



RENTERS' INSURANCE TOOLKIT

Florida Department of Financial Services
Division of Consumer Services

www.MyFloridaCFO.com/Division/Consumers
1-877-MY-FL-CFO (693-5236)



RENTERS' INSURANCE TOOLKIT



How many times have we turned our television on and saw where an apartment building was totally destroyed by fire and the tenants lost everything because they were uninsured? In many cases, the tenant was unaware their personal property could have been covered by a renters' policy for a very reasonable price.

The landlord insures the structure you live in but no coverage for your personal property is included in that policy. To protect your personal property, you should purchase a renters' insurance policy.

This toolkit provides information to assist you with insuring your personal property. It also contains tools to assist you if you have a covered loss.

section 01

Insuring Your Personal Property - **4**

section 02

What Your Renters' Policy Covers - **6**

section 03

Cancellation & Nonrenewal Provisions - **8**

section 04

The Claims Process & Inventory Forms - **9**

section 01 Insuring Your Personal Property

Renters' insurance covers you against financial loss if your personal property (contents) is damaged or destroyed from a covered peril.

A **peril** is something that causes or may cause injury, loss or destruction, such as a fire, tornado or hurricane. A list of perils that are typically covered is listed in Section 2.

A renters' insurance policy includes coverage for your personal property, loss of use, personal liability and medical payments to others.

In some cases, flood coverage may be added by endorsement to your renters' policy. If your company doesn't provide flood coverage for your personal property, a separate policy can be purchased so you should consult your agent.

Please remember that insurance policies vary between insurance companies so once you purchase your policy, review the coverage provided to determine whether you have the coverage you need.

It's too late to obtain additional coverage after a loss has occurred.



Do I need renters' insurance?

You can determine this by asking yourself the following questions:

- How much is my personal property worth?
- Can I afford to replace my personal belongings if they are destroyed or stolen?
- How would I pay an attorney to defend me if I caused property damage or bodily injury to someone and were sued?
- How would I pay the additional cost of temporary housing if the residence where my personal property is located was destroyed?



What factors determine the premium I pay?

Some of the factors influencing the premium you pay are:

- The amount of coverage you select
- The type of coverage you select
- The deductible you select
- The location of your residence
- The construction of your residence
- The age of your residence
- The age of the roof, plumbing, electrical wiring, heater and air conditioner
- Your prior claims experience

How much insurance do I need?

Take an inventory of your personal property. An inventory form is included in this toolkit for your convenience. List each item, when it was purchased and the purchase price. Include serial numbers if available.

Once your inventory is complete, total the amounts to get a rough idea of what your personal property is worth. It is not uncommon to discover you have a lot more invested in personal items than you may have realized. Keep in mind while listing your personal property, limitations may apply to some items unless additional coverage is purchased. Some of the limitations are discussed in Section 2 of this toolkit.

Also, policies may contain an inflation guard which increases coverage by a certain percentage each year. However, it's your responsibility to make sure you have adequate coverage.

section 02 What Your Renters' Policy Covers

Personal Property

Appears as Coverage C on your policy – Your personal property is normally covered anywhere in the world; unless, the property is located at another residence owned by you and not insured. If your property is located in another residence owned by you, but not insured, the policy may limit the amount of coverage provided to 10% of the total coverage. Most policies also include limited coverage for improvements or enhancements you make to the residence.

Special Limits on Some Items

There are special limits on certain items such as jewelry, guns, furs, money, cameras, cash, art or antiques, etc. You should review this list found in your policy and speak to your agent about additional coverage if needed.

Perils Covered

Coverage is typically issued to cover “named perils” which may include fire or lightning, **windstorm*** or hail, explosion, riot or civil commotion, aircraft, vehicles, smoke, vandalism or malicious mischief, theft, volcanic eruption, falling objects, weight

of ice, snow or sleet, accidental discharge or overflow of water or steam, tearing, cracking, burning or bulging, freezing, sudden and accidental damage from artificially generated electrical current, and Catastrophic Ground Cover Collapse. (Sinkhole coverage may be purchased by paying an additional premium.)

*If your residence is located in the Wind-Pool Area, Windstorm Coverage may be excluded on your renters' policy and to obtain the coverage you must purchase a separate windstorm policy.

Actual Cash Value vs. Replacement Cost

Coverage can be obtained that settles claims based on the “actual cash value” of the personal property at the time of loss or that settles claims on a “replacement cost” basis. This is something you should discuss with your agent.

Actual cash value means the cost to replace an item less depreciation. This means you'll receive the current value of the item, not its entire purchase price or the price it would cost to replace it with a like model.

Replacement cost pays for the



cost of replacing the damaged or destroyed item. This is usually a hire sum than the actual cash value.

