

# Should I buy renter's insurance or protect my assets another way?

**Robert Fredrikson**

CFD INVESTMENTS

Renter's insurance is an excellent idea to protect your assets. Such insurance is very affordable, worth pursuing and grossly underutilized.



Renters commonly desire protection from theft and fire, the two most-feared perils. However, a standard renter's policy covers many perils, such as vandalism, storm damage, water damage from plumbing, power surges, explosions and more. (Caution: Damage from floods requires a separate rider.)

Benefits include liability protection from an injury to a guest, water damage caused to a neighbor below, and temporary housing expenses of up to 12 months.

I suggest replacement cost coverage over actual cash value. It costs a little more but pays much more when you have a claim. RCC will pay to replace what you lost at the current cost, whereas ACV will pay you an estimate of its value.

Higher-cost or hard-to-value items such as jewelry and art require separate riders. Record assets by keeping digital photos and scanned receipts in a safe place.

You'll pay about \$150 to \$350 per year for around \$40,000 of asset coverage, including riders and basic liability protection of \$100,000. Rates may be higher or coverage denied if you live in a high-risk dwelling or area, own or care for certain breeds of dogs, or operate a business in the dwelling.

◆ Bob Fredrikson is a certified financial planner. Advisory services are provided through Creative Financial Designs, a registered investment adviser. Securities are offered through CFD Investments, a registered broker/dealer.