

Why should tenants have rental insurance?

*By Nicholas Schidowka, President
Insurance Cleveland Agency, LLC*

What is rental insurance? Suppose your building burns down, or a flood, tornado, or other disaster destroys all your belongings. Many people assume that "the landlord's insurance" will pay you for your loss. Unfortunately this is not the case. Landlords have relatively few legal obligations to compensate tenants for damage to or loss of their tenants' **personal possessions**.

The landlord's insurance policy covers (1) the landlord's losses (i.e., the value of the building), and (2) the landlord's liability to others. The landlord is only liable to others (such as his/her tenants) if the loss was caused by his or her negligence. For example, if faulty wiring or flammable materials that the landlord was responsible for maintaining caused a fire, then the landlord may be liable for a tenant's loss and his insurance company is responsible for paying the tenant.

If, however, the fire or other disaster was not caused by the landlord's negligence, then the loss is the tenant's responsibility to bear. For this reason, rental insurance can be a very beneficial investment for a tenant. Rental insurance is an insurance policy that a tenant takes out with an insurance provider that specializes in this type of insurance. Premiums are usually low and a tenant will be reimbursed for a loss from many different causes, including theft. If a tenant has property that is valuable such as computers, expensive stereo equipment, television sets, skis, etc., it may be worth purchasing rental insurance.

First time renters often think that they have not accumulated anything of real value yet, and therefore it is unnecessary to invest in rental insurance. Think again! A small amount of furniture may not look as if it is worth much, but the cost of replacing it with something new could break a budget. Issues arise if furniture or appliances are bought on credit and they are destroyed by fire or stolen. The owner is still responsible for paying the balance to the creditor even though the item is gone.

On the other hand, tenants *are* responsible for harm they may cause to any part of the building in which they live, or to others who live or visit there. A fire ignited by a tenant's defective toaster could, for example, gut an entire apartment complex. Rental insurance can protect a tenant from this large liability. Also, the policy will protect a tenant against lawsuits by guests who might be injured on the property and sues the tenant

"Another benefit of having liability insurance is that part of the insurance company's obligation is to provide a defense for you if you are sued by another party," adds Cleveland attorney Oleh Mahlay. "Although the lawyer is actually representing your interest in these legal actions, the insurance company selects and pays the legal fees associated with any lawsuit."

In addition to rental insurance, Attorney Michael Dobronos strongly recommends you purchase an umbrella policy that covers (like an umbrella) you and your cars. He further goes on to explain that this insurance also covers other unique situations, like sports related injuries, and items on your property, such as trampolines, dirt bikes, all terrain vehicles (ATVs), hot tubs, and swimming pools. Again, an umbrella policy is maximum amount of coverage to protect your personal assets from being exposed to litigation. More important, this coverage would pay your attorney fees and court costs, if you are sued.

Tenants can choose from a variety of insurance policies that remove much of the worry from renting.

The above article is meant to give a general overview of insurance policies; exact coverage and terminology could vary by insurance company. **Please refer to your policy for exact coverage details and terminology.**

About the Author

Nicholas Schidowka began his work in the insurance and financial services industry in 1997. In 2001 he obtained Ohio licenses in Property and Casualty insurance and Life and Health insurance. Since then, he has worked hard to provide various insurance services to his customers including auto, business, health, home, and life. His professional and courteous approach to the insurance field has cultivated a diverse and loyal clientele in the Cleveland (Parma), Ohio area.

In 2007, Insurance Cleveland Agency LLC was formed. As an independent agency, Insurance Cleveland Agency has access to several different insurance carriers including Encompass (owned by Allstate), The Hartford, Ohio Casualty, Progressive Drive, Safeco, Travelers, Victoria (owned by Nationwide), Dairyland / Viking etc.

Insurance Cleveland Agency is pleased to announce the addition of Ivan Voytovych to their team! Mr. Voytovych is a highly qualified and valuable addition to the ICA team and helps the agency cater to the company's English, Ukrainian and Russian speaking customers.

Insurance Cleveland Agency is conveniently located off of Pearl Road and Highway 71 in the Islander Office complex. Office hours are Monday – Friday 9:00 am to 12:30 pm and 1:30 pm to 5:00 pm. Please call ahead for an appointment. We look forward to hearing from you in the near future!

Please give us a call at 440.866.0155, your free quote is waiting for you without any obligations. Many insurance policies are needlessly expensive and often out of date. We will work hard to give you the best service and there is a very good chance you can save money and improve your insurance at the same time.