



THE IMPORTANCE OF REQUIRING YOUR TENANTS TO HAVE RENTERS INSURANCE

As a landlord, you've insured your valuable property with a Businessowners Insurance Policy (BOP). However, this coverage generally doesn't extend to your tenants or their personal possessions, leaving important gaps in coverage for you both. Requiring your residents to have renters insurance can be the solution to ensure you and your tenants are protected from unnecessary disputes and financial hardship.

BENEFITS FOR YOU

Requiring renters insurance benefits you as much as it does your residents. In the case of a guest slipping, a pet bite, water damage, fire, temporary loss of use, or another covered event, your tenant's renters policy coverage may activate, which allows you to:

- **Avoid Costly Liability Claims:** Renters insurance typically covers scenarios like slips, pet incidents, water damage, and alternative housing needs.
- **Be Cleared of Responsibility:** If a property damage or injury claim arises, a renter's policy may help avoid disputes over who is responsible for what.

In addition, requiring proof of renters insurance helps you to find responsible tenants who value protecting your property and theirs.

BENEFITS FOR YOUR TENANTS

While many tenants might consider renters insurance unnecessary, it offers them valuable benefits and crucial protection (up to a certain limit) at a very low cost:

- **Personal Property** may help a tenant pay to replace or repair their belongings that are damaged by a covered loss, such as fire, theft, or extreme weather.
- **Loss of Use** may help tenants cover the cost of temporary housing and other expenses (beyond the norm) they incur if their home is unlivable.
- **Personal Liability** typically helps tenants pay legal fees and other expenses that arise if they are responsible for causing personal injury or property damage.
- **Medical Payments to Others** may help a tenant cover medical expenses if a resident's guest suffers an injury on your property.

57%

of renters either didn't know who was responsible for theft or property damage or thought it was the responsibility of the landlord or property management company.

SOURCES: <https://www.iii.org/article/renters-insurance>, https://home.treasury.gov/system/files/311/FIO_Revised_Data_Collection_OMB_Supporting_Statement.pdf, <https://content.naic.org/sites/default/files/publication-hmr-zu-homeowners-report.pdf>

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