For example, if damage occurred to a television that had a 10-year life expectancy and you owned the television for 5 years, the actual value of the television would be 50% of its replacement cost. Since 50% of its lifespan has passed, the value of the television has depreciated. In this example, if the policy settled on an actual cash value basis, you would receive 50% of the cost to replace to item, notwithstanding any deductible.

However, if your policy settled claims on a replacement cost basis, for this same television you would receive 100% of the cost to replace the item. Of course, the replacement cost endorsement costs more but it provides much broader coverage.

Loss of Use

Appears as Coverage D on your policy - Provides coverage for additional living expenses and/or fair rental value.

Additional Living Expense (ALE)

ALE refers to excess expenses that you, as the insured, incur if you were to lose access to your primary residence and were forced to live elsewhere. In many instances, coverage is provided if a civil authority prohibits you from use of the residence or its premises as a result of direct damage to neighboring premises by a covered peril. ALE pays only reasonable “excess” expenses until the property is habitable.

For example, let’s say your family normally spends \$200.00 a week for groceries. As a result

of the damage to your kitchen, you can no longer cook, so you eat out for all of your meals. The cost of eating out for your family averages \$400.00 a week. The insurance company should pay the difference between the amount you normally spend for groceries and the amount it cost to eat out, which is \$200.00.

It is important to note the additional living expense must normally be incurred prior to reimbursement and is always contingent upon providing the insurance company with receipts. Be sure to save all receipts, regardless of the amount. Payment will be for the shortest time required to repair or replace the damage or, if you permanently relocate, the shortest time required for your

household to settle elsewhere.

Fair Rental Value

If you rent a room in your home to another person or the room is available for rent but it is not currently occupied when it is made unfit to live in due to a covered loss, this coverage will reimburse you for the lost rent. Please note, the insurance company will not reimburse expenses that do not continue while the home is unlivable. For example, if you experience loss that is so great the utilities are turned off, those are expenses you would normally pay but they do not continue while the home is not fit to live in. Payment will given be for the shortest time required to repair or replace the residence.

Personal Liability

Appears as Coverage E on your policy - This is designed to cover amounts that you become legally liable to pay due to bodily injury, which could be caused by many things, for example, a slip and fall at your residence, or the property damage of others, including the cost of defense. The insurance company’s duty to settle or defend ends when the policy limit is exhausted.

Medical Payments

Appears as Coverage F on your policy - Covers medical and other related expenses for visitors that are injured through personal activities on your property, without regard to your legal liability.



section 03 Cancellation & Nonrenewal Provisions

Insurance companies can take up to **90-days** to decide whether you meet their underwriting guidelines.

Within this 90-day period, a company must give you a **20-day notice** if it intends to cancel the policy, except for nonpayment of premium, which requires a **10-day notice**.

After 90-days, your company may only cancel your policy if:

- You don't pay your premium;
- You provided false information on your application;
- You failed to follow the company's requirements; or
- You increased your risks through new activities or home improvements.

For reasons other than nonpayment of premium, the company must provide a **120-day notice** before it may cancel your policy.

Companies can always non-renew, with certain limitations, your policy with proper notice. The non-renewal notice must be provided at least 120-days in advance.

You may cancel your policy at any time by providing a written request. You should receive a refund of any unearned premium, which is the amount that hasn't been earned by the insurance company. You are only charged for the period of time you used the coverage. However, if you cancel an insurance policy before the coverage period is over, the company may retain 10% of the unearned premium amount.



section 04 The Claims Process & Inventory Forms

The first thing you should do if you have a covered loss is determine if the amount of the loss exceeds your policy deductible. If the damage exceeds your deductible, promptly report the loss to your agent or insurance company. The insurance company will assign an insurance adjuster to handle your claim.

You must take appropriate steps to prevent further damage after a loss. This may mean moving your personal property to a temporary location or performing emergency repairs to the residence to prevent further damage. You should keep all of your receipts for costs related to protecting your personal property from further damage. You should separate the damaged personal property from the undamaged.

An inventory of the damaged personal property must be completed in the same manner as you did when determining the value of your personal property. An inventory form is included in this toolkit for your convenience.



Also, you should never throw away any damaged personal property until instructed to do so by the adjuster. The company must be given the opportunity to inspect the damaged property or they may deny your claim. Make sure your adjuster is properly licensed in Florida. If you have any questions about the license status of an adjuster or the way your claim was handled, call the DFS Consumer Helpline toll-free at 1-877-My-FL-CFO (1-877-693-5236).

Keep a phone log of the dates,

times and names of all persons you speak to regarding your claim. Also keep a copy of anything you sign. You may use the following log to record the name and contact information for the adjuster assigned to your claim as well as any conversations you have.

