



DEPARTMENT OF THE NAVY  
OFFICE OF THE ASSISTANT SECRETARY  
(ENERGY, INSTALLATIONS AND ENVIRONMENT)  
1000 NAVY PENTAGON  
WASHINGTON, DC 20350-1000

MEMORANDUM FOR COMMANDER, NAVY INSTALLATIONS COMMAND  
COMMANDER, MARINE CORPS INSTALLATIONS COMMAND  
COMMANDER, NAVAL FACILITIES ENGINEERING SYSTEMS  
COMMAND

SUBJECT: Updated Provision of Renters' Insurance in Privatized Military Housing

Reference: (a) ASN (EI&E) Memorandum, "Provision of Renters Insurance in Privatized Military Housing," April 22, 2016  
(b) P.L. 116-92, National Defense Authorization Act for Fiscal Year 2020

This memorandum updates and replaces reference (a). It directs actions which will re-open the option for Department of the Navy (DON) privatized military housing project owners (Partners) to require residents to obtain renters' insurance.

Beginning in 2015, the Office of the Secretary of Defense removed renters' insurance from the Basic Allowance for Housing (BAH) rate calculation. Reference (a) also terminated the requirement for privatized military housing project owners to provide renters' insurance, as it was considered to adversely affect the financial health of privatized housing projects. Consistent with the change in the BAH calculation, reference (a) also prohibited Partners from requiring renters' insurance as a condition of occupancy. Finally, reference (a) directed Military Housing Offices (MHOs) to educate residents on the importance and benefits of renters' insurance.

In 2020, pursuant to section 3057 of reference (b), the Office of the Secretary of Defense (OSD) issued a universal lease (UL) template to be used in Partner leases with military tenants. Contrary to the prohibition on a renters' insurance requirement in reference (a), the UL template negotiated between the Military Departments and the Partners specifies how a Partner can require military tenants to carry renters' insurance using a Community Specific Addendum. Consistent with the UL template, the Departments of the Army and Air Force already give their privatized military housing project owners the option to require tenants to carry renters' insurance.

Uninsured losses, especially those for which the tenant is liable, can have a devastating impact on military members. Renters' insurance covers expenses related to damage to the renter's personal property and covers liability damages related to the rental unit or guests for which the renter is legally responsible. Additionally, it is a common commercial practice for landlords to require renters' insurance as a condition of renting in the private sector rental market. Accordingly, with the roll-out of the UL, privatized housing project owners shall have the option to make renters' insurance, to include both personal property coverage and liability coverage for damages for which the renter is legally responsible, a condition of occupancy for military residents to sign a lease.

Naval Facilities Engineering Systems Command (NAVFAC) is hereby directed to advise the DON's Partners of this change in policy and waive any prohibitions contained in current project agreements that would bar implementation of this policy. NAVFAC shall advise the Partners that this waiver will be effective coincident with their implementation of the UL. When appropriate, NAVFAC is also directed to take any actions necessary to amend project agreements to be consistent with this policy.

The Commander, Navy Installations Command (CNIC) and the Marine Corps Installations Command (MCICOM) are hereby directed to update existing instructions, as necessary, to incorporate this policy. Additionally, CNIC and MCICOM must ensure their MHOs continue to educate military members who seek housing referral counseling on the importance and benefits of renters' insurance. At a minimum, "plain-language" briefings on all the rights and responsibilities associated with tenancy of a housing unit, as required by section 3011 of reference (b), shall include information on the importance and benefits of renters' insurance and advise prospective military tenants that Partners may require renters' insurance as a condition of occupancy.

Questions regarding this policy should be directed to Mr. Eric Dauer, at [eric.l.dauer.civ@us.navy.mil](mailto:eric.l.dauer.civ@us.navy.mil) or (703) 693-0236.

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