

**For more information:** contact the Division of Insurance, 605-773-3563

## South Dakota Division of Insurance Consumer Alert

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### **RENTERS INSURANCE FOR COLLEGE STUDENTS**

#### ***Renters Insurance Should Be Considered For College Students Living on Their Own***

*College students renting an off-campus apartment or house while away at school should consider purchasing renters insurance to protect their personal property, such as a computer, television, stereo, bicycle or furniture, in the event that it is damaged, destroyed or stolen.*

*Even if a student is a dependent under his or her parent's insurance, the student's personal property, in many cases, is not covered if the student lives off campus. Parents should check their policy or contact their insurance agent to see if renters insurance is right for their son or daughter who is away at school.*

#### **What is Renters Insurance?**

Renters insurance protects your personal property against damage or loss, and insures you in case someone is injured while on your property.

#### **Why Purchase Renters Insurance?**

If you live in a rented apartment, house or condominium, your landlord's insurance doesn't cover your personal property in the event that it is stolen or damaged as a result of a fire, theft or other unexpected circumstance.

College students living in off-campus housing are ideal candidates for needing renters insurance, since many students bring thousands of dollars worth of personal items, such as electronics, a computer, textbooks, clothes, furniture, and a bicycle, with them to school. It is the renter's responsibility to provide coverage for these valuable items.

However, if a college student is under 26 years old,

#### **Shop for the Right Coverage**

Another important factor to look for when shopping for renters insurance is "actual cash value" vs. "replacement cost" coverage.

Actual cash-value coverage will reimburse the renter for the cost of the personal property at the time of the claim, minus the deductible. It's important to account for depreciation when considering this coverage option. For example, if a stereo system were stolen from an apartment, five years after the stereo was purchased, the policyholder would be reimbursed for the current value of the system.

Replacement cost coverage, on the other hand, will reimburse the full value of the new stereo system, after you purchase the new system and submit your receipts. While the up-front cost is greater, you are more likely to receive accurate compensation for your possessions.

#### **Other Points of Interest Regarding Renters Insurance**

When a claim is reported, the insurance company will ask the policyholder for proof of purchase for all items reported on the claim. A comprehensive list of possessions, including purchase prices, model numbers and serial numbers, will suffice. It also is a good idea to take photos or video footage of any personal possessions for documentation, making sure it is stored in a secure, off-site location.

When determining how much, if any, renters insurance you should purchase, estimate the value of your personal possessions. This is the amount of insurance you will need to replace the contents of your home if

enrolled in classes and living in on-campus housing, the student may be covered under his or her parents' homeowners or renters insurance policy.

The premiums for renters insurance average between \$15 and \$30 per month depending on the location and size of the rental unit and the policyholder's possessions.

### **Basic Options**

Most renters insurance policies provide two basic types of coverage: personal property and liability. Personal property coverage pays to repair or replace personal belongings if they are damaged, destroyed, or stolen. This is the most commonly purchased renters policy.

Liability insurance provides coverage against a claim or lawsuit resulting from bodily injury or property damage to others caused by an accident while on the policyholder's property.

Unusually expensive items, such as fine jewelry or an art collection, may require the renter to purchase additional coverage, called a "rider" or "floater". Your insurance agent can help you determine if additional coverage is necessary.

everything were destroyed.

If a college student is living in an off-campus house or apartment with one or several roommates, they may be able to purchase a renters insurance policy together. Some policies automatically extend coverage to any resident of a policyholder's household who fits the definition of a "domestic partner." Otherwise, consider carrying separate coverage for each of the adult tenants.

One of the smartest things you can do as a renter is reduce the chances of needing to file a claim altogether by requesting that the property owner install an anti-theft or safety device inside the rental property.

In all cases, it is recommended to reference your current insurance policy or contact your agent when deciding whether or not to purchase renters insurance for a student away at college.