You should also document attempts to contact the adjuster that were unsuccessful or conversations with others regarding your claim. This information may be beneficial at a later date.

A phone log can be found on the next page.



Options for Claim Disputes

Mediation:

Mediation is a process where a trained mediator meets with you and your insurance company in order to reach an agreement. The mediator helps both parties focus on the issues, but does not dictate the outcome of the discussion. The insurance company pays the cost of the mediation process. Mediation is not binding on either party. You are not required to accept

the offer made by the insurance company at the mediation conference. To determine if your claim qualifies for mediation, call our Consumer Helpline at 1-877-My-FL-CFO (1-877-693-5236).

Appraisal:

If you and your insurance company cannot reach a satisfactory settlement and your policy allows appraisal,

you may hire an appraiser to negotiate with the insurance company's appraiser to reach a settlement. If the two appraisers cannot agree, they will hire an umpire. The cost of the umpire is shared by you and the insurance company. When two of three (appraisers and/or the umpire) agree, it is considered a binding settlement.

Types of Adjusters

Adjusters evaluate and estimate claims. In order to legally work, adjusters must be licensed by the State of Florida.

Company Adjusters: They work and are paid by your insurance company to inspect and estimate your loss. They submit a report directly to the insurance company, which is used by the company to determine payment to you.

Independent Adjusters: They may be self-employed or work for an independent adjusting firm. Independent adjusters and their firms are also hired and paid by insurance companies to adjust claims of their policyholders. They inspect and estimate your

loss and report it to the insurance company. The insurance company makes the final decision regarding the amount they pay you.

Public Adjusters: They may be self-employed or work for a public adjusting firm. You may hire a public adjuster to estimate your damage and negotiate a settlement on your behalf with the insurance company. A public adjuster will charge a fee to handle the claim on your behalf. Their fee must be stated on the contract as a percentage of the amount they collect on your behalf. In Florida, there are limitations on the amount public adjusters can charge you depending on the type of claim

you have. When you call to verify a public adjuster's license, you should also verify the amount they are charging you is correct.

Emergency Adjusters:

In the event of a disaster, the Department will issue emergency adjuster licenses to assist in adjusting losses directly resulting from a disaster. These licenses are valid for up to 180 days from the date of issue and may be extended. These individuals are also hired and paid by insurance companies.

Property Inventory

Complete a room-by-room inventory with the forms we have included in this toolkit. If you have a covered loss, this inventory will provide you with the complete and accurate information that the insurance company will need to file your claim. The more detailed documentation you can supply during the claims process, the fewer problems you will experience.

The following inventory includes the main rooms of a home, but don't forget other areas such as your closets, basement, attic,

garage, porch, patio, workroom or sheds. In addition to completing an inventory, take photos of your personal property. Pictures add details about your inventory that written documents can't. Also, on larger ticket items, include serial numbers if they are available.

Once the inventory is complete, estimate the replacement cost of your inventory using current prices and compare that amount to your personal property coverage limit. If you feel your coverage should be increased, contact your agent. Also, review

your inventory list for items that may be underinsured due to the limitations on certain types of personal property. Since insurance policies differ, you should check your own insurance policy for the list of personal property subject to limitations. If you determine you need additional coverage for any of these items, contact your insurance agent.

It's very important to update your inventory at least once a year.

Personal Asset Inventory

An inventory form for each of the following rooms has been included in this toolkit for your convenience. Use additional sheets for each room if necessary.

- Living Room
- Dining Room
- Kitchen
- Family Room (Den)
- Bedrooms
- Bathrooms
- Other

TIPS

If possible, take photographs or video of your property and store all records in a safe, dry place.



When submitting a renters' insurance claim, never give original inventories or documents to anyone. If the original document is damaged, there is no way to reproduce a replacement.

Living Room Inventory

Item	Qty	Purchase Date	Purchase Price	Brand Name	Make/Model/Serial #
Furniture					
Sofas/Chairs					
Mirrors					
Lamps					
Rugs/Carpet					
Tables					
Curtains/Draperies					
Entertainment Center					
Bookcases/Books					
Other:					
Arts & Crafts					
Pictures/Paintings					
Sculptures/Pottery					
Other:					
Electronics					
Television					
Stereo					
VCR/DVD					
CDs					
Telephones					
Computer					
Clocks					
Other:					
Miscellaneous					
Air Conditioner					
Cabinets					
Fireplace Fixtures					
Blinds					
Other:					
Additional Notes:					

