



STUDENT ADVOCATES FOR FINANCIAL EDUCATION

RENTER'S INSURANCE

As a student, one may wonder if rental insurance is necessary. The landlord's insurance covers the physical apartment or rental home. Your clothes, jewelry, stereos, televisions, bicycles, computers, furniture, art work and other valuable possessions are not protected against loss or destruction unless one is covered under a parents' homeowner's policy. (Find out if your personal belongings are covered by your parents' insurance). If one is not covered, renters' insurance is designed to cover the loss of personal property and it is available for apartments, dorms, or rented houses.

To determine if renter's insurance is needed:

- Add up the cost or replacement value of furniture, electronic equipment, and other personal property.
- Ask yourself:
 - Can I afford to replace everything in the event of a burglary, fire, etc?
 - Can I afford to pay to stay somewhere else while my rental home is being repaired?
 - Can I afford the liability if someone is injured in my home?

THINGS TO CONSIDER

1. **Total dollar amount of coverage.** Each piece of property is grouped into a total sum of coverage, and the premium is based on the total dollar amount of coverage. (higher total = higher premium)
2. **Deductible.** The deductible is one's out of pocket expense before the insurance begins to pay the claim.
3. **ACV (Actual Cash Value) or Replacement Cost.** Actual cash value replacement is the value at the time of loss—less depreciation from the time of purchase. Replacement cost is the value to replace the item in today's market. (Note: it is a good idea to place jewelry and guns on a separate policy as these have limited coverage.)
4. **Location-Location- and previous claims.** If one lives in a high crime neighborhood, rental insurance is more expensive. If one has had previous rental insurance claims, the premium will be higher.

COMMON COVERAGE

- Forced-Entry theft
- Fire
- Smoke
- Vandalism
- Windstorm
- Lightning

ADDITIONAL COVERAGE

- Flood
- Riot or civil unrest
- Aircraft/ vehicle damage
- Frozen plumbing or water damage from burst pipes

OPTIONAL COVERAGE

- Liability protection
- Guest medical payments
- Earthquake damage
- Property coverage while traveling
- Wedding /engagement coverage

Rates and coverage vary from state to state and company to company, however it is generally inexpensive, averaging around \$12 a month. Shop around and compare coverage and rates from different companies.

Always read the renter's insurance contract for specific explanations of coverage and exclusions.



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RELOCATION COSTS

Before moving there are many decisions to be made. Some of the major ones deal with how the move will take place. One important decision to make when considering how to move is:

Should you hire movers or do it yourself?

Hiring a Mover: if you have the money and can't spare the time hire a mover.

- *Pros:* Convenient; less time consuming
- *Cons:* Expensive; you do not know where everything will be placed or how it is packaged; some items you must move yourself (such as plants)

Truck Rental: trucks and gas can be expensive. Make sure you are prepared for the cost as well as the time and work you will put in moving yourself.

- *Pros:* Less expensive; you can take care of your valuables
- *Cons:* Much more work involved; may be difficult to haul heavy items; very time consuming



SERVICES TO CHANGE

- **Utilities**
 - Electricity, phone, heat, garbage, water
 - Be sure to pay for last months use
- **Cable Service**
 - Check to see if the company charges a disconnection fee or a reconnection fee
 - Know the terms of your agreement
- **Change of Address Form**
 - Pick up a form at your local Post Office
 - Send individual notices for important mail
- **Vehicle Registration**
 - This could be expensive, find out when you need to change your plates to avoid paying your license fee twice
- **Memberships/Subscriptions**
 - Look into changing your address for clubs, gyms, and newspapers/magazines
- **Others**
 - Insurance, banks, medical and school records, cell service, and driver's licenses

Cleaning!

When you move, you have to leave your residence better than when you found it. Expect to do a lot of cleaning, or pay a fortune for someone to do it for you. People don't realize how dirty their houses can be! If you don't clean your residence completely before moving, you may lose your security deposit and have to pay additional charges for the rental agency to hire someone to do it for you. Carpet needs special attention; anytime you move you need to clean the carpets of the residence in which you are leaving. Renting equipment and cleaning yourself saves money, but be prepared to work hard. Hiring a carpet cleaner can be expensive, depending on square footage and how well you kept up on your cleaning!! Check around town for price quotes as this is a very competitive market.