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**Your Money Matters, By Michael Kelly**

### **Renters must consider insurance too.**

Are you renting an apartment or home without having renter's insurance? If so, have you really considered the risk? Some people don't believe they own enough property to spend money on insurance (which they hopefully will never use). Bit IF you have a stereo, television, VCR, camera, computer, jewelry or clothing, could you afford to replace them (not to mention your entire wardrobe) today if a fire were to destroy your apartment?

Renter's insurance will cover your personal property against fire or smoke, lightning, vandalism, theft, explosion, windstorm and water damage from plumbing. It will also cover you if someone slips and falls in your apartment or home. If someone is injured by your possessions and then sues, the insurance should cover your responsibility to other people including legal defense cost if you are taken to court.

Be aware that not all your possessions may be covered on a renter's policy. For example, jewelry or a computer may be subject to a per-category theft limit of \$5,000. You may have to purchase a floater policy which provides additional coverage for specific items not included in your basic policy. Ask about the various category limits and how they apply to your property.

If you are a college student, under the age of 26 living in the dorm, you may have limited coverage under your parent's homeowners or renter's policy. But you are not covered if you live in an apartment.

So how do you go about buying renter's insurance? Here's a few suggestions to buying the policy that's right for you.

1. Take an inventory. Make a list of everything you own with price estimates and purchase dates. This will help you decide on the right amount of coverage. Make copies of the inventory and keep it in a safe place away from home (at work, relative's home or safe deposit box). This list will be extremely helpful if you should need to make a claim.
2. Ask about theft limits, cash or replacement value and deductible options. Many policies have \$1,000 total limit on jewelry that is stolen, \$3,000 to \$5,000 on computers and \$2,500 to \$10,000 on silverware or flatware. Know these limits and consider a "floater" policy if necessary. You can insure against theft in one of two ways; cash or replacement value. Cash value takes into account the age and condition of items at the time they were lost or stolen. Replacement value is the cost to replace the item today. Replacement value tends to cost more, and there may be other requirements. Always ask about the deductible. Here again, if your deductible is low, your policy will cost you more. Take as high a deductible as you can afford to help keep your insurance cost down.
3. Seek discounts. Insurance companies sometimes offer discounts to people who have multiple policies with them. You may also get a discount if your apartment has a security system, smoke detectors or deadbolt locks. Also, they will sometimes take into account if you are a smoker or non-smoker. Policies will vary so seek out all possible deductions when you compare.
4. Comparison Shop. Talk to friends and relatives, check the yellow pages. If you have a membership in a group or association that offers insurance policies check their prices and service. Ask questions. Narrow down the companies and get quotes from them. Be sure to consider quality of service as well as price. Some people may prefer to spend a few extra dollars with a company that is known for its customer satisfaction.
5. Read your policy. Your policy is a contract between you and your insurance company. Read it carefully. If you have any questions call your insurance representative. Don't sign the contract unless you fully understand the policy.
6. A renter's policy may not cost all that much when you consider what you might lose without it. Don't disregard your possessions as having little value. Even if you don't have an expensive stereo system or jewelry, everyday items such as clothes and beds are expensive to replace too. Take an inventory of your possessions and then decide if renter's insurance is worthwhile for you.