



# **Renters, Auto and Health Insurance considerations for Young Adults**

Consumer Education and Advocacy Unit

# What is Renters Insurance?

Let's talk about where you live or will be living soon. Maybe in a dorm – maybe an apartment with a couple friends. Wherever it is, you are likely to bring a laptop, furniture, various electronics, maybe a bicycle or other equipment for outdoor activities.

**WHY RENTERS  
INSURANCE**

IS A GOOD IDEA

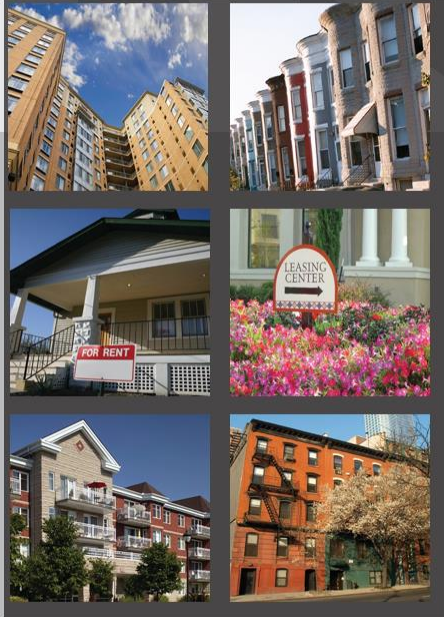
Maryland


# What is Renters Insurance?

Items you keep in a rented apartment, house, dorm room, or a rented room in someone's home generally will not be protected against loss or damage unless you have a renters insurance policy.

**WHY RENTERS  
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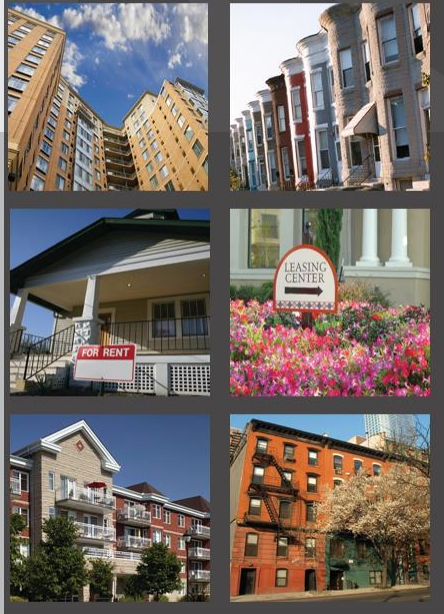
  
Maryland

# What is Renters Insurance?

However, if you are a student living in on-campus or school-owned housing, your belongings may be covered under a parent's homeowners insurance policy, depending upon the terms of the policy. So it is a good idea to check with your parent's homeowners insurer or insurance producer (agent or broker) to find out if the policy will cover your personal property while away at school.

**WHY RENTERS  
INSURANCE**

IS A GOOD IDEA



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# What does a Renters Insurance Policy Cover?

*Loss or damage to household contents or personal possessions*

- Renters insurance policies can cover everything from electronics to clothing to household appliances.
- Even a minimal number of items could add up to thousands of dollars' worth of personal property, which can be covered in a basic renters insurance policy.
- Many policies do not limit protection to your belongings located in your home or apartment. For example, items you have insured often are covered if they are stolen by someone who breaks into your car or if they are damaged by a covered peril while not on your property.

# What does a Renters Insurance Policy Cover?

*Additional living expenses in the event of a covered loss that makes your home, apartment or condominium uninhabitable*

- If there is damage to the building you are renting and you must live elsewhere while the building is being repaired, or while you relocate, you will generally have coverage for additional living expenses incurred during this period of time, subject to the limits of your policy.

*Liability coverage for injuries to others and/or their property caused by your negligence and medical payments coverage for others that are hurt while on your property even if you are not at fault*

- A renters insurance policy usually covers your personal property and your personal legal responsibility (liability) for injuries to others or damage to the property.

# What does a Renters Insurance Policy Cover?

## *What Perils Are Covered Under Your Renters Policy?*

When you are shopping for renters insurance, it is important that you understand what perils (risks such as fire, wind, hail, theft and/or vandalism that can cause damage) are covered by your policy. Some policies cover multiple perils, while some policies cover only one very specific peril.

