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**White Paper**  
EDUCATION  
SERIES

**SPECIAL REPORT:**  
By Leland J. Hendrie CLU  
PHD Insurance Brokers, Inc.

## **HOW TO PROTECT YOURSELF AND YOUR FAMILY WITH RENTER'S INSURANCE**

What you'll discover in this report:

- Surprising secrets about what's covered in a standard Renter's Policy
- The most dangerous myth about renter's insurance
- What to do before you ever have a claim
- Protecting your jewelry, art, computer equipment and other valuables *that may not be covered!*
- Insurance jargon demystified. What are you really getting? Find out here...

### **BUSTING THE MYTH ABOUT RENTERS INSURANCE**

A lot of renters don't have insurance and don't think they need it either. They don't have it because they don't know exactly what it covers. They don't have it because they don't think they need it. They don't need it because they don't have much personal stuff to insure and they can just go out and gradually buy all their stuff again. They don't need it because their landlord buys insurance on the building.

What are the facts?

- The landlord's insurance doesn't cover you or your personal stuff.
- Your personal stuff is only part of your problem. The stuff your neighbors have is the biggest concern. If you are responsible for damaging it through a fire or by smoke or water damage they will be looking for you to reimburse them for their losses.
- If someone slips or falls in your apartment or rented home, your landlord's insurance usually won't provide and safety net for you if you're sued.
- Renter's insurance not only protects your property in your apartment, but it also protects it while it's in your car or in another location.
- If you are the victim of a fire or busted water pipes, you're policy provides for the additional living expenses you will have while your apartment is being renovated. The reimbursement is usually for either a specific time period of say 12 months, or what the insurance companies call a "reasonable length of time." Also there is a cap on how much the insurance company will reimburse.

- Renter's policies do not cover losses resulting from floods or earthquakes-although it is possible to buy insurance for those types of losses.

### **Actual Cash Value vs. Replacement Cost for Renters:**

Renter's policies work like a homeowner's policy as there are two options for providing money to replace your lost or damaged possessions:

- Actual Cash Value, which is the replacement cost of an item less depreciation
- Replacement Cost, which allows you to buy a new item to replace the one lost, stolen or damaged, no matter how old that item is.

**Note:** Because Replacement Cost is better coverage it usually costs about 10% to 15% more.

Speaking of cost, renters insurance is fairly cheap when compared to other personal insurance you may buy. Usually you can get a decent policy for less than \$200 a year, depending on where you live. If you choose higher limits than you will pay more.

The policy has dollar limits on certain types of items. For example, there is usually a \$1,000 limit for jewelry and anywhere from a \$3,000 and up limit for computer equipment. If you want higher limits you can ask that those limits be increased.

Like homeowners insurance, renter's coverage has a deductible...the amount you will pay before your insurance kicks in. The higher the deductible, the less your policy will cost.

If you are renting with a roommate (s), it's probably best to include your roommate (s) on your policy. If you are living and renting with a significant other, many insurance companies will allow you to obtain joint coverage, just as if you were married.

### **If You Rent: How to Keep Track of What You Own...**

**Tip:** Like homeowners, you as a renter should have a written inventory of all of your possessions. For items of significant value, you should write down the model numbers, serial numbers, date of purchase and price. Make a written copy of your inventory and keep it at another location, along with your photographs and/or video of the items. A safe deposit box is a good place to keep such records.

**Note:** If one of your “possessions” is a dog, you may find it more difficult to get insurance, particularly if that dog is a Rottweiler, Pit Bull or Doberman.

**Tip:** Finally, remember that PHD Insurance Brokers can get great discounts for renters when we insure your car. This discount can be **huge** and can make your renter’s insurance cost only **\$30-\$50 a Year**, especially if you are a safe driver. For a small amount of money, you can cover all of your computer & electronic equipment, furniture and decorations, kitchen ware and appliances, clothes, collectibles, jewelry, guns, movies, books, and everything else. You’ll never get more for your money.

Be a smart consumer... but don’t try to be your “own agent.” Protection for you and your family requires constant vigilance...and a partnership between you and your professional agent. For the latest information on how to save money AND get the best protection for yourself and the people you care most about...

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**CALL PHD Insurance Brokers at (800)640-4743**

**Or**

**E-mail us at [info@phdinsurancebrokers.com](mailto:info@phdinsurancebrokers.com)**

**Or**

**Mail your request to  
PHD Insurance Brokers  
P.O. Box 3205  
10966 Euclid St. #495  
Garden Grove, CA 92842**