

Renters insurance is highly recommended, and even required, in many lease agreements; When shopping for policies, renters need to be aware of key items to ensure their renters insurance policy work for them

CHICAGO, March 31 /PRNewswire/ -- Now that spring has sprung, many people are planning a move to a new home. Besides filling up boxes, tenants should also be filling out a renters insurance quote request. Renters insurance policies are highly recommended or required in many lease agreements. Building owners have homeowners insurance to cover the structure, but renters insurance is needed to cover the renter's items inside the home. When shopping around, renters should be aware of key items when comparing renters insurance.

Renters insurance protects against the financial hardships caused by the loss of property due to events such fire, theft and vandalism. Typically plans cover 16 events, but few offer protection against damages from floods and earthquakes. Renters in areas that experience such natural disasters should purchase additional coverage.

Renters insurance generally covers the replacement of belongings up to a specified amount, typically between \$20,000 - \$40,000. However, there are two types of replacement policies: replacement cost policies and actual cash value (ACV). ACV policies cover the cash value of the possessions at the time of the qualified event and replacement cost policies reimburse the policy holder for the full value of replacing the lost items.

This is an important distinction. If a laptop was purchased three years ago for \$2,000, but is worth \$500 today, it would still cost more than \$500 to replace. An ACV policy would only pay out the \$500 value of the laptop as where the replacement cost policy would pay enough to buy a comparable laptop in today's market.

Although coverage is generally affordable at \$10 - \$20 monthly, apartment and home renters should ask about buying cheap renters insurance coverage discounts. Combining health, auto and life with rental insurance can add savings up to 15%. Protective devices, such as alarms or sprinkler systems, can give an additional 15% in savings. Retired people 55 or older can save 10% - 25% depending on their type of home.