

Renters' Insurance



This terminology typically refers to the insurance for those that rent space, but do not have ownership in the building or facility. The term "Renters" is typically used for residential properties, but the concept is the same for business organizations when they rent space from others. The owner of the property is typically responsible for insuring the building, but the leasee or renter is typically responsible for everything inside the building that is used for the operation of the business. From a lenders' perspective, there exists two issues or risk exposures. First is the security tied to the loan could be assets of the borrower, therefore the assets need to be insured. When the repayment of a loan is reliant upon the revenues generated by the borrower, then again the equipment and facility needs to be secured and insured just in case a significant claim is incurred.

exists two issues or risk exposures. First is the security tied to the loan could be assets of the borrower, therefore the assets need to be insured. When the repayment of a loan is reliant upon the revenues generated by the borrower, then again the equipment and facility needs to be secured and insured just in case a significant claim is incurred.



There exists many circumstances that could lead to shutting down an operation. Most of which can be reasonably insured, thus protecting the business operation and the lender (as well as other potential creditors). The main two causes of loss for any business (including non-profits) are fire and water. Fire doesn't need additional explanation, but water may effect a business in several different ways from flood, water pipe breakage, mold, roof failure, etc. These primary causes of loss are easily insurable.

Personal property coverage, a standard component of renters insurance, may help cover the cost of replacing your stuff if it's unexpectedly damaged or destroyed. This protection generally applies to certain risks (also referred to as "perils"), such as fire, according to the Insurance Information Institute. For example, if your furniture and equipment are destroyed by a fire, this coverage may help you pay for the cost of replacing them. However, remember that coverage limits — the maximum amount your policy will pay for personal property losses — will apply.

Does Renters Insurance Cover Theft?

If your renters insurance policy includes personal property coverage, it may help pay to replace your stolen items. This coverage typically protects items stolen after a break-in at your rental property, or even items stolen outside of your rental. For example, if your personal property (such as a laptop computer) is stolen from your car, the personal property coverage in your renters policy may help pay to replace it.

Keep in mind that personal property coverage is usually subject to a deductible. This means you'd have to pay a certain amount of money toward the covered item's repair or replacement before your insurer will help pay for the loss.



Be sure to read your insurance policy carefully to understand what may or may not be covered.