

RENTERS

You rent your place, but you own your stuff

Did you know that while your landlord's insurance covers the building, it doesn't cover your belongings? It may surprise you to know that the average renter purchases approximately \$35,000 in coverage for their possessions.¹ Could you afford to replace everything you own if something should happen? With a State Farm® Renters Policy, your possessions are protected in and out of your home. And more renters choose State Farm than any other insurer.

Renters insurance basic facts

There are two main kinds of coverages that are included:

- **Property:** To protect your contents.
- **Liability:** To protect yourself financially against costly claims and lawsuits.

It's a good idea to review your policy annually to determine if you have enough coverage. Your State Farm agent can help you customize your coverage to meet your needs.

Here are some common myths about renters insurance:

MYTHS	REALITIES
My belongings aren't worth insuring.	Take a quick inventory . . . you may be surprised at what your belongings are worth. Imagine having to replace your entire wardrobe, your TV and DVD player, your stereo system, and more.
My landlord's insurance covers me.	Your landlord's insurance typically only covers the dwelling—not your personal belongings.
I hear renters insurance is expensive.	If you can afford a DVD a month, you can afford renters insurance. And if you have auto insurance with State Farm, or if your apartment has a security system, your premiums could be even lower.
I don't need liability insurance.	Your landlord's policy may not cover your liability for a loss that occurs at your residence.



What's covered?

State Farm can help protect your home and personal property against losses caused by:

- Fire or lightning
- Windstorm or hail
- Explosion
- Riot or civil commotion
- Impact by aircraft
- Impact by vehicle
- Smoke
- Vandalism or malicious mischief
- Theft
- Falling objects
- Weight of ice, snow, or sleet
- Sudden water discharge from plumbing or appliances
- Sudden tearing/bulging of heating or cooling systems
- Freezing of plumbing system
- Artificially generated electrical current (power surge)
- Breakage of glass

All property coverages are subject to the *Losses Not Insured* provisions of the policy.

What's not covered?

While the State Farm Renters Policy provides broad coverage, it does not provide coverage for every loss. Examples of losses not insured include, but are not limited to:

Property losses not insured

- Water damage caused by flood or underground water.
- Damage caused by earth movement including earthquake or mudslide.
- Damage caused by nuclear hazard.

Ask your State Farm agent about a separate NFIP-Direct *flood policy* or earthquake coverage that may be available.

Personal liability not insured

- Bodily injury or property damage that is expected or intended by the insured.
- Business pursuits.
- Professional services provided or not provided.
- Ownership, operation, use, or maintenance of aircraft, certain motor vehicles, and certain watercraft.

Please refer to the *Losses Not Insured* and *Exclusions* sections of the policy for more information.

Understanding the details of your coverage

Look through these descriptions so you have a general understanding of coverage included:

Personal Property – Coverage B: This coverage insures personal property in your home such as clothes and furniture. It also insures personal property you take with you while away from home.

Loss of Use – Coverage C: This coverage may pay for certain losses when your home is damaged and rendered uninhabitable because of an insured loss.

- **Additional Living Expense:** We cover the actual loss incurred for increased expenses beyond what you normally spend for food, shelter, and related items for the shortest time required to repair or replace your home, or for your household to settle elsewhere, up to 24 months.
- **Fair Rental Value:** We cover the actual loss sustained for rental income from that portion of your home rented to others or intended for rental, for the shortest time required to repair or replace the part of the home rented or intended for rental, up to 12 months.

Personal Liability – Coverage L: This coverage may pay for bodily injury and property damage caused to others by an occurrence for which you are legally liable and to which this insurance applies. In addition, it may pay for your defense against these claims or lawsuits.

When you're deciding how much personal liability protection you need, remember:

- Select liability limits high enough to protect your assets.
- Consider purchasing a *Personal Liability Umbrella Policy* that may add an extra layer of liability protection above your renters or auto policy.

Medical Payments to Others – Coverage M: This coverage may pay medical expenses up to the limits in the policy for people who are on your premises with your permission and accidentally injured. The coverage also extends to people accidentally injured by your activities. However, the coverage does not pay for medical expenses for you or members of your family that live with you.

Here's how it works – Medical Payments to Others

Suppose a friend comes to your home and accidentally slams a door on his hand, leading to an injury that requires medical attention. Even though the accident was not your fault, Medical Payments to Others coverage could help pay for your friend's medical bills resulting from this accident.

Other things you'll like about this policy

Your Renters Policy includes coverage for:

Inflation Coverage: This coverage automatically increases the amount of insurance on your personal property (not including Special Limits of Liability on Personal Property) as inflation increases the cost of replacement. The changes are based on the movement of an inflation index and are reflected in the premium at each renewal of the policy.

