

Renters Insurance 101: What You Need to Know

It is a common mistake to think the landlord's insurance will replace your personal possessions. However, a landlord's policy will only cover structural damage to the building, such as from fire or wind. That means your belongings, like clothing, furniture, and electronics, are not covered.



“A renters insurance policy gives you financial protection and peace of mind should an unforeseen event like a fire, theft, or other disaster happen.”

— Karen Collins, Vice President, Property and Environmental, APCIA

What does renters insurance cover?

Personal belongings

Covers items like furniture, electronics, clothing, laptops, musical instruments, sports gear, and even electric scooters.

Tip: Collins advises that renters look for policies that include replacement cost coverage, which reimburses the full cost of new items without deducting for depreciation.

Liability protection

Liability coverage helps protect you if you're found legally responsible for damage to someone else's property or if someone is injured in your home.

Examples:

- A kitchen fire starts in your unit and damages neighboring apartments.
- You overflow a bathtub and it leaks into the unit below.
- A guest trips in your apartment and is seriously injured.
- Your pet bites someone.

This coverage may help pay for repairs, medical bills, or legal fees—but only if you're found negligent. For smaller injuries where fault isn't a factor, see *Medical Payments Coverage* below.



Additional living expenses

Covers temporary housing, meals, and other costs if your rental becomes uninhabitable after a covered event, such as a fire or severe water damage.

Medical payments coverage

Pays for minor medical expenses if someone is injured in your rental—even if you are not at fault.

Examples:

- A visitor sprains their ankle on your steps.
- A friend cuts their hand while cooking.

According to Collins, this coverage can help renters avoid costly disputes by addressing injuries quickly and without requiring legal action.



What should you consider?

Before buying a policy, think about your needs and risk exposure:

- **Coverage amount:** Make sure the policy covers the full value of your belongings.
- **Deductible:** This is what you pay out of pocket before insurance starts covering costs. Higher deductibles can lower your premium.

- **Replacement cost vs. Actual cash value:**
 - *Replacement cost* covers the price to buy a new item of similar kind.
 - *Actual cash value* accounts for depreciation, meaning you'll get less money for older items.

“A policy with replacement cost coverage may have a higher premium than a policy with actual cash value coverage, but the coverage is very different—so be sure to ask questions to make sure the type of coverage you select is right for you.”

— Karen Collins, APCIA

- **Pet liability:** Confirm whether pet-related incidents are included.
- **Weather and Building Risks:** Older buildings may be prone to plumbing or heating failures. In areas with freezing temperatures, burst pipes are common. In some regions, renters may need extra coverage for floods or earthquakes, which are typically not included in standard policies.

Collins notes that renters in colder climates or older buildings should consider endorsements like water backup coverage to protect against overflows or sewer issues.

Tip: Consider adding a water backup endorsement to protect against overflows from sinks, toilets, or sewer lines.

What does it cost?

Renters insurance is generally affordable, Collins said. Many policies start at less than \$20 per month, she noted. Rates vary based on your location, coverage limits, deductible, and discounts like bundling with auto insurance.

Tips to be prepared

Even with the right coverage in place, preparation can make a big difference during a crisis. Collins suggests creating a home inventory by taking photos or videos of your belongings and storing the list in a safe, accessible place—such as a cloud-based storage account or secure computer file. Having an up-to-date inventory can make the claims process faster and easier if you ever need to file one.

Why it's worth it

Renters insurance is a small monthly expense that can protect you from large, unexpected losses. Whether you're just starting out or have a home full of valuables, having the right coverage can make all the difference after an emergency.

Not sure where to start? Reach out to a licensed insurance agent or visit an insurance provider's website to compare coverage options and get a quote that fits your needs.



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