



# Tenant Guide to Renters' Insurance

*The Marine Corps encourages you to purchase renters' insurance to protect yourself against personal loss or liability due to unforeseen circumstances. Also, as a condition for occupancy, your Public Private Venture (PPV) partner may require you to purchase renters' insurance.*





**\*Renters' Insurance is NOT part of the rent you pay to the PPV partner and does not come out of your Basic Allowance for Housing (BAH)**

## What is renters' insurance?

A renters' insurance policy is insurance for those renting housing of any type which protects your personal property against damage or loss and protects you from liability for damage to the rental property associated with your actions, or for someone that is injured while on the rental property you are occupying. For all types of housing rented off-base, it is a common business practice for landlords to require Tenants to obtain renters' insurance as a condition of renting.

## What does renters' insurance cover?

A standard renters' insurance policy includes four types of coverages that help protect you and your belongings after a covered loss. The names of coverages can differ based on the insurance providers:

	Type	Description	Coverage
	<i>Personal Property</i>	Helps pay to replace belongings such as electronics, furniture, and clothing that you have in your rental property if they are stolen or damaged in certain situations.	Personal property coverage levels can start as low as \$15,000 and is a typical component of renters' insurance.
	<i>Liability</i>	Personal liability coverage is typically part of a standard renters' insurance policy. Liability coverage helps protect your finances if you are ever held responsible for someone else's injuries or property damage.	A standard policy includes up to \$100,000 in liability coverage. Liability coverage may not cover structural damage from personally owned appliances.
	<i>Guest Medical</i>	Helps pay for reasonable and necessary medical expenses, such as the cost of X-rays or an ambulance, if a guest is injured at your rental property, even if you are not at fault.	Sometimes called goodwill coverage. Policies have coverage limits starting around \$5,000.
	<i>Additional Living Expenses</i>	May help pay for additional costs you incur, such as temporary housing, if your rental property is uninhabitable by a covered risk such as a fire. Also known as loss of use coverage.	Most standard renters' insurance policies include coverage for additional living expenses.



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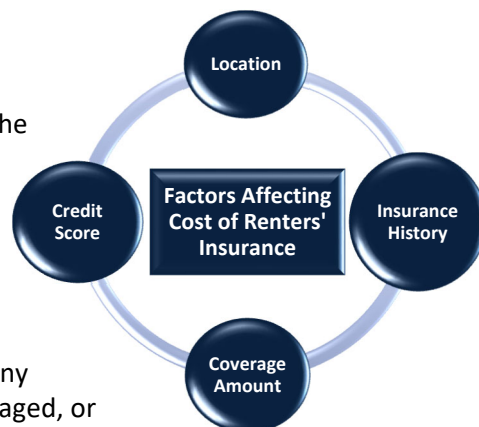
## Why purchase renters' insurance?

Purchasing a renters' insurance policy with personal property coverage protects against the loss of your personal belongings. The insurance carried by the PPV partner does not cover your personal property if it is stolen or damaged due to fire, theft, or other unexpected circumstances. Including personal liability coverage in your renters' insurance policy will also pay for damages if a court determines that your negligence resulted in injuries to another person, or damage to someone else's property, such as the PPV partner's housing unit that you are renting.

## How much is renters' insurance?

The National Association of Insurance Commissioners (NAIC) indicates the average renters' insurance policy costs between \$15 to \$30 per month.

***\*Cost may vary depending on location, choice of deductible, and coverage amounts. As of 2020, these figures were based on a national monthly average. Actual premiums will vary.***



## How are you reimbursed?

If your belongings are damaged or stolen, the renters' insurance company reimburses you for the value of the items you have lost or that are damaged, or provides a replacement item. The two types of policies include:

- ◆ **Actual cash value policies:** Reimburse you for the depreciated value of your belongings, an amount that may not completely replace the loss. Actual cash value pays what the depreciated value of the property was worth at the time of damage.
- ◆ **Replacement cost policies:** Reimburse you for the amount it will cost to replace an item with a new one of like kind and quality, without depreciation. While this results in a more comprehensive recovery, it is also a more expensive policy.

## Top considerations

- ◆ **Know what is covered:** In addition to covering your belongings, some policies will also cover living expenses if the property becomes uninhabitable. Renters' insurance may also protect you from lawsuits alleging negligence.
- ◆ **Know what is excluded:** Renters' insurance typically will not cover damage from earthquakes, natural flooding, tornadoes, pest damage, terrorism, or war. Structural damage to the PPV partners housing unit is generally not covered, but it may be covered by your PPV property manager's property insurance.
- ◆ **Know your deductible:** The amount of your deductible and coverage is based on the premium you pay. Make sure that you can easily afford your deductible in case something happens.

## Creating a home inventory

- ◆ A home inventory helps assist in renters' insurance coverage decisions and expedites the insurance claims process after theft, damage, or loss.
- ◆ The record of your assets will not only help you in the settlement of a covered loss or claim but may also help verify tax-deductible property losses and determine the right amount of insurance coverage you need.
- ◆ There are various methods in capturing a home inventory including a written inventory, digital inventory, and/or a visual record.
- ◆ Ensure that you keep your inventory record safe, whether in a fireproof box, deposit box, or digitally in the cloud.





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## Tips on purchasing renters' insurance



*Weigh costs versus benefits*

Replacing all of your possessions or being liable for an accident can add up. Even if you don't think you own many valuables to justify the cost, a minimal number of items can quickly lead to thousands of dollars of personal property, which can be covered in a basic policy.



*Evaluate your location*

It is critical to think about your location. If you live in an area prone to violent storms, you may require a comprehensive policy that addresses storm damage.



*Ask about discounts*

Ask about any discounts you are eligible for. Many insurers will reduce your premiums if you have alarms, fire extinguishers, sprinkler systems and/or deadbolts on exterior doors. You may also be able to bundle your car insurance or another insurance policy for a reduced rate.

## When does renters' insurance apply to you?



### Fire

Renters' insurance will reimburse you for personal property destroyed by a fire and cover property damages incurred by someone else if the fire spreads outside your rental.



### Burst Water Pipe

Water damage to your possessions from a burst water pipe is typically covered under your renters' insurance policy.



### Theft

Renters' insurance typically protects items stolen after a break-in at your rental property or items stolen outside of your rental, such as items stolen from a car or locker.



### Personal Liability

Personal liability coverage is part of a standard renters' insurance policy. It may help pay for another person's medical bills if you're found legally responsible for their injuries.



### Earthquake

Typically, earthquake damage is exempt from coverage by renters' insurance. However, an earthquake insurance policy may be available at an additional cost.



### Loss of Use Coverage

Loss of use covers living expenses if your home is damaged to the point of being unliveable. Costs like hotel, food and other living expenses you may incur would be covered.



### Consider Purchasing a Rider

If you have renters' insurance, you can purchase an extension, also called a rider, that covers expensive items, such as wedding or engagement rings, for additional coverage.

*The information contained in this guide has been prepared for all Marines, Sailors, and their Families for your awareness. Please be advised that all terms and information provided within this document will vary dependent on your insurance provider and location.*

*For more information about renters' insurance, please contact your Military Housing Office or Legal Services if you have questions about your policies, or visit MCICOM Family Housing <https://bit.ly/3n2zyGe>*