



NEWS RELEASE

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HUDGENS URGES COLLEGE STUDENTS TO CONSIDER RENTERS INSURANCE

Atlanta – Insurance Commissioner Ralph Hudgens said college students renting an off-campus apartment or house while away at school should consider renters insurance to protect their personal property.

“If a college student is under 24 years old, enrolled in classes and living in on-campus housing, the student may be covered under his or her parents’ homeowners or renters insurance policy,” Hudgens said. “Parents should check their policy or contact their insurance agent to see if renters insurance is right for their son or daughter who is away at school.”

Even if a student is a dependent under his or her parent’s insurance, the student’s personal property, in many cases, is not covered if the student lives off campus.

Renters insurance protects a policyholder’s personal property against damage or loss, and insures him or her in case someone is injured while on the property. The landlord’s insurance doesn’t cover your personal property in the event that it is stolen or damaged as a result of a fire, theft or other unexpected circumstance.

College students living in off-campus housing are ideal candidates for renters insurance, since many students bring thousands of dollars’ worth of personal items, such as electronics, a computer, textbooks, clothes, furniture, a bicycle, etc. with them to school. It is the renter’s responsibility to provide coverage for these valuable items.

The premiums for renters insurance average between \$15 and \$30 per month depending on the location and size of the rental unit and the policyholder’s possessions.

Most renters insurance policies provide two basic types of coverage: personal property and liability. Personal property coverage pays to repair or replace personal belongings if they are damaged, destroyed, or stolen. This is the most commonly purchased renters policy.

--Continue--

Renters Insurance

Page 2

Liability insurance provides coverage against a claim or lawsuit resulting from bodily injury or property damage to others caused by an accident while on the policyholder's property.

Unusually expensive items, such as fine jewelry or an art collection, may require the renter to purchase additional coverage, called a "rider" or "floater". Your insurance agent can help you determine if additional coverage is necessary.

Another important factor to look for when shopping for renters insurance is "actual cash value" vs. "replacement cost" coverage.

Actual cash-value coverage will reimburse the renter for the cost of the personal property at the time of the claim, minus the deductible. It's important to account for depreciation when considering this coverage option. For example, if a stereo system were stolen from an apartment, five years after the stereo was purchased, the policyholder would be reimbursed for the current value of the system.

Replacement cost coverage, on the other hand, will reimburse the full value of the new stereo system, after you purchase the new system and submit your receipts. While the up-front cost is greater, you are more likely to receive accurate compensation for your possessions.

When a claim is reported, the insurance company will ask the policyholder for proof of purchase for all items reported on the claim. A comprehensive list of possessions, including purchase prices, model numbers and serial numbers, will suffice. It also is a good idea to take photos or video footage of any personal possessions for documentation, making sure it is stored in a secure, off-site location.

When determining how much, if any, renters insurance you should purchase, estimate the value of your personal possessions. This is the amount of insurance you will need to replace the contents of your home if everything were destroyed.

In all cases, it is recommended to reference your current insurance policy or contact your agent when deciding whether or not to purchase renters insurance for a student away at college.

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