

CONSUMER GUIDE TO
**RENTERS
INSURANCE**



INSURANCE.MO.GOV • 800-726-7390



DCI

Missouri Department of Commerce & Insurance



Your belongings are valuable to you.

But what if ...

- Your apartment or rental home is damaged by a fire or storm?
- Your place is robbed?
- A guest is injured in your home?

Do you have the funds to replace everything that was damaged or stolen?

Insurance can protect you from such unpredictable events.

Buying Renters Insurance

The Missouri Department of Commerce and Insurance has tools on its website to help you:

- Search for companies that sell renters insurance.
- Review frequently asked questions about renters insurance.
- Search for a licensed agent or agency near you.
- Review consumer complaint history for insurance companies.

Average Cost

\$32 per month
for \$20,000 to \$30,000
of coverage for
your possessions.



That's the **cost of 4 large lattes** at your favorite coffee shop.

VISIT [INSURANCE.MO.GOV](https://www.insurance.mo.gov) TO FIND OUT MORE

RENTERS INSURANCE BASICS



Renters insurance protects you from the unexpected burden of paying to replace your belongings should disaster strike. It also helps pay:

- Cost of additional living expenses while you are displaced from your residence.
- Medical bills, up to a limit, if a guest is injured on your property.

WHAT IS COVERED BY RENTERS INSURANCE AND WHAT IS NOT COVERED

What is covered:



- Fire & smoke
- Windstorm & hail
- Lightning
- Vandalism & theft
- Weight of ice, snow or sleet
- Damage from car

What is not covered:



- Any structure
- Flood
- Earthquake
- Sewer & drain backup
- Normal wear & tear
- Cars parked on your property

ADD IT ON



If you own expensive items, you may need extra coverage on your policy to ensure that your belongings are better protected. Here is coverage (called a rider or endorsement) you can add to your renters policy:

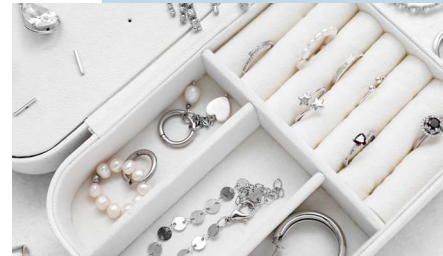
Sewer and drain backup

This covers damage caused by water backup from drains, sewers or sump pumps.



Jewelry, antiques, firearms

Expensive items need additional coverage. You may want to get them appraised for their value.



Home-based business

If you have a home business, this ensures your business items are better protected.



DEDUCTIBLES

A deductible is the amount you have to pay out-of-pocket on a claim before the policy pays the loss. Higher policy deductibles means lower policy premiums. A policy with a \$1,000 deductible has a lower premium than the same policy with a \$500 deductible. Having a higher deductible is a good way to save money on your renters insurance premium. But be sure you can afford the deductible in case you have a loss.

- Review your renters policy annually to make sure you have enough coverage. You don't want to be underinsured if disaster strikes.

College students:

- If you live on campus, your parents' renters (or homeowners) policy may cover your belongings.

SHOP AROUND

WORKSHEET

TARGET BEST POLICY PRICE

Missouri has a highly competitive insurance market. Use this worksheet to compare offers as you shop.

Renters policy coverage amount			
Fill in company name (above) and cost (below) to compare policies			
Personal property limits	\$	\$	\$
Liability protection (each occurrence)	\$	\$	\$
Guest medical (per person)	\$	\$	\$
Damage to property of others	\$	\$	\$
Optional coverage (ask your agent)			
Replacement coverage	\$	\$	\$
Sewer and drain backup	\$	\$	\$
Jewelry and firearms	\$	\$	\$
Art, collectibles and antiques	\$	\$	\$
Additional policies			
Flood	\$	\$	\$
Earthquake	\$	\$	\$
Annual premium	\$	\$	\$
Deductible	\$	\$	\$

QUESTIONS TO ASK INSURANCE AGENT

What does this policy cover? _____

What is not covered? _____

Do I have enough insurance to replace my belongings? _____

Does this policy give me replacement cost or actual cash value coverage? _____

Will my coverage limits increase over time or will I have to adjust them periodically? _____

Does this policy cover water damage, including damage from sewer, drain or sump pump backup? _____

Do I need flood & earthquake insurance? What is the cost? _____

Are there limits on expensive items like jewelry or firearms? _____

How much will my premium be? _____ How much can I save by increasing my deductible? _____

What discounts are available? _____

Are there any improvements I can make to lower my premium? _____

How do I file a claim? _____

Does your company have 24-hour claim service? _____

Compare prices of renters insurance from different insurance companies every two years.

