

A Consumer's Guide to Renter's Insurance

A Message from the Commissioner

The North Carolina Department of Insurance recognizes that insurance is a complex issue and it is our desire to keep consumers informed. This brochure will help explain the basic renter's insurance coverages, provide tips, and answer some frequently asked questions from consumers in North Carolina.

If you rent an apartment or a house, you may want to consider the insurance coverage provided in the Renter's policy. Your landlord does NOT provide insurance for your personal property. Having all your personal possessions destroyed in a fire or other insurable event, without coverage, is a tragedy that just does not have to happen.

Your Department of Insurance is available to assist you with these complicated matters. I want every North Carolinian to know that help is available by calling our toll-free number 1-800-546-5664 or by visiting the Department's Web Site www.ncdoi.com.

Homeowners Contents Broad Form (HO 00 04)

The Homeowners Contents Broad Form (Renter's policy) may be used to provide coverage for your personal property located in rental property that you occupy. Coverage is also provided for loss of use, personal liability protection and medical payments to others.

Coverage is normally provided under the Renter's policy as follows:	
Coverage C (Personal Property)	An amount, designated by the insured, subject to a minimum as determined by your insurance company
Coverage D (Loss of Use)	20% of Coverage C
Coverage E (Personal Liability)	Subject to a minimum of \$100,000
Coverage F (Medical Payments to Others)	Subject to a minimum of \$1,000

Coverage C - Personal Property

This coverage provides protection for the contents of your home and other personal belongings owned by you or family members who live with you. Coverage C is subject to a designated amount, agreed upon by you and the insurance company.

Coverage is limited on certain types of property that are especially susceptible to loss, such as money, securities, jewelry, furs, manuscripts, stamps or coins. However, you may want to consider scheduling these items separately and for an additional amount of insurance. Ask your agent for specifics.

Coverage D - Loss of Use

This coverage will help with additional living expenses if your home is damaged by a peril insured against to the extent that you cannot live in your home. These expenses include, but are not limited to, housing, meals, and warehouse storage.

It is important to note that your company will only pay those additional expenses above and beyond your normal and customary living expenses. Coverage D is normally limited to 20% of Coverage C (higher limits are available).

You must keep receipts for all additional living expenses and submit them to your company for reimbursement consideration. All of the exclusions, conditions, and specific language can be found in your policy.

Perils Insured Against	
Fire or Lightening	Windstorm or hail
Explosion	Riot or civil commotion
Aircraft	Vehicles
Smoke	Vandalism or malicious mischief
Theft	Volcanic eruption
Falling objects	Weight of ice, snow, sleet
Accidental discharge or overflow of water or steam from within a plumbing, heating, air-conditioning or automatic fire protective sprinkler system, or from within a household appliance	Sudden and accidental tearing apart, cracking, burning or bulging of a steam or hot water heating system, an air conditioning or automatic fire protective sprinkler system, or an appliance for heating water
Freezing of a plumbing, heating, air-conditioning or automatic fire protective sprinkler system or of a household appliance	Sudden and accidental damage from artificially generated electrical current

Coverage E - Personal Liability

This section of the renter’s policy will provide bodily injury and property damage coverage when you or a resident of your household are legally responsible for injury to others and/or damages to their property. Coverage E will provide a defense and will pay damages as the insurance company deems appropriate. There are some exceptions. The liability coverage will not protect you in all situations, such as an intentional act. All of the exclusions and specific language can be found in your policy. Please read your policy carefully.

Coverage F - Medical Payments to Others

This coverage pays for reasonable and necessary medical expenses for persons, other than resident members of your home, who are accidentally injured on your property. In some limited circumstances, the medical payments portion of your renter’s policy may also pay if you are involved in the injury of another person away from your home.

Medical payments coverage does not apply to your injuries or injuries of those that reside in your household. Business activities are also excluded. All of the exclusions and specific language can be found in your policy. Check with your agent or insurance company to discuss the specific limit of medical payments coverage desired.

After a Loss

Contact your insurance agent or company immediately when you have a loss!

Take precautions if the damages require you to leave your home. Secure your property. Remove valuable items. Lock windows and doors. Advise your agent, adjuster or company how and where you can be reached. Take these same precautions if you are forced to evacuate before a storm.

