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**RENTERS INSURANCE REMAINS A COST-EFFECTIVE PURCHASE,
EVEN IN TOUGH TIMES, SAYS NEW YORK INSURANCE ASSOCIATION**

ALBANY, NEW YORK—Most renters can buy thousands of dollars worth of property and liability insurance coverage for less than \$20 a month, but fewer than half of those renting a home or an apartment have a renters insurance policy, according to the New York Insurance Association (NYIA).

The average renters insurance policy premium in New York State was \$220 a year as of 2006, according to the National Association of Insurance Commissioners (NAIC). Yet a survey by the Insurance Research Council determined that only 43 percent of all renters nationwide have renters insurance.

“Too many renters completely underestimate the value of the personal possessions they’ve accumulated over the years, or wrongly assume their landlord’s insurance policy covers a renter’s possessions,” said Ellen Melchionni, NYIA’s president.

“However, a standard renters policy provides coverage for big-ticket personal items—such as furniture, computers and television sets—in the event they are damaged or destroyed,” she said. “And, like homeowners insurance, renters insurance covers your financial responsibility to other people injured at your home or elsewhere by you, a family member or your pet and pays legal defense costs if you are taken to court.”

There are two types of renters insurance policies. One is an **actual cash value** policy, which pays policyholders to replace their possessions minus a deduction for depreciation. The other is a **replacement cost** policy. This type of policy usually costs at least 10 percent more because it pays for the actual cost of replacing their possessions, up to the policy limit.

“By purchasing renters insurance, a tenant’s possessions are covered against losses from fire, smoke, lightning, vandalism, theft, explosions or windstorms,” Melchionni said.

Losses from either a flood or earthquake are excluded under standard renters insurance but can be purchased separately. Renters policies can be supplemented with the purchase of a floater, which offers broader coverage for expensive items such as jewelry, silver and furs.

Renters insurance is most commonly sold by companies that also offer auto and homeowners insurance and it always pays to shop around for the best deal. To save money on a renters insurance policy, consumers can:

- Increase the policy deductible from \$250 to \$500. The deductible is the amount policyholders must pay out-of-pocket before their insurance coverage takes effect. Increasing the deductible can result in premium savings of up to 15 percent.

(more)

- Install smoke detectors, dead bolt door locks and a fire extinguisher to qualify for discounts to your premium.
- Stop smoking. Some insurers offer reduced premiums to non-smokers because smoking is one of the leading causes of residential fires.

The New York Insurance Association (NYIA[®]) is a state trade association that has represented the property and casualty insurance industry for over 125 years. For more information on NYIA, visit www.nyia.org.