Additional Property Coverages

These coverages provide protection in the event of certain types of losses:

- **Debris Removal** – Pays reasonable expenses incurred to remove covered damaged property following an insured loss, up to a specified limit.
- **Credit Card, Bank Fund Transfer Card, Forgery, and Counterfeit Money** – Pays certain losses up to \$1,000.
- **Refrigerated Products** – In certain situations, may pay for loss to the contents of an on-premises refrigerator or freezer resulting from power or mechanical failure.

Additional Liability Coverages

These coverages will help protect you under the following situations:

- **Claim Expenses** – Includes expenses we may incur in defending a lawsuit brought against you for damages covered under the policy.
- **First Aid Expenses** – Pays for another person's first aid expenses that are paid by you and covered under the policy.
- **Damage to Property of Others** – Pays up to \$500 for certain damage to property of others accidentally caused by an insured.

Loss Settlement Provisions

A loss settlement provision refers to the method we use to determine how much we pay you for a covered loss:

Personal Property

We have two loss settlement provisions for you to choose from for your personal property (Coverage B):

- **Limited Replacement Cost Loss Settlement** – Pays the cost to repair or replace damaged property at the time of loss, if actually replaced, up to the limit of liability.
- **Depreciated Loss Settlement** – Pays the cost to repair or replace damaged property, less depreciation at the time of loss.

Your coverage and deductible can be tailored to fit your needs. Ask your agent about how deductibles and claims can affect your renters policy premium.

Here's how it works – Loss Settlement

Under the Depreciated Loss Settlement provision, coverage for your personal property is provided on a replacement cost less depreciation basis. That means an item is only insured for its value AFTER depreciation is considered. For example, if your five-year-old TV is destroyed beyond repair by fire, you'd only be paid the depreciated value of the five-year-old TV. Under the Limited Replacement Cost Loss Settlement provision, additional replacement cost benefits are available up to the replacement cost of the TV, as long as the TV is replaced. Whatever loss settlement provision you choose, the entire loss is subject to your deductible. Ask your State Farm agent to help you decide which provision is right for you.

Personal Property Special Limits

Special payment limits apply to certain types of property. For example:

ITEM	COVERAGE LIMIT
Money, bank notes, coins (including collections)	\$200
Property used or intended to be used in a business	
On premises	\$1,500
Off premises	\$750
Watercraft and equipment	\$1,500
Securities, checks, travelers checks	\$1,000
Trailers (not used with watercraft)	\$1,500
Stamps, trading cards, comic books (including collections)	\$2,500
Certain power-assisted bicycles and lightly powered vehicles	\$500
Home computers and mobile personal electronic devices	\$5,000

THEFT LOSS OF	COVERAGE LIMIT
Jewelry and furs	\$1,000
Firearms	\$2,500
Silverware and goldware	\$2,500
Rugs, tapestries, wall hangings	
Per item	\$5,000
Aggregate	\$10,000

Antiques, fine arts, paintings, statuary, and similar articles that cannot be replaced by new articles, and property no longer useful for its intended purpose, are limited to their market value.

Insurance may be available for some of these personal property items valued above these listed coverage limits. The addition of a *Personal Articles Policy* could provide you with separate, broader coverage on some of these items. Ask your agent about your options.

Home safety and damage prevention tips

- Take an inventory and photos of your possessions. Place your inventory, photos, jewelry, and other important items in a safe deposit box or a separate location. This will help you document a loss if you need to make a claim. To fully document all your covered property, ask your agent for a copy of our Home Inventory Brochure, or download a copy of the Home Inventory Checklist from statefarm.com®.
- Make sure your landlord has installed smoke and carbon monoxide detectors and adequate locks on doors, and has your heating and cooling systems serviced professionally on a regular basis.
- Check for fire hazards regularly, including unsafe wiring conditions.
- Have all-purpose fire extinguishers available.

It's your home ... protect it with a company you can trust

Why try to prepare for the future on your own? Let State Farm help. Why? Simply put, a better value:

- State Farm offers several ways to save, including:
 - Discounts may apply if you already have a qualifying State Farm Car Policy.
 - Home alert discounts may apply if you install fire detectors, smoke detectors, or burglar alarms.
- Your life changes. Let a State Farm agent help you manage your changing insurance and financial needs, from starting a family, to buying a home, to planning for retirement.
- We're here when you need us the most. State Farm has one of the world's largest professional claim networks, so we can settle your claims promptly and fairly.
- Getting in touch is always easy. Walk in, Mail in, Call in, Click in. Contact your State Farm agent today or visit statefarm.com.

With more than 80 years in the insurance business and the financial strength to back up our policies, as well as consistently high ratings from independent rating agencies, you can trust State Farm.

¹Based on State Farm experience.

²Based on written premium reported by A.M. Best as of 2010.

This is only a general description of coverages and is not a statement of contract. Details of coverage or limits vary in some states.

All coverages are subject to the terms, provisions, exclusions, and conditions in the policy itself and in any endorsements.

State Farm Fire and Casualty Company
State Farm General Insurance Company
Bloomington, IL

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