

Ask for price quotes.

When you call a producer or insurer, typically, you will be asked about the type of construction and design of your residence, the distance to the nearest fire department and hydrant, the use of security devices, and the types of coverages you want as well as the dollar limits for those coverages. Make sure the information you provide is accurate and that you provide the same information to each producer or company that you call. Also, keep in mind that one insurance group often includes many companies (not just the ones listed in our guide), and the rates and/or underwriting requirements may be different for each company within the group. Ask the agent about other companies in the group.

Ask for discounts.

To help keep your premium down, ask what discounts the company offers. For example, premium reductions may be granted if you buy your renters and auto insurance from the same insurer, or if you install a security system and smoke detectors. Some companies offer discounts to senior citizens, members of groups or associations, and nonsmokers.

Ask about deductibles.

A deductible is the amount you agree to be responsible for in the event of damage to your personal property (e.g., wind, hail, accident, fire, or vandalism) before the insurance company makes any payments. If you select a high deductible, you pay more out-of-pocket for any damage; however, your premium should be lower.

Do not buy an insurance policy based solely on its price.

Consider the coverages, the limits, and the service. You may want to ask friends and neighbors about their experiences with their insurance company(ies). Select an insurer and/or producer you feel you can trust and are comfortable dealing with.

Protect yourself from insurance fraud.

It is illegal for unauthorized companies and agents to sell insurance in Maryland. Once you have selected an insurance company, contact the Maryland Insurance Administration (MIA) to verify that the agent and/or company is authorized to sell insurance in Maryland. You can get this information on the MIA's website, www.insurance.maryland.gov, or by calling us at 800-492-6116.

The Maryland Insurance Administration (MIA) is the state agency that regulates the business of insurance in the State of Maryland.

If you have a question about insurance or experience a problem, please do not hesitate to contact the MIA at 800-492-6116 or visit our website at www.insurance.maryland.gov.

Persons with disabilities may request this document in an alternative format. Requests should be submitted in writing to the Director of Public Affairs at the address listed below.



INSURANCE ADMINISTRATION

200 St. Paul Place, Suite 2700
Baltimore, MD 21202
410-468-2000
800-492-6116
800-735-2258 TTY

www.insurance.maryland.gov

Lawrence J. Hogan, Jr.
Governor

Boyd K. Rutherford
Lt. Governor

WHY RENTERS INSURANCE

IS A GOOD IDEA



INSURANCE ADMINISTRATION

Why Renters Insurance Is A Good Idea.

If you rent, your personal belongings will not be protected against loss or damage unless you have a renters insurance policy. Your landlord has insurance for structural damage to the building, and might even be protected against damage caused by tenants. However, this coverage does not extend to your personal property, nor does it protect you from being liable for damage you might cause to the building inadvertently (e.g., a kitchen fire or a plumbing mishap) or to others who are injured at your property (e.g., a trip and fall over toys or furniture).

Renters insurance policies can cover everything from electronics to clothing to household appliances. Even a minimal number of items could add up to thousands of dollars' worth of merchandise, which can all be covered in a basic policy. It can also provide you with liability insurance, defense and indemnity payments if necessary, in the event someone sues you for injury to others or property damage to property of others.

What does a renters insurance policy typically cover?

This type of policy:

- covers loss or damage to household contents or personal possessions;
- provides for additional living expenses in the event of a covered loss that makes your home, apartment or condominium uninhabitable;
- provides you with liability coverage for injuries to others and/or their property while they are on your property; and
- includes medical payments to others.

Many policies do not limit protection to your belongings located in your home or apartment. For example, items you have insured often are covered if they are stolen by someone who breaks into your car or if they are damaged while not on your property.

How much coverage do I need?

This depends on the value of your personal property. You should start by making an inventory of your personal property and determine the value of that property. You also need to consider how much liability coverage

you want to cover injuries or damage to other people or their property. Your insurance company or producer (agent) can assist you with making this decision.

This inventory, along with photos and proof of ownership, will make it easier to file an accurate, detailed insurance claim in case your personal property is damaged or destroyed by a covered cause of loss under your policy.

How much does renters insurance cost?

The actual cost depends upon the amount of coverage you want, the type of coverage (replacement value or actual cash value), and the deductible you select. The average renters insurance policy costs between \$15 and \$30 per month. Replacing all of your possessions or being liable for an accident on your premises will cost much more. Additionally, many insurers will reduce your premiums if you have fire or burglar alarms, fire extinguishers, sprinkler systems and/or deadbolts on exterior doors. Some companies might also offer discounts if you have more than one policy with them. You

can refer to our brochure, *Homeowners Insurance: A Comparison Guide to Rates* to get an idea of cost. This brochure is available on our website, www.insurance.maryland.gov or by calling us at 800-492-6116 to request a copy.

Comparison shop.

Make certain you provide the same information to each company or agent, and that you compare policies that offer the same types of coverages with the same deductibles and coverage limits. This way you will be comparing “apples to apples” and will be able to tell how much money, if any, you are actually saving. You may want to contact several insurance companies or agents; as well as ask your friends and relatives for recommendations. In addition, some banks, employers, and special interest groups offer insurance directly to their members. You can also refer to our brochure, *Homeowners Insurance: A Comparison Guide to Rates*, to get an idea of costs. This brochure is available on our website at www.insurance.maryland.gov or by calling us at 800-492-6116 to request a copy.