



## STUDENT ADVOCATES FOR FINANCIAL EDUCATION

### RENTER'S INSURANCE

One may think that they don't *need* renter's insurance, but they need to think again! A landlord's insurance policy **does not** cover renter's personal property. Clothes, jewelry, stereos, televisions, bicycles, computers, furniture, art work and other valuable possessions are not protected against loss or destruction, thus renters need special insurance for their belongings. Renters insurance policies are designed to cover one's loss in the event of loss to personal property and it is available for apartments or rented houses.

#### To determine if renter's insurance is needed:

1. Add up the cost of furniture, electronic equipment, and other personal property.
2. Ask yourself if you can afford to replace everything in the event of a burglary, fire, etc.

#### COVERAGE

Renters insurance protects one's personal property at home, and away from home, against fire or smoke damage, lightning, burglary or vandalism, riot or civil commotion, explosion or electrical surge damage, windstorm or hail, falling objects, and other hazards. Each policy states specifically what the policyholder is insured against. Replacement cost coverage can protect personal property. This additional protection assures the policyholder that if a loss occurs they will receive reimbursement for the full cost to repair or replace the property lost at today's market cost, up to the policy limit. Liability coverage also includes medical payments coverage, which applies to nonresidents of the insured premises. This coverage pays for the actual medical expenses incurred up to the limit for a non-resident guest. If the renters home was made unlivable by a peril, renters insurance will pay for the associated expenses (cost of temporary residence, meals eaten out, etc.). Coverage is usually limited to a percent of the total value of the policy. Renters insurance also covers the renter within their policy limits if someone slips and falls in their home or is injured by any of the renter's possessions and then sues. The insurance should cover the policyholders responsibility to other people injured at their home or elsewhere, including legal defense costs if they are taken to court within the policy limits.

#### RENTER'S INSURANCE COSTS

Rates and coverage vary from state to state and company to company. One should shop around and compare coverage and rates from different companies. However, renters insurance is relatively inexpensive. The average cost of renter's insurance is approximately \$12 a month for about \$30,000 worth of property coverage and \$100,000 worth of liability coverage.

**Always read the renter's insurance contract for specific explanations of coverage and exclusions.**



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### RELOCATION COSTS

Before moving there are many decisions to be made. Some of the major ones deal with how the move will take place. One important decision to make when considering how to move is:

#### Should you hire movers or do it yourself?

**Hiring a Mover:** if you have the money and can't spare the time hire a mover.

- *Pros:* Convenient; less time consuming
- *Cons:* Very expensive; you do not know where everything will be placed or how it is packaged



**Truck Rental:** trucks and gas may be pricey so make sure you are prepared for not only that, but the time and work that you will put in moving yourself.

- *Pros:* Less expensive; you can take care of your valuables
- *Cons:* Much more work involved; may be difficult to haul heavy items; very time consuming

### SERVICES TO CHANGE

- **Utilities**
  - Electricity, phone, heat, garbage, water
  - Be sure to pay for last months use
- **Cable Service**
  - Check to see if the company charges a disconnection fee or a reconnection fee.
  - Know the terms of your agreement
- **Change of Address Form**
  - Pick up a form at your local Post Office
- **Vehicle Registration**
  - This could be expensive, find out when you need to change your plates to avoid paying your license fee twice
- **Memberships/Subscriptions**
  - Look into changing your address for clubs, gyms, and newspapers/magazines
- **Others**
  - Insurance, banks, medical and school records, and driver's licenses

#### Cleaning!

When you move, you have to leave your residence better than when you found it. Expect to do a lot of cleaning, or pay a fortune for someone to do it for you. People don't realize how dirty their houses can be! If you don't clean your residence completely before check out, you may have to pay additional charges for the rental agency to hire someone to do it for you. Carpet needs special attention; anytime you move you need to clean the carpets of the residence in which you are leaving. This may be a large expense for you, depending on square footage and how well you kept up on your cleaning!! Sometimes landlords will allow you to use your deposit as a way to pay for the service. Check around town for price quotes as this is a very competitive market.