If your home is damaged by a peril that is not named in the policy, then the damage will not be covered. For example, if you have a policy that says it only covers damage caused by fire and you incur wind damage, your insurer will not pay to repair the damage.

A policy that only covers one peril will likely be less expensive than one that covers multiple perils, but it is essential that you understand the limitations of the policy.



# What does a Renters Insurance Policy Cover?

## *What Perils Are Covered Under Your Renters Policy?*

Although a policy that only covers one peril may cost less upfront, it may not provide sufficient coverage.

For example, recently a number of apartments in the city of Baltimore were damaged in a wind storm. Many of the tenants carried fire only renters insurance policies and, as a result – although their belongings were destroyed in the wind storm, they had no coverage under their renters insurance policies.



## Frequently Asked Questions

*How much coverage do I need for my household property?*

This depends on the value of your personal property. You should start by making an inventory of your personal property and determining the value of that property.

### [Video: Creating a Home Inventory](#)

- Group items together in logical categories, or room by room. Don't forget rarely used items.
- Photograph or videotape each item or room.
- Store your home inventory and related items, such as sales receipts or appraisal documents, in a safe place such as in the cloud or in a fire-proof box or safe deposit box.

An updated inventory can also make it easier to file an accurate, detailed insurance claim in case your personal property is damaged or destroyed by a covered cause of loss under your policy.

# Frequently Asked Questions

*What does Actual Cash Value and Replacement Cost Value mean?*

- Actual Cash Value (ACV): This coverage provides you with the cost to replace your personal property up to the limit of the insurance policy, minus depreciation for age and condition.
- Replacement Cost Value (RCV): This coverage provides you with the cost of replacing the damaged or destroyed property, up to the policy limits, without any deduction for depreciation.

*When I was a homeowner, my policy didn't cover damage caused by earthquakes or flood. Is it the same with a renters insurance policy?*

- Damage from earthquakes or flood are generally not covered by a renters insurance policy, but may be available to you as separate policies.

The National Flood Insurance Program provides flood insurance in many areas. For more information, or to find an insurance producer near you, visit [www.floodsmart.gov](http://www.floodsmart.gov).



# Frequently Asked Questions

*How much does renters insurance cost?*

- The actual cost depends upon the amount of coverage you want, the type of coverage (replacement cost value or actual cash value), and the deductible you select. The average renters insurance policy costs between \$15 and \$30 per month. Replacing all of your possessions or being liable for an accident on your premises will cost much more.

*Are discounts available?*

- Insurers will often reduce your premiums if you have fire or burglar alarms, fire extinguishers, sprinkler systems and/or deadbolts on exterior doors. Some insurers might also offer discounts if you have more than one policy with them.

# Property Damage Liability Waiver

Your property management company or landlord may require that you purchase a Property Damage Liability Waiver (PDLW), or include a fee for a PDLW as part of your rent.

***It is important to know that a PDLW is not renters insurance, and typically will not cover any of your belongings.***

A PDLW generally only covers damage to the building, and may only apply to certain types of events, such as fire, smoke, explosions, or leaking water.

# Renters Insurance: Introduction to our Rate Guide

Comparison shopping is the key to getting the most out of your insurance dollar.

Tips for getting the most out of insurance shopping:

- Make sure you provide the same information to each insurer or insurance producer.
- Ask about discounts.
- Ask about deductibles and when they apply.
- Ask about what is covered and what is excluded.
- In addition to price, consider factors such as coverage limits and customer service.
- Ask friends and neighbors about their experience with different insurers.

# Renters Insurance: Introduction to our Rate Guide

This consumer guide should be used for educational purposes only. It is not intended to provide legal advice or opinions regarding coverage under a specific insurance policy or contract; nor should it be construed as an endorsement of any product, service, person, or organization mentioned in this guide.

# Renters Insurance: Introduction to our Rate Guide

## **RENTERS INSURANCE**

**A COMPARISON GUIDE TO RATES**

AS OF FEBRUARY 2021



**Maryland**  
INSURANCE ADMINISTRATION

## Renters Insurance: Introduction to our Rate Guide

This brochure is available at [Renters Insurance: A Comparison Guide to Rates](#) or by calling us at 800-492-6116 to request a copy. Insurer phone numbers and websites are available in the back of the book.

