

7 Questions

about insurance
you need to ask

What you need to know

Some people make the mistaken assumption that in case of an accident, damage or theft that you're protected by your landlord's home insurance. You're not.

For instance, if a pipe were to burst in your house, and your laptop (a.k.a. your lifeline) got damaged in the flood, you're not covered and won't be compensated.

Or this: You invite friends over and there is an accident or injury. It's your house so you are on the hook.

Insurance manages to slip under the radar of a lot of students, but it can save your bacon. A policy can be inexpensive and will give you peace of mind as a renter.

While there is no such thing as a uniform insurance policy, consider the following:

It's called Tenant Insurance

While every insurance company will have their own variation on a policy, make sure they can answer these questions:

1. How do I protect my stuff?

Tenant insurance protects your personal belongings wherever you're renting. Calculating how much coverage you need should reflect how much it would cost to repurchase all of your stuff.

Do a quick inventory – computer, snow - board, stereo, Birkenstocks, fuzzy slippers etc , and make a rough tally of their worth. You'll quickly see how expensive everything is when you put it all together.

Purchasing all of that at once, or even a portion of it, is not an expense you want to have on top of tuition.

2. What happens if someone gets hurt at my place?

It's a sad fact of life that the concept of liability is everywhere these days. It's also sad but true that liability coverage is critical when you are a tenant. As a renter, you are responsible for any damage you cause to the building (even accidental) and for any injury or harm to others living in or visiting the building. *Consider:*

- If someone slips and falls on your kitchen floor and injures themselves, you are liable even if you had nothing to do with it. Your buddy had too many beers?

Too bad for you.

- If you leave food in the toaster and it catches fire, you are liable for the damage caused to your home and neighbouring homes.
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Accidents happen all the time. It's important to protect yourself when they do.

3. There was a fire in my house and I can't live there during repairs. What do I do?

Tenants insurance will compensate you for additional living expenses until your home is fit to live in again. This includes moving costs, a hotel room, restaurant meals, storage and more.

4. Aren't I automatically covered by my parents' home insurance?

If you are financially dependent on your parents, yes, your parents' home insurance will cover you. *But* their policy only applies to your belongings if they are in the place you're renting. If you travel, or visit a friend, your belongings are no longer covered.

5. What if there is only one item I want to insure?

No problem. It's called *Scheduling a Personal Article*. Fun fact: this also covers "mysterious disappearance". For example, if you forget your laptop at a Starbucks and someone picks it up, you can file a claim.

This type of insurance is inexpensive and can be set up so you don't pay a deductible. A deductible is the amount you have to pay out-of-pocket for expenses before the insurance company will cover the remaining costs.

6. Will Tenant insurance protect my belongings in my car?

People often make the mistake of believing that if their car is stolen or damaged in an accident, that the contents are also covered under their auto policy. Unfortunately,

auto insurance only covers the vehicle and things that are permanently attached to the vehicle. However, tenant insurance will cover the personal belongings in your car. Your parents' home insurance won't.

7. How much will it cost me?

Tenant insurance is relatively cheap and protects you financially if you unintentionally cause damage or injury to yourself or others.

There are a number of variables (where you live, how much stuff you own, whether you live in an apartment or a house, etc.) but coverage can cost you as little as \$15 - \$20 a month. Most insurance companies will recommend \$1 million in liability coverage and you can go up to \$2 million.

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Final thoughts:

It's always a good idea to purchase as much liability coverage as you can afford.

Shop around. Ask questions.

The world is unpredictable. Making sure you are protected is important. Like living on the wild side? Go skydiving.

Not being protected isn't worth the risk.

***Disclaimer:** As was mentioned earlier in the text, different insurance companies may have different policies pertaining to aspects of coverage discussed here. You need to ask them.*

