**Why do I need renter’s insurance?**

Most landlords only have insurance that covers the damage to the actual dwelling, which leaves everything of yours—electronics, furniture, clothes, whatever—vulnerable. So, to protect your belongings in case of fire, theft, or damage, you need your own policy, called renter’s insurance. (Unless, of course, you have the funds to replace everything yourself!)

You also need liability coverage for damages caused by negligence. For instance, if you accidentally leave the kitchen sink on and it overflows into your neighbors’ apartment, you could be found liable for that damage—and required to pay for repairs, medical bills related to the accident, as well as defense costs if they bring a suit against you. Renter’s insurance would cover those costs.

**What exactly will my policy cover?**

**Personal Property**

Most standard renter’s insurance policies offer protection for your belongings in case of power surges, water damage, fire, vandalism, theft, and other events out of your control. Also keep in mind that certain types of property will only be covered up to a limit set by your insurance company.

**Loss of Use**

Your policy also covers your living expenses in case you must leave your home after an accident. Say a tree crashes through your roof and the place needs repairs before you can live there again—loss of use will cover a hotel, food, and any other expenses you incur during that time.

**Liability**

Your liability coverage pays for bodily injury and property damage caused by negligence—like if your dog gets loose and bites the neighbor's kid and he has to get stitches.

**How much coverage do I need?**

Many landlords require their tenants to have a minimum of $100K in liability coverage. If your landlord doesn’t have this guideline, talk to an insurance agent to determine how much coverage you need.

For property damage coverage, one of the first questions the agent will ask you is how much your stuff is worth. While that seems like a simple question, when you really start to think through what it would cost to replace everything in your home, it can get tricky. But a good rule of thumb, and what basic policies cover, is $30,000 to $50,000 for apartments and around $100,000 for homes.

More importantly, even if you can’t put a dollar sign on all that you have, take photos or videos of your place and your most important belongings. This way, in case of a catastrophe, you’ll have a record of everything and can think through how much everything is worth at that point.