

True or False: Renters Are Covered by Their Landlord's Policy?

False. Many tenants mistakenly believe they do not need insurance. While the landlord most likely has a policy that would cover the building itself, the policy does not cover property of tenants; nor would it provide any coverage for tenant's personal liability.

Just have a few pieces of furniture so you don't have enough property to insure? Imagine losing everything in your apartment and having to start over. Could you afford to purchase furniture, towels, sheets, a telephone, dishes, utensils, groceries, pots, pans, clothes, toiletries, shoes, coats? Those are just some of the bare necessities, now add a stereo, TV, CDs, pictures, vacuum, books, camera, computer, etc.

There are also additional costs you may incur when you have to relocate to a new apartment such as higher rent or additional connection fees for utilities. When you start adding every item, the amount could be staggering and few people could actually afford this type of catastrophic loss.

In addition to providing coverage for your contents, Personal Liability coverage protects you in some common situations. If you cause a fire loss to the building (for example: light a candle too close to curtains, overload an outlet or extension cord), the landlord's policy would pay the loss but his insurance carrier would look to you to repay the loss and may obtain a judgment against you.

A tenant may also be held liable for the injuries of others. If you have ever left a shopping bag on the stairs to pick up in a moment or had a guest fall in your apartment, you can see how easily you might be held responsible for injuries. The cost of the attorney alone is expensive.

Now consider that many of your neighbors may not have a renters policy. You may believe that you are careful, but if they are careless and cause a fire that damages your property, you would have to bare the cost for your contents.

Still feel like you do not need insurance?

JOHNS HOPKINS
UNIVERSITY

Renter's Insurance



Off-Campus Housing

Wolman Hall—Room 102
410-516-7961—410-516-3950 fax
www.jhu.edu/~hds

Don't need it?

Think again! Add up all of your belongings... computers, CDs, clothing, electronics, books, furniture, and other personal property. How would you replace all of that property if your apartment was damaged by fire or flood or if you were the victim of theft? Did you know that your policy should also cover you outside of your home?



Most property lost or stolen is never recovered by the police.

What if someone was at your home, slipped and fell, breaking an arm? Did you know that you could be held responsible for their medical bills?

Before you move in your parent's should call to see if your new place would be covered by their homeowner's insurance. Often you can get coverage through them but if you have roommates you might be out of luck.

If you cannot get coverage through Mom and Dad, call around to get quotes for coverage. Most

policies cost less than \$200 a year, a small fee to pay should something terrible happen.

Also be sure to read the policy carefully to make sure it will meet your needs and that you understand what and how you are covered. Don't be afraid to ask questions... your agent can help answer your questions.

Nationally... 29 households in 1000 will be victimized by burglary... 129 of the same 1000 households will be victimized by theft. (U.S. Department of Justice—Bureau of Justice Statistics, 2001)

Here are some places that you can call for additional information. Johns Hopkins University does not endorse or recommend these agencies.

ALLSTATE INSURANCE	Carl A. Turner 711 W. 40th St. Suite 230 Balto., MD 21211 410-467-9600 A048863@allstate.com	<ul style="list-style-type: none"> • Can cover up to 4 unrelated people. • Policy minimum is \$20K and annual premiums start at \$170* • Computers automatically covered up to \$5K • Not available to people planning to sublet 	
	NATIONAL STUDENT SERVICES, INC.	P.O. Box 2137 Stillwater, OK 74076 800-256-6774 www.nssinc.com	<ul style="list-style-type: none"> • Offered to students on and off campus. • Policy: Fire & theft, no liability coverage • Students who share a rental unit must purchase individual policies. • Minimum coverage is for \$2,000 and the annual premium is between \$26-36 depending on the
	GEICO DIRECT	1047 Cromwell Bridge Rd Towson, MD 21286 800-841-8000 www.geico.com	<ul style="list-style-type: none"> • Can cover up to 1 unrelated people. • Policy minimum is \$20K. • If you sublet your apartment you will no long be covered. • Policies are for 1 year. • Call for a quote.

** Premium is an estimate and is based on amount covered, location, type of dwelling, etc. Please call for a quote.*

What is the difference between Actual Cash Value & Replacement Cost Policies?

Actual cash value coverage provides coverage based on the current market value of your property. This takes into account depreciation and other mitigating factors and does **NOT** correspond with the cost of replacing an item with a similar new item. For example, a compact disc originally purchased new for \$17 may be valued at only \$5-6 two years later. After those two years, your actual cash value coverage provides you with that \$5 or \$6, not the \$17 original purchase price.

Nationally... in 1999 there were over 383,000 residential fires which resulted in over \$5 million in direct property losses. (National Center for Injury Prevention and Control)

Replacement cost coverage provides coverage based on

the amount needed to replace your item with a close replica. Using the same example with the compact disc, replacement value coverage provides you with the \$17 needed to buy a new replacement CD, assuming that the current price for an identical CD is \$17.

What else should I know?

You will need to make an inventory of all of your belongings and hang on to any receipts you may need to prove that you did own that \$2,000 digital camcorder.

You should also take pictures of your valuables and keep them in a safe place with your policy incase you need to make a claim later. Be sure to keep this in a location other than your covered property (like your parent's safety deposit box) so it will not be lost if there is a fire.

Remember that when you sign on the line that you are signing a binding contract. Make sure to read carefully and understand all of the terms of your policy.