

The importance of renters insurance really cannot be highlighted enough. Tenants often forget about renters insurance, because a lease is temporary and the property is not their own. Some believe that if their landlord already has the property insured, they have nothing to worry about, but if you think about it, you wouldn't lease a car without purchasing car insurance. Not just because it would be illegal to not buy car insurance, but because your finances would be ruined if you were to get into a car accident or suffer some other form of loss. Although residents are not required by law to buy renters insurance, the financial ramifications of not having it are great.



Even if a landlord or property owner has insured the building, there are still many reasons why residents need renters insurance. For example:

To Cover the Loss of Personal Property

If a resident loses personal property (clothing, electronics, furniture, home ware, etc.) because of damage from fire or smoke, severe weather damage, theft, and more, they will be left to replace those items out of pocket if they don't have renters insurance. With insurance, the depreciated value of their possessions will be covered. They can even upgrade the policy to cover the actual value. Just the thought of losing everything they own should be enough to convince them to insure their belongings. For those who believe they don't own enough for it to matter, most people's personal property is worth more than what they think. If they don't have the extra cash to replace everything with their own money, they need to consider buying renters insurance, which only costs around \$15 per month.

For Liability Protection

If some accident starts in a tenant's home and the damage spreads to other homes, renters insurance will protect the tenant from any legal action. For example, if a neighbor suffers personal property loss or injury from a fire that started in another resident's home, that resident will be protected from any potential legal action taken by the neighbor.

For Guest Medical Coverage

If a resident has a guest at their home who suffers injuries from an accident on the property, renters insurance can cover the medical expenses incurred by the incident. For example, if a guest gets bitten by the resident's dog, the resident's insurance policy will pay for all necessary medical treatment.

These reasons clearly show just how essential renters insurance is to the protection of your personal property and your personal finances. If you are a landlord or property manager, share this information with your tenants and encourage them to purchase a policy as soon as possible.

If you are very serious about every tenant having insurance, consider making renters insurance a stipulation in the lease agreement. You can enforce this requirement by only giving a renter their apartment keys after they have shown an official copy of their policy. To be sure that every tenant maintains their policy, ask for an updated declaration of insurance every six months.

If you are timid about requiring renters insurance, consider this: many renters are only interested in leasing at properties that require it, because they know that it is important for all of their neighbors to be insured as well. Renters also like to see that their landlords care about their well-being.