke an arm? Did you know that you could be held responsible for their medical bills?



Here is one company we've identified that offers many Renter's Insurance options for Students.

National Student Services, Inc.
www.nssi.com

Renter's Insurance



Protecting You and Your Home
from Fire, Theft and Accidents



Off-Campus Housing

Wolman Hall • Room 102
410.516.7961 • 410.516.3950 fax
offcampus@hd.jhu.edu
www.jhu.edu/hds

Before you move in, your parents or guardians should call to see if your new place can be covered under their homeowner's insurance. Often you can get coverage through them, but if you have roommates, you might be out of luck.

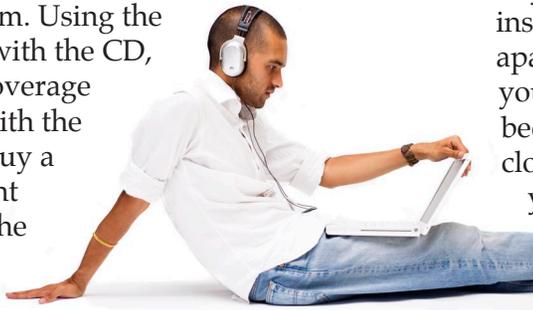
If you cannot get coverage through your parents, call around to get quotes. Most policies cost less than \$200 a year – a small price to pay should something unexpected happen.

Also be sure to read the policy carefully to make sure that it will meet your needs and that you understand how you are covered. Don't be afraid to ask questions.

What is the difference between Actual Cash Value and Replacement Cost Policies?

Actual cash value coverage provides coverage based on the current market value of your property. This takes into account depreciation and other mitigating factors and does NOT correspond to the cost of buying new item. For example, a CD originally purchased new for \$17 may be valued at only \$5-6 two years later. After those two years, your actual cash value coverage provides you with that \$5-6, not the \$17 purchase price.

Replacement cost coverage provides coverage based on the amount needed to replace your item. Using the same example with the CD, replace value coverage provides you with the \$17 needed to buy a new replacement CD, assuming the current price is the same.



What else should I know?

You will need to make an inventory of all of your belongings and hang on to any receipts you may need to prove that you did own that \$2,000 digital camcorder.

You should take pictures of your valuables and keep them in a safe place with your policy in case you need to make a claim later. Be sure to keep this in a location away from your covered property (such as your parents' safety deposit box) so it will not be lost if there is a fire.

Remember that when you sign on the line that you are signing a binding contract. Make sure to read carefully and understand all of the terms of your policy.



True or False? Renters are covered by their landlord's policy

FALSE. Many tenants mistakenly believe that they do not need insurance. While the landlord most likely has a policy that would cover the building itself, the policy does not cover property of tenants and does not cover any tenant's personal liability.

Think you have just a few pieces of furniture so you don't have enough property to insure? Imagine losing everything in your apartment and having to start over. Could you afford to purchase new furniture, bedding, dishes, utensils, electronics, and clothing? Those are just some of the items you would need to replace.

There are also additional costs you may incur when you have to locate to a new apartment. You might have higher rent

or additional connection fees for utilities. When you add up every item, the cost could be staggering.

In addition to providing coverage for your contents, Personal Liability coverage protects you in some common situations. If you cause a fire loss to the building, the landlord's policy would pay the loss, but his insurance carrier would look to you to repay the loss and may obtain a judgment against you.

A tenant may also be held liable for the injuries of others. If you have ever left a shopping bag on the stairs to pick up in a moment or had a guest fall in your apartment, you can easily imagine how you might be held responsible for the injuries. The cost of an attorney alone is very expensive.

Now consider that many of your neighbors may not have a renter's policy. You may believe that you are careful, but if they cause a fire that damages your property, you would have to bear the cost of replacing it.

Do you *still* believe you don't need insurance?