Make emergency repairs and document them. Your policy requires you to make reasonable emergency repairs necessary to prevent further damage to your property. Keep all receipts and take photographs of the damages, before and after emergency repairs, to submit with your claim. Do not make extensive repairs before the claims adjuster arrives or throw out damaged personal property. Make a list of everything you would like to show the adjuster when he or she arrives.

Policy Requirements

All homeowners policies in North Carolina require you to do the following when a loss occurs:

- Give prompt notice to your agent or company.
- If the loss is by theft, notify the police.
- If you have lost your credit card or ATM card notify the bank or credit card company.
- Protect your property from further loss or damage. If you make temporary repairs, keep a record of what you spend. This could include things like covering broken windows or putting a tarp on your roof.
- Give your agent or adjuster a list of all damaged, destroyed or stolen property. Attach all bills, receipts and related information that would help document possession.
- Show the damaged property along with records and documents requested by your agent, adjuster or company.

Frequently Asked Questions

I have a collection of valuable art. What precautions should I take to be sure I'm covered if I have a loss?

Be sure your agent knows about any valuable items that you own when you purchase your policy. Keep documentation of the worth of these items in a safe location. Be sure you understand the limits and exclusions of your policy or any endorsement. If you have items where the value might be disputed, you might consider hiring a reputable appraiser for documentation.

How does depreciation apply under a Renter's policy?

Depreciation applies when the loss to furniture, appliances and other items listed in the loss settlement conditions are covered under the actual cash value provisions of the policy. Actual cash value is the replacement cost of the item, less depreciation.

Why didn't the insurance company pay me the appraised value of my loss?

The appraised value of your property is the value when the appraisal was made.

If your property is damaged, the insurance company is responsible for your property's actual cash value at the time of the loss or the replacement value if your policy provides replacement cost coverage.

How long does a company have to settle my claim?

The company should acknowledge receipt of your claim within 30 days. There is no specific time limit in which the company must settle your claim since each claim is different and the length of time to settle may vary.

Insurance Tips

1. Inventory your belongings. Make a list of your belongings and be sure to include purchase receipts (the best documentation), especially of large items like refrigerators and stereos, showing the year

purchased and amount paid. Photographs and videotapes of your possessions are also a good idea. Keep this list at a safe location off premises (e.g. safe deposit box).

2. Ask your agent or insurance company if you are eligible for any discounts.
3. You can lower your insurance premium by increasing your deductible. In doing this you will want to consider how much of a loss you can afford to absorb if you have a claim.
4. Keep your coverage current. Check with your agent at least once a year to make sure that your policy provides adequate coverage.
5. Shop around, as you may find substantial differences between quotes.
6. Make sure you are dealing with licensed agents and companies. You can check this by contacting the North Carolina Department of Insurance at 1-800-546-5664 for companies and (919) 733-7487 for agents.
7. Pay your premium in full. Also, pay before the due date to avoid the risk of cancellation. There is NO GRACE PERIOD for renter's insurance. If possible, use a check or money order. Keep receipts of payment in a safe place.
8. Pay your premiums even if you disagree with your insurance company. Failure to make premium payments may cause cancellation of your policy.
9. Read your policy and make sure that it lists all coverages you have requested. Know exactly what your policy covers and does not cover.
10. Know the name of the insurance company with whom your policy is written. The name of your company can be different from that of your agent or agency. This information is found on your policy.

How to Reach Us

You can reach the North Carolina Department of Insurance (NCDOI), Consumer Services Division at:
800-546-5664 (toll free)
919-733-2032 (outside of North Carolina)
919-715-0319 (TDD) Telephone Device for Deaf Caller
919-733-0085 (Fax)

You can find additional information including our complaint form on the North Carolina Department of Insurance Web site at www.ncdoi.com.

The address for the North Carolina Department of Insurance, Consumer Services Division is:

Consumer Services Division
North Carolina Department of Insurance
1201 Mail Service Center
Raleigh, NC 27699-1201

Related Publications Available from the NCDOI and/or Web Site

A Consumer's Guide to Homeowners Insurance
After the Fire
What to do in the Event of Disaster
FEMA and NFIP flood insurance information

NCDOI 202 (January 02)