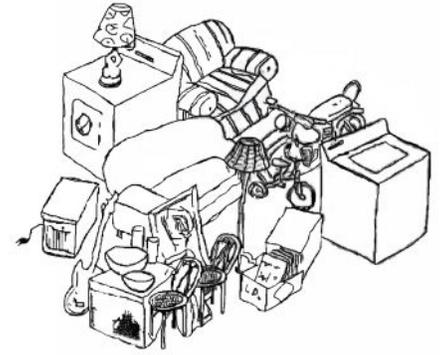


Renter's Insurance Can Help Replace Your Stuff After a Fire or Theft



What is renter's insurance?

It is insurance for the stuff you have in your apartment like furniture or a TV. It pays you money if your things are ever lost or damaged. **Example:** Your apartment catches fire. Renter's insurance gives you money to replace or help replace what was lost in the fire.

Everyone who is a renter needs renter's insurance. What would you do if you lost everything in your apartment or home? The good news is that this insurance can be very cheap - less than \$20 a month in 2015!

Why do I need renter's insurance?

Most landlords have insurance policies. **BUT** the landlord's policy **ONLY** protects the building. It does **NOT** cover your belongings. Renter's insurance pays you if your belongings are stolen or damaged.

Renter's insurance covers:

- Fire
- Smoke damage
- Theft
- People damaging your stuff (vandalism)
- Wind damage
- Water damage
- Lightning



Most insurance does **NOT** cover flood or earthquakes. Each policy is different. Ask what the policy covers before you buy it.

How do I get renter's insurance?

You can find companies selling renter's insurance on the internet and in the phone book. Or ask your neighbors or friends. Shop around because the same policy may cost less at another company. Ask for a price from at least 3 different companies. Make sure that the price is for the same type of coverage. Price is important. **BUT** you also need a company that helps if you need to file a claim.

What to ask before choosing insurance

Find out as much as you can about what it covers and the cost. Make sure you know what you are buying. If the agent says something you don't understand, ask him or her to explain.

1. How much are the payments (premiums)? You may pay every month **or** every 6 months **or** once a year.
2. How much do you have to pay for damages (deductible) before the policy starts to pay you? When you file a claim for your insurance to pay, you have to pay part of the cost. Then the insurance pays. The part you pay is called the **deductible**.
3. How much insurance do I need?
4. What is covered by this policy? Ask if it covers:
 - Fire
 - Smoke damage
 - Theft
 - Vandalism
 - Water damage
 - Mold
 - Lightning
 - Things that are your fault
 - Other damage
5. If I make a claim, will that change my payments? If yes, how much?
6. Is this insurance agent and company licensed by the state insurance department? **Only buy insurance from companies and agents with a State license.**
7. How can I save money on my policy?



What is the difference between "actual" and "replacement" cost policies?

An "actual cost" policy will pay you what your property is worth at the time of the damage. A

“replacement cost” policy will give you the money you need to replace the property you lost.

Example: Your couch burns in a fire. The couch was old and only worth \$250. But it will cost \$500 to buy a new couch. An actual cost policy would only give you \$250. A replacement cost policy would give you \$500. **BUT** a replacement cost policy will cost you more.

To make your insurance cost less

You can choose a higher deductible. Your payments will be smaller. **BUT** if you file a claim, you pay more before insurance gives you any money. Be sure you can afford to do this if you have to make a claim.

Other ways to lower your insurance cost:

- Put dead bolt locks on the doors
- Have working smoke detectors
- Quit smoking - some companies charge more if you smoke because of fire danger
- Buy your car and renters’ insurance from the same company to get a discount



Ask the insurance agent for other ways to lower the cost of insurance.

NOTE: This information cannot take the place of advice from a lawyer. Each case is different and needs individual legal advice. 7/15



Legal Aid Society
of Middle Tennessee & the Cumberland

Working Together. Doing Justice. Restoring Hope.

1-800-238-1443

It's a free call.

On the internet at: **www.las.org**