



Tenants Insurance Coverage FAQ

1. What is Tenants Insurance?

Tenants Insurance is an insurance package designed for those who rent their primary residence as opposed to own. This includes apartments, condominiums, and single-family dwellings. A tenant's insurance package provides coverage in many areas, the 3 most significant are a) your contents (your "stuff"), b) your liability to 3rd parties, and c) additional living expenses.

2. Why do I need it?

Compliance. Landlords can make it a requirement for lease agreements.

Protection. Equally as important to complying with your lease, is to protect yourself. As mentioned above, tenant's insurance provides you coverage in 3 key areas.

3. Why do I want it?

Peace of mind. That is why you want a tenant's insurance package. You can go about your day-to-day life without worrying about the impact a loss will have on your personal finances.

4. What does it cover?

Contents coverage. If you experience a loss to your contents for an insured peril, your tenant's insurance will replace your contents. Without it, you will need to replace your contents 'out of pocket'.

Liability coverage. This protects you against accidental injury to 3rd parties or accidental damage to 3rd party property. This is not limited to your rented space, this coverage is with you, protecting you wherever you are. Without this coverage, you will be forced to reimburse 3rd parties for their injury or damage, accidentally caused by you, 'out of pocket'.

Additional Living Expenses. Your lease agreement will require you to continue to pay your rent even if you are not able to live in your rented dwelling because of an insured loss. This coverage will pay your additional living expenses to live elsewhere until such time as you are able to move back into your space.

5. How are my contents covered?

There are 2 types of coverage available for your contents.

Actual Cash Value (ACV) which in the event of a loss will result in a settlement based on the depreciated value of the contents at the time of the loss.

Replacement Cost (RC) which in the event of a loss will result in a settlement based on the cost to replace your contents (or closest thing to your contents) at the time of the loss.

6. Is Tenants Insurance Expensive?

While there are many different options available for coverage, the average tenant policy is much less expensive than the average homeowner's policy. Howard Mutual offers options to provide coverage for nearly every financial situation.