Protect Yourself with Renters Insurance

Several recent studies have indicated that only a third of all tenants have renters insurance. Respondents to these surveys often indicate that they believe the coverage is too expensive or that the coverage is provided by the landlord. Yet both of these assumptions are incorrect.

First, the average premium is approximately $185 per year. In other words, you can get protection for your personal property and personal liability coverage for as little as $15 per month. Second, your landlord will likely have insurance, but it will only cover the house or apartment structure itself along with the landlord's personal liability.

So here are some tips for you to consider concerning this essential coverage:

- Create an inventory of everything in your apartment and list the estimated cost of replacing each item. Think in terms of replacement cost, without factoring in any depreciation. This will help you determine the amount of coverage to purchase.

- Take pictures of your more valuable items and store these off-site, such as in a safe deposit box at your bank, at a friend's home, or in an online cloud storage website.

- Shop around for coverage. Get quotes from at least three reputable insurance agents and verify whether coverage is for 6 months or 1 year. Consider getting coverage with your auto insurance company since you may be eligible for a car/renter's discount.

- If your financial condition is solid, consider a higher deductible for your contents since this can reduce your premium significantly.

- Ask about other discounts, such as ones for smoke alarms, sprinkler systems, nonsmoking households, and security systems.

- If you have high-value jewelry items, you may want to schedule those on a separate policy or an endorsement to the renters policy for broader coverage.

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