Dining Room Inventory

Item	Qty	Purchase Date	Purchase Price	Brand Name	Make/Model/Serial #
Furniture					
Tables					
Chairs					
Cabinets					
Curtains/Draperies					
Chandeliers/Lamps					
Mirrors					
Rugs/Carpet					
Other:					
Electronics					
Telephones					
Clocks					
Other:					
Arts & Crafts					
Pictures/Paintings					
Sculptures/Pottery					
Other:					
Miscellaneous					
China/Crystal					
Glassware					
Table Linens					
Blinds					
Other:					
Additional Notes:					

Kitchen Inventory

Item	Qty	Purchase Date	Purchase Price	Brand Name	Make/Model/Serial #
Furniture					
Floor Mats					
Cabinets					
Curtains/Draperies					
Tables					
Chairs					
Other:					
Major Appliances					
Freezer					
Refrigerator					
Oven					
Microwave					
Other:					
Utensils					
Pots/Pans					
Silverware					
Glasses					
Plates/Dishes					
Cooking Utensils					
Other:					
Miscellaneous					
Blender					
Toaster					
Can Opener					
Coffee Maker					
Pictures/Paintings					
Blinds					
Cabinets					
Other:					
Additional Notes:					

Family Room (Den) Inventory

Item	Qty	Purchase Date	Purchase Price	Brand Name	Make/Model/Serial #
Furniture					
Tables					
Sofa/Chairs					
Rugs/Carpet					
Entertainment Center					
Game Table					
Bookcases/Books					
Desks					
Mirrors					
Other:					
Arts & Crafts					
Pictures/Paintings					
Sculptures/Pottery					
Other:					
Electronics					
Television					
VCR/DVD					
Stereo					
CDs					
Computer					
Video Game System					
Clocks					
Other:					
Miscellaneous					
Air Conditioner					
Fireplace Fixtures					
Blinds/Draperies					
Other:					
Additional Notes:					

Bedrooms Inventory

Item	Qty	Purchase Date	Purchase Price	Brand Name	Make/Model/Serial #
Furniture					
Beds					
Nightstand					
Lamps					
Desks					
Rugs/Carpet					
Bed Linens					
Curtains/Draperies					
Dressers					
Bureaus/Chests					
Bookcases/Books					
Mirrors					
Other:					
Arts & Crafts					
Pictures/Paintings					
Sculptures/Pottery					
Other:					
Electronics					
Computer					
Clocks					
Television					
VCR/DVD					
Stereo					
CDs					
Other:					
Miscellaneous					
Blinds					
Clothing					
Other:					
Additional Notes:					

Bathrooms Inventory

Item	Qty	Purchase Date	Purchase Price	Brand Name	Make/Model/Serial #
Furniture					
Hamper					
Floor Mats					
Mirrors					
Bath Mats					
Bathtub					
Curtains/Draperies					
Other:					
Arts & Crafts					
Pictures/Paintings					
Sculptures/Pottery					
Other:					
Electronics					
Electronic Toothbrush					
Hair Dryer					
Shaver					
Curlers					
Other:					
Miscellaneous					
Towels/Linens					
Toiletries					
Scale					
Other:					
Additional Notes:					

Other Inventory

Item	Qty	Purchase Date	Purchase Price	Brand Name	Make/Model/Serial #
Real Estate					
Vehicles					
Cars/Trucks					
Boats					
RVs					
Other:					
Jewelry & Collectibles					
Computer Hardware/Electrical Devices					

Additional Notes:	
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Other Inventory

Item	Qty	Purchase Date	Purchase Price	Brand Name	Make/Model/Serial #
Miscellaneous					
Cameras					
Furs					
Antiques					
Tools					
Firearms					
Plants					
Toys/Porcelain Dolls					
Telescope					
Fish/Fish Tanks					
Musical Instruments					
Outdoor Furniture					
Lawnmower					
Other:					

Additional Notes:

Additional Resources



Hopefully, this toolkit has provided you with a thorough understanding of renters' insurance and valuable information on how to protect yourself and your belongings while renting a property in the state of Florida. For more information, please visit the websites below.



PURCHASING INSURANCE

Do you want to purchase insurance coverage but need information concerning the process or how to protect yourself? Visit the Department's Purchasing Insurance web page to review a variety of topics to think about before purchasing insurance.

<http://www.MyFloridaCFO.com/Division/Consumers/PurchasingInsurance/>



UNDERSTANDING COVERAGE

Have questions about insurance coverage? Browse the Department's Consumer Guides, On Demand Video Library and Insurance Overviews to gain a better understanding of the various insurance products available to you prior to purchase.

<http://www.MyFloridaCFO.com/Division/Consumers/UnderstandingCoverage/>



CHIEF FINANCIAL OFFICER
JEFF ATWATER

FLORIDA DEPARTMENT OF FINANCIAL SERVICES

[www.MyFloridaCFO.com/
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