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## UPDATE POST



## Should You Buy Renters Insurance? 5 Reasons You May Want To.

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A recent poll found that that less than half of renters have renter's insurance. So is it worth shelling out a little extra money each month to buy a policy? Here are five reasons why you may want to consider insurance if you are renting space.

### **1) Just because your landlord has insurance, doesn't mean you are covered**

Some renters believe that their possessions are covered by their landlord's insurance plan, or the insurance policy of their apartment complex. Unfortunately, that is rarely the case. Renters insurance needs to be purchased by the tenant to ensure that one's possessions are protected.

### **2) It's relatively cheap**

A 2011 study found that the average renter's insurance policy costs \$187 a year, or a little over \$15 a month. For a price that low renters can get substantial coverage to protect their belongings. As Ben Franklin once said, "an ounce of prevention is worth a pound of cure."

### **3) Renters insurance covers a wide variety of incidents**

A typical policy will cover you from fires, theft, and water damage from bursting pipes. However, some weather related hazards (such as flooding from rain) are not covered. If flood damage is a concern to you, you may want to consider a supplemental flood insurance policy. Renters insurance can also offer you off-premise coverage. For instance, if a dry cleaner accidentally ruins an expensive suit you own, some plans will cover you.

### **4) Renters insurance offers liability protections**

If someone is injured at your residence, renters insurance can protect you from being financially liable. Most renters insurance plans offer some liability protections that may pay the medical bills of the injured person.

### **5) There are many ways to customize a renters insurance policy to fit your budget**

Some plans will reimburse you for the amount of money you paid for a product, while others will reimburse you for what the item was worth when it was damaged. For instance, you may have purchased a TV for \$1,000 several years ago and today it's worth around \$250. When buying renters insurance, you can do a cost-benefit analysis of which type of coverage you want, and find the plan that fits your budget.

While renters insurance is an affordable way to safeguard your possessions, there are some circumstances where it may not be the best option for you. If you are in a short term lease or may be moving in the near future, obtaining insurance may not be worth the hassle. Additionally, if you only have a few objects of significant value (like a laptop), you may want to forgo renters insurance and look into the cost of insuring those individual items.