

Renters insurance

Moderate · 30 min to do · \$173 a year on average (2023)

Your landlord's insurance covers the building, not your stuff. A renters policy covers your belongings, your liability if you hurt someone or damage their property, and hotel and meal costs if a covered disaster forces you out. The U.S. average was \$173 a year in 2023, the latest NAIC data. Choose replacement cost, a deductible you could pay tomorrow, and at least \$100,000 of liability.

YOU'LL NEED

- ☐ A rough room-by-room list of what you own and what it would cost to replace
- ☐ Your address, move-in date and any coverage your lease requires
- ☐ About 30 minutes to get three quotes

DO IT LIKE THIS

- 1 **Know the three parts.** A standard renters policy has personal possessions coverage, liability coverage and additional living expenses.
- 2 **Count what you own.** Make a home inventory, room by room: furniture, clothes, electronics, kitchen stuff, even towels and bedding.
- 3 **Pick replacement cost over actual cash value.** Actual cash value subtracts for age and wear, so a five-year-old laptop pays out what it's worth used.
- 4 **Set liability at \$100,000 or more.** Liability pays your legal defense and any court award if you accidentally injure someone or damage their property, including damage caused by your pet.
- 5 **Choose a deductible you could pay tomorrow.** The deductible is what you pay before insurance kicks in, every time you file a claim.
- 6 **Get at least three quotes.** Prices vary from company to company.
- 7 **Read the declarations page before you pay.** It lists your coverage limits, deductible and the type of coverage.
- 8 **Add coverage for what's excluded.** Floods and earthquakes aren't covered.

Watch out A roommate or partner isn't automatically covered by your policy. Some insurers allow joint coverage, but a partner usually has to be named on the policy. The simplest fix is for each roommate to have their own policy.

DAD NOTE Walk around your place and add up what it would cost to replace everything. You'll buy the policy that afternoon.

Full lesson: aptkeys.com/money/insurance/renters-insurance/

Checked October 3, 2026. Sources: Insurance Information Institute; National Association of Insurance Commissioners.