*\*The same information appears in the “Homeowners & Renters Insurance: A Comparison Guide to Rates” as scenario 6.*



# What is Auto Insurance?



Auto insurance is a contract between you and the insurer that protects you against financial loss. In exchange for you paying a premium, the insurer agrees to pay for certain covered losses as described in your policy.

# Auto Insurance Coverage

*Liability Insurance* – protects policyholders and other insureds when they cause an accident. There are two types of liability coverage:

Bodily injury liability coverage – Protects you if the driver of your car causes an accident and an injured person makes a claim or files a lawsuit against you, unless the driver of your car is excluded or does not have a reasonable belief they are entitled to drive your vehicle.

Property damage liability – Protects you if the driver of your car causes an accident resulting in damage to someone else's property, like another vehicle or other property, such as a fence, unless the driver of your car is excluded or does not have a reasonable belief they are entitled to drive your vehicle.

# Auto Insurance Coverage

Maryland law requires all registered vehicle owners to carry a minimum amount of liability coverage. The coverage required by law is:

- \$30,000 for bodily injury per person
- \$60,000 bodily injury per accident; and
- \$15,000 property damage

# Auto Insurance Coverage

*Uninsured Motorist (UM) coverage* – protects you and other insureds under your policy’s terms when an accident is caused by a driver who does not have auto insurance coverage, does not have enough liability insurance, or when the owner of the at fault vehicle cannot be identified such as in the case of a hit-and-run.

Maryland Law requires all registered vehicle owners to carry a minimum amount of UM. The coverage required by law is:

- \$30,000 for bodily injury per person
- \$60,000 bodily injury per accident; and
- \$15,000 property damage

# Auto Insurance Coverage

*What happens if I have a lapse in my auto insurance coverage?*

Maryland law requires that you maintain the required minimum coverage at all times while the vehicle is registered. The Motor Vehicle Administration will assess a penalty for every day that you do not maintain minimum coverage.

More details are available on the Motor Vehicle Administration's website at:

[Auto Insurance Requirements in Maryland](#)



# Auto Insurance Coverage

*Collision Coverage* – an optional coverage that you purchase to provide for payment of property damage to your insured vehicle from a collision with another vehicle or object. If you are in an accident and have collision coverage, your insurer will pay to repair your vehicle or will pay you what your vehicle was worth right before the accident occurred if your vehicle is a total loss.

*Comprehensive Coverage* – pays for damage to your car resulting from causes other than a collision, like vandalism, theft, or storm damage.

**Typically, both collision and comprehensive coverage have a deductible.**



# Comprehensive Coverage

When it comes to auto insurance coverage, **Comprehensive Coverage** provides you the coverage for property damage to your insured vehicle resulting from occurrences other than collision.



- Flooding
- Theft
- Vandalism
- Glass breakage not resulting from an accident
- A vehicle striking an animal



# Auto Insurance Coverage

*Personal Injury Protection (PIP)* - provides reimbursement for medical expenses arising from a motor vehicle accident for injuries to you, your passengers, or a pedestrian struck by your vehicle. It will also cover lost wages and other related expenses arising from a motor vehicle accident. Maryland law requires insurers to offer policyholders at least \$2,500 in PIP. You may elect to purchase limited PIP coverage and certain individuals may be able to fully reject PIP coverage.



# How are Auto Insurance Premiums Developed?

There is a wide variety of criteria considered to help the insurer in predicting the likelihood that you will be in an accident or to file a claim.

## [Video: How does an Auto Insurer Determine Your Premium?](#)

- Age
- Gender
- Marital status
- Number of miles driven annually
- Driving record
- Credit history
- Purpose vehicle is being driven for (vehicle use)
- The location of where the vehicle is garaged
- Driving experience
- Claims history


# Comparison Shop


Comparison shop by looking to see if you can obtain those same coverages from another insurer at a lower cost.

- Make sure you compare policies that offer the same types of coverage with the same deductibles and coverage limits.
- Make sure the information you provide is accurate and that you provide the same information to each insurer you call.
- Ask about deductibles and when they apply.

