

RENTERS INSURANCE

INDUSTRY RESOURCES

Overview:

First Pacific Group is not in the business of selling renters insurance, however, we do require all residents have an active policy. The problem is, of all renters in America only 40% have renters insurance because they either don't see value in it or believe the cost outweighs the risk. We want our residents to know the importance and value of renters insurance so they don't cancel as soon as their lease is signed and leave us to pick up the pieces.

First thing's first, what even is renters insurance? You may think this is a silly question because it's something we handle daily, but to the average person it's just another insurance policy they'll never use. Unfortunately we know all too well this isn't true.

Exercise:

Walk through each room of your house and take note of every item you own. You'll probably find furniture, TVs, computers, appliances, clothes, and other everyday items. Maybe you even have a safe for all your extra valuables like family heirlooms, jewelry, and money. Now that you have a good list started, write down what each item costs; this will be easy for some items and difficult for others, especially items not purchased by you (but try your best to put a value on them). Add each item together for the total; Is it higher than \$180? If so, you need renters insurance.

In a nutshell, renters insurance is a policy that helps protect the items you own in a variety of different situations. According to Policy Genius, "Basic renters insurance will reimburse you for the loss of property (up to your policy's coverage limit) if destroyed, damaged, lost or stolen in any one of the following 16 different events:

- Fire and Lightning
- Explosions
- Damage by Aircraft
- Smoke Damage
- Theft
- Falling Objects
- Damage from Heating Appliances
- Freezing of Plumbing, HVAC
- Windstorm and Hail
- Riots
- Damage by Vehicle (Not Your Own)
- Vandalism
- Volcanic Eruption
- Weight of Snow, Ice, Sleet
- Leakage or Overflow of Water
- Damage by Electric Appliances

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Additional Information:

Renters insurance also includes coverage that helps if something were to happen to your home that makes it uninhabitable for any amount of time. It will pay for you to temporarily live somewhere else (such as a hotel) and can include food costs and more. This is just a basic policy and can include additional coverage at the resident's discretion.

It's easy to see the value of having renters insurance after reviewing everything it covers, but many people assume all that protection comes at a high cost while 55% of people in an 802 persons study admitted to being unaware of the cost altogether. Earlier I asked if your possessions were worth more than \$180, because that's the average amount people spend on renters insurance each year--That's less than a tank of gas each month. According to USAA Insurance, the average renter has over \$20,000 in possessions and in the same study mentioned previously, 53% of people had either experienced or knew someone who had experienced theft in their home or rental.

I think based on these figures alone, we can agree the benefit of having your items protected outweighs the cost of coverage. When a resident doesn't understand the need for renters insurance or when their policy has lapsed, you now have the tools to educate them while showing you care about their overall wellbeing.

Sources:

- RiskBlock
- Policy Genius
- Multifamily Executive
- Business Insider