Check with us to make sure your agent is licensed in Missouri:
<https://insurance.mo.gov/CompanyAgentSearch/search/search-agents.php>

UNDERSTANDING YOUR DECLARATIONS PAGE

This page provides policy details to help you know how to better understand your coverage.

- 1 **Policy period:** When coverage begins and ends
- 2 **Limits:** The most your policy will pay
- 3 **Deductible:** What you pay when you have a claim

Your Insurance Company
3535 Second St.
Company Town, USA 54321

Policy number: XX-XXXXXX-XX

1 **Policy period:** 12 months **Effective date:** May 1, XXXX **Expiration date:** May 1, XXXX

Renters Policy <SAMPLE>

Automatic renewal: If the policy period is shown as 12 months, this policy will be renewed automatically subject to the premiums, rules and forms in effect for each succeeding policy period.

Location of residence premises: Same as insured's address

Coverages & property	Liability limits	Inflation coverage index
SECTION I		
A Personal property	\$25,000	3 Deductibles – Section I Other losses \$500
B Loss of use	Actual loss sustained	
SECTION II		
L Personal liability (each occurrence)	\$100,000	In case of loss under this policy, the deductible will be applied per occurrence and will be deducted from the amount of loss. Other deductibles may apply – refer to your policy.
Damage to property of others	\$1,000	
M Medical payments to others (each person)	\$2,000	

Loss of settlement provisions (see policy)
A1: Limited replacement cost – Coverage B

5 **Policy premium** \$200

4 **Forms, options and endorsements**

Renters policy	XX-XXXX	6 Discounts applied Renters/Auto Renters protection (fire alarms, smoke detectors or burglar alarms) Claim record/Customer longevity Age of customer
Sewer and water backup \$10,000/\$500 deductible	XX-XXXX	
Jewelry and furs \$2,000 each	Option XX	

Your policy consists of this page, any endorsements and the policy form. Keep together.

- 4 **Extra coverage:** Can be purchased for more protection
- 5 **Premium:** Cost for policy period
- 6 **Discounts:** Number of discounts applied to policy

REPLACING YOUR BELONGINGS

Actual Cash Value (ACV)

The amount needed to repair or replace your belongings, minus depreciation. Depreciation is the decrease in value of property because of age or use.



vs.

Replacement Cost (RC)

The amount needed to replace an item at today's price.

Will the insurance company always pay the personal property limit shown on your policy?

No. The policy limit is the **most** the company will pay.

HOUSEHOLD BELONGINGS	ACV vs. RC (Most companies follow this formula)		
How replacement cost works: An insurance company will first pay you the ACV of an item. Once the item is replaced and receipt submitted, the company will then settle up with you.			
	Actual cash value	Depreciation	Replacement cost
 Television (1 year old)	\$640	+ \$160 (20%)	= \$800
 Leather couch (10 years old)	\$1,120	+ \$1,680 (60%)	= \$2,800

Replacement cost coverage may increase your premium.



PREPARING A HOME INVENTORY

A home inventory is a list of all your belongings – from socks to computers to furniture. If your personal property is damaged or stolen, having an inventory makes filing a claim with your insurance company much easier and you may even get a larger payment because your list will be more comprehensive.

Check it off: Tips to make your home inventory more useful

- Record specific details such as the serial numbers for electronic items and appliances.
- Photograph or videotape valuable items and attach them to your checklist.
- Update your inventory annually and when you make large purchases.



Download our
Home Inventory Checklist
from our website.



<https://insurance.mo.gov/consumers/home/homeinventorychecklist.php>



Keep your home inventory in a safe, fire-proof box, or store it at the home of a family member or friend. For electronic versions, email them to yourself.

PROTECTING AGAINST LAWSUITS

Accidents happen

Renters insurance gives you the protection you need in case someone is injured on your property.

It also protects you from:

- Lawsuits against you or your family members involving covered claims.
- Damage or injury your pets cause to others. Please note: damage caused by your pets to the structure you are renting is generally not covered.



Protect everything else even while away from home



Renters insurance covers your possessions even if they are damaged or stolen while off-site, such as in a car.

Coverage for possessions outside of your home may be limited.

Talk to your agent about increasing your liability limits for more protection.

CONTACT US

For more information on other types of insurance, including:

- Auto
- Life
- Health
- Business



INSURANCE CONSUMER HOTLINE

800-726-7390

For questions about your
insurance policy or to file a complaint
against an insurance company or agent:

insurance.mo.gov
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