# Introduction to our Rate Guide

**AUTO INSURANCE**  
A COMPARISON GUIDE TO RATES



  
**Maryland**  
INSURANCE ADMINISTRATION

As of February 2022



# Introduction to our Rate Guide

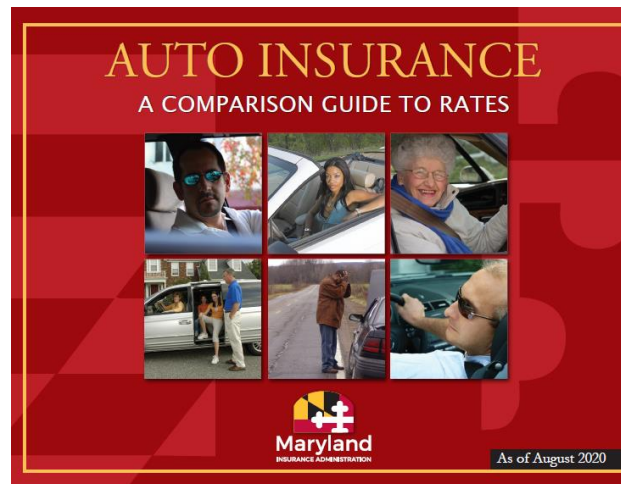
This brochure is available on our website at:

[Auto Insurance: A Comparison Guide to Rates](#)

or by calling us at 800-492-6116 to request a copy.

Rates are updated in the guide every February and August.

Insurer phone numbers and websites are available in the back of the book.



# Considerations for Young Adults and College Students

- For college students with a car at school, make sure the insurer knows where the car is going to be parked. Generally, an insured is required to notify the insurer whenever there is a change in the policy information, including where the insured car is garaged. Also, different states have different levels of minimum coverage and it's important to comply with the coverage minimums in the state you are living in.
- Another factor to consider – who is the legal owner of the car. If a car is titled in a parent's name, the parent will likely need to insure the vehicle. You may be able to stay on the parent's insurance policy as a listed (named) driver. Contact the insurer or insurance producer to find out the details.

# Considerations for Young Adults and College Students

- Keeping a clean driving record can make a big difference in your rates. Drivers with accidents and moving violations generally pay more for insurance, and young people already face high insurance rates due to inexperience. Remember, if you are insured under a parent's auto insurance policy, your driving record may also affect your parent's insurance rates.

# Considerations for Young Adults and College Students

- If you are a student and plan to buy or lease a car, it is a good idea to choose carefully. Certain vehicles cost more to insure.
- Ask your insurer whether there are any discounts that might be available to you (good driver discounts, multi-policy, multi-vehicle, protective device). Not all insurers offer the same discounts.



# Considerations for Young Adults and College Students

Last two auto insurance tips:

- Keep a good credit rating. Pay your bills on time. Don't go crazy with the credit card. Your credit score can affect your premium rate when you buy a new policy.
- And students, keep those grades up! Many insurers offer a discount if you keep up a B or better average.



# Health Insurance for Young Adults

Health Insurance may be available to purchase from your college or university. If so, it'll likely be billed to you with your fees and tuition.

Important: If you do not need the health insurance through your school, make sure you are not paying for it. Look carefully at your tuition statement or any receipts.



# Health Insurance for Young Adults

If you are covered as a dependent under your parent's or other guardian's health benefit plan, you may be eligible to continue this coverage until age 26.

Contact the health insurance carrier to find out if your plan will cover services in the area where you are attending school, and;

if there are any additional steps you need to take to ensure coverage.



# Health Insurance for Young Adults

If you are employed, you may also be able to obtain health insurance through your employer.

If you recently left your job, you may be eligible for continued coverage under your old employer's health benefit plan under the federal law known as COBRA. For more information, contact your employer or the health insurance carrier.



# Health Insurance for Young Adults



You may also want to buy a policy from the Maryland Health Connection – or the exchange that is operated in the state you are living in.

You may qualify for significant subsidies – meaning you pay very little for your plan.

The Maryland Health Connection can also help determine if you qualify for Medicaid. Contact the Maryland Health Connection at **888-642-8572** for information on an individual policy and Medicaid enrollment.



# Contact Us

We're here to assist with all of your insurance questions or issues.

Contact us to verify the insurer or insurance producer you select is authorized to sell insurance in Maryland to protect yourself from fraud.

Maryland Insurance Administration

410-468-2000

800-492-6116

[www.insurance.maryland.gov](http://www.insurance.maryland.gov)

