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# Renters Insurance for College Students

## College Students

College students renting an off-campus apartment or house while away at school should consider purchasing renters insurance to protect their personal property, such as a computer, television, stereo, bicycle or furniture, in the event that it is damaged, destroyed or stolen.

Even if a student is a dependent under his or her parent's insurance, the student's personal property, in many cases, is not covered if the student lives off campus. Parents should check their policy or contact their insurance agent to see if renters insurance is right for their son or daughter who is away at school.

### **What is Renters Insurance?**

Renters insurance protects your personal property against damage or loss, and insures you in case someone is injured while on your property.

### **Why Purchase Renters Insurance?**

If you live in a rented apartment, house or condominium, your landlord's insurance doesn't cover your personal property in the event that it is stolen or damaged as a result of a fire, theft or other unexpected circumstance.

### **How Much Does It Cost?**

The premiums for renters insurance average between \$15 and \$30 per month depending on the location and size of the rental unit and the policyholder's possessions.

## Basic Options

Most renters insurance policies provide two basic types of coverage: *personal property* and *liability*. Personal property coverage pays to repair or replace personal belongings if they are damaged, destroyed, or stolen. This is the most commonly purchased renters policy.

Liability insurance provides coverage against a claim or lawsuit resulting from bodily injury or property damage to others caused by an accident while on the policyholder's property.

Unusually expensive items, such as fine jewelry or an art collection, may require the renter to purchase additional coverage, called a "rider" or "floater". Your insurance agent can help you determine if additional coverage is necessary.

## Cash Value or Replacement Cost Coverage

Another important factor to look for when shopping for renters insurance is "actual cash value" vs. "replacement cost" coverage.

Actual cash-value coverage will reimburse the renter for the cost of the personal property at the time of the claim, minus the deductible. It's important to account for depreciation when considering this coverage option. For example, if a stereo system were stolen from an apartment, five years after the stereo was purchased, the policyholder would be reimbursed for the current value of the system.

Replacement cost coverage, on the other hand, will reimburse the full value of the new stereo system, after you purchase the new system and submit your receipts. While the up-front cost is greater, you are more likely to receive accurate compensation for your possessions.

## Other Key Issues

- Make a comprehensive list of possessions, including purchase prices, model numbers and serial numbers. It also is a good idea to take photos or video footage of any personal possessions for documentation, making sure it is stored in a secure, off-site location.
- Estimate the value of your personal possessions. This is the amount of insurance you will need to replace the contents of your home if everything were destroyed.
- Research the possibility of purchasing a renters insurance policy together with your roommates. Some policies automatically extend coverage to any resident of a policyholder's household who fits the definition of a "domestic partner." Otherwise, consider carrying separate coverage for each of the adult tenants.

- Install, or have the landlord install, an anti-theft or safety device inside the rental property.

The National Association of Insurance Commissioners (NAIC), headquartered in Kansas City, Missouri, is a voluntary organization of the chief insurance regulatory officials of the 50 states, the District of Columbia and the five U.S. territories. <http://www.naic.org>

For more consumer information visit <http://www.insureuonline.org>