



# CARNEGIE GENERAL INSURANCE AGENCY

## **Why Renters Insurance is an Important and Valuable Policy for Insureds and Producers**

Renters Insurance can be crucial to the financial wellbeing and peace of mind of your customers who rent their residences. It can also be a vital component of a producer's customer relationship, helping to solidify your mutual commitment, improve retention, augment income, minimize competition, and provide an additional marketing and service touch point. Discussing the importance of this low cost coverage with customers is another opportunity to validate the value an agency provides.

Many renters are either unaware or not concerned that they may have a relatively large investment in personal property that is at risk of loss if they do not have their own renters insurance policy. They may not realize that they, and not their landlord, are responsible for insuring their personal possessions. When you consider the actual cost to replace clothing, furniture, appliances, entertainment systems, jewelry, computers, phones, wall decorations, bedding, dishes, silverware, etc. many realize they have well in excess of \$15,000.00 of personal property. All of this can be lost in an instant through fire or theft – two high frequency risks for renters. Without insurance, your renters may not have the financial resources to replace these basic personal possessions that are an assumed and often overlooked critical foundation of their daily lives.

Renter's assets are also at risk if a guest is injured while visiting their residence. In addition to actual medical costs, an injured guest may sue for liability damages. Regardless of the outcome, the legal bills to represent and defend a suit can be daunting.

A landlord's insurance policy is unlikely to provide any protection to a renter for their personal property or personal liability. A landlord typically has insurance for the structure and any liability they assume as owners of the structure – leaving the renter to fend for himself.

Fortunately the cost for Renters Insurance is surprisingly low; often under \$225 per year. From a producer's perspective, this coverage can yield benefits far exceeding the commissions. This is an opportunity to demonstrate your true concern for a customer's best interests; acting as an advisor as well as an agent. This deeper relationship can be the basis for developing a stable customer base (retention) with continuing opportunity for economic growth (commissions). Over time many of your customers will realize the need for and benefits of increased (higher limits) and broader insurance coverage (health, home, life, business).

For an insured renter, this coverage can be a lifeline that helps protect their financial future. The avoidance of any debt that might be incurred to replace lost property as well as any judgments or liens arising out of a liability claim can be crucial to allowing an insured to quickly get back on their feet and move forward with their life.