



# Your ultimate renters insurance guide

Your landlord is asking you to get renters insurance, but what is renters insurance? Put simply, it's a way to protect renters from undue expenses following a disaster. Most people would expect that the possessions in their home are covered, but renters insurance offers additional protection. It offers coverage for possessions outside of the home (think: someone spilling a drink on a laptop in a café), additional living expenses when a home becomes uninhabitable (think: a hotel and restaurant bills following a fire) and even liability protection for damage caused to other people (think: medical bills for a friend who was injured after tripping on your rug).

We've put together this renters insurance guide to answer common questions and help you work through how to choose renters insurance that's right for you. If you have a question that isn't answered below, reach out to the VIU by HUB Advisory Team. They'd be happy to address any concerns you have.

## What does renters insurance cover?

Renters insurance covers three basic types of protection: personal possessions, liability and additional living expenses. These include:

- > **Personal possessions** – When people think of renters insurance, they usually think of this protection. This is the protection that covers your possessions that are destroyed during a covered peril (such as a fire).
- > **Liability** – standard policies cover damage caused by you, your family or your pets to other people. If your dog eats your neighbor's first edition of *The Canterbury Tales*, you're covered. If your dog eats your first edition, you're not. This also includes medical bills for people injured in your home.
- > **Additional living expenses** – if your home is unlivable and you need a place to stay, your policy will likely reimburse you for the difference between your regular living expenses and the additional cost. Say your rent is \$1,000 and your hotel stay is \$1,500, your policy would pay you \$500.

## Do I need renters insurance? VIU by HUB is here for you.

You do. Most landlords and apartment buildings require it. Beyond that, it's good to be prepared in case something goes wrong and these policies are usually reasonably priced. Here are a couple of special cases you may not have considered:

- > If your college student is living in a dorm, save your money. Your student is usually covered by a parent's homeowners or renters policy, though the dorm address would need to be added to the parent's policy for coverage to apply. However, if your child moved off-campus, they will need their own policy.
- > Only married couples are guaranteed the ability to have a policy that covers both people. Unmarried couples and roommates may need separate policies. This varies by state so best to ask an expert like a VIU by HUB Advisor how to choose renters insurance for your home.

## What happens if I don't get renters insurance?

Assuming your landlord allows you to move in without coverage, your day-to-day life won't change much with or without coverage. However, a fire, flood or other disaster becomes a much more expensive event for you. Renters insurance guides what happens in the fallout of these events. Without it, you would be responsible for paying for your own temporary housing, replacing all of your damaged items and possibly covering medical expenses for friends or neighbors injured in your home.

## What disasters are covered?

- > Fire
- > Smoke
- > Lightning
- > Vandalism
- > Theft
- > Explosion
- > Windstorm
- > Water backup
- > Other perils listed in the policy

## What doesn't renters insurance cover?

Structural damage to the property wouldn't be covered by renters insurance. That's covered by the owner's homeowners or dwelling fire policy. You're unlikely to be covered for floods, riots, earthquakes, sinkholes and pests for the same reason. Your car isn't covered by a renters insurance policy but anything you have in the car would be.

## How much renters insurance do I need?

Create a home inventory to get a clear picture of what you own and, if possible, what everything cost and is currently worth. Knowing what you paid for your possessions as well as their current value will help you choose the renters insurance coverage that works for you. You'll need to decide between replacement cost and actual cash value and this inventory will be invaluable.

You'll also want to consider how risk-averse you are and how much savings you have. Are you more comfortable paying a higher premium and getting a higher payout in the case that you need to make a claim? Or are you happy to pay a lower amount to the insurance company but more out of pocket if you need to make a claim?

## Should I choose replacement cost or actual cash value coverage?

It's really up to you and depends on your comfort with risk and your home inventory. Replacement cost policies are usually a bit more expensive, but you'll be able to get a brand-new item to replace what was damaged beyond repair. Actual cash value coverage tends to cost less, but you risk not having money to replace your possessions. An example: you bought a \$1,500 laptop five years ago and it was destroyed in a fire. People are selling their used laptops, from that model and year, for \$800. The new version of that model is selling for \$2,000. A replacement cost policy will give you \$2,000 to buy a new laptop. A cash value policy will give you \$800, the value of your laptop when it was destroyed.

## What is a renters insurance deductible?

A deductible is what you must pay for a loss before your insurance company starts paying. Using the laptop example above, if your deductible was \$500 you would be expected to pay \$500 toward a new laptop. Instead of giving you \$2,000 (replacement cost) or \$800 (actual cash value), your insurance company would give you \$1,500 or \$300. Note that this needs to be paid every time you file a claim; it's not like medical insurance deductibles where you pay it once for the year or life of the policy.

## How can I get a discount on my renters insurance policy?

Discount opportunities vary by carrier but tell your Advisor if you might qualify for any of the following. They may have more discount opportunities for you once they know your demographic information and carrier options.

- > Having multiple policies with one carrier (e.g. an auto policy)
- > Security systems
- > Smoke detectors
- > Deadbolts
- > Non-smokers in the home
- > Ability to pay for a full year in advance
- > Being claims free for a certain period

## What are some optional renters coverages I can add to my policy?

Some items may require additional conversation with your VIU by HUB Advisor to get proper coverage. These include, but are not limited to:

- > Valuables
- > Firearms
- > Identity
- > Theft

Contact the VIU by HUB Advisory Team at 877-871-7234 Monday-Friday 8 a.m. to 9 p.m. ET or get your quotes using the button below.

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