

Wake of the Storm

Renters, dorm dwellers, base housing occupants need insurance, too

story and photos by Tech. Sgt. Ben Bloker, 1st Communications Squadron

After flood waters receded and massive trees were hauled off the roadways, Langley Air Force Base, Va., residents slowly returned to their homes. But for some, returning wasn't an option. The amount of destruction Hurricane Isabel left in its wake was great. So was the aftershock of home repairs for those hit by the storm. If they didn't already have it, many people likely wished they had renters insurance.

In the aftermath of Hurricane Isabel in September 2003, military members living on base claimed more than \$605,000 in personal property damage, according to the Langley claims office. Renters insurance proved critical for many in dealing with the enormous loss experienced. Still, others hesitated to buy insurance, especially those living in military housing.

"During the hurricane, a dormitory on base flooded from a broken water pipe," said Tech. Sgt. LaToya Smith, an Air Force claims representative. "None of the dorm occupants had renters insurance, and many of them didn't even know they could get it."

Neglecting to purchase insurance isn't limited to those who live in military housing. A recent study commissioned by the Independent Insurance Agents and Brokers of America found that roughly two-thirds of all renters nationwide are without renters coverage.

So who really needs to consider purchasing insurance? All homeowners who have mortgages are required to have homeowners insurance to protect their investments. This coverage also includes personal property. But there's no such requirement for people who rent.

Those who rent a home or apartment off base should seriously consider renters insurance. Whether stationed overseas or stateside, the military will not reimburse members whose personal property is damaged while not living in

military housing. For those who live in government housing, there are limits to what can be reimbursed.

Staff Sgt. David Colvin, a circuit technician for the 1st Communications Squadron, was renting a town home that was cut almost completely in half by a huge tree that fell during the hurricane.

"My next door neighbors' town home is in just as bad of shape as mine," he said. "Unfortunately, they didn't have any insurance." Sergeant Colvin estimates he lost almost \$30,000 of his property from either water damage or looting.

But renters coverage isn't limited to protection from forces of nature. "Renters insurance sure comes in handy, especially when you're [moving]," said Rick Rivas, a military retiree who represents Geico Insurance Co. "It covers the damages that the government wouldn't while you're on the move."

Those who live in military housing, to include dormitories, have different things to consider when buying renters insurance. For military housing, the government will reimburse only a limited amount in the case of damage from

uncontrollable circumstances such as fire, broken water pipes and theft.

One of the biggest advantages to having a renters insurance policy is that it usually reimburses the replacement cost of the property. Most renters insurance policies will pay full replacement cost for items damaged during shipment. Renters insurance will also cover all liability claims that may happen at your home such as a guest falling and getting injured.

When shopping for homeowners or renters insurance, keep in mind the many variables that affect the cost of insurance such as the area you live in, your home's proximity to a fire station and fire hydrant, what country you live in and the construction materials of your home.

Always check the credibility of each insurance company by how they stand financially and their track record for paying out claims. There are helpful web sites such as www.ambest.com, www.fitchratings.com and www.jdpower.com that can help with this process.

"Most people focus on the cost of insurance," said Tom Woods, assistant

vice president of property underwriting for USAA. "They don't usually consider how quick and thorough the company is."

Another important item to consider is whether the insurance company is giving a rate based on property replacement cost or its depreciated value. It's important to choose a plan that gives the actual replacement cost of your property. This option may cost 15 percent more, but it ensures that items will be given actual replacement value.

Finally, choose a deductible you can afford. Mr. Woods estimated the typical cost for \$15,000 worth of coverage with a \$250 deductible would be \$100 to \$120 per year. For \$2,500 worth of coverage with a \$250 deductible the cost is \$75 to \$80 per year, or around \$6.50 per month.

Regardless where you live, there's always a possibility of your belongings being damaged, and maybe more so as military members. It's in your best interest to take a look around and consider what it would cost to replace everything. Those few dollars you spend each month might be the best investment you ever made. ☺

Checklist for renters insurance

What items should you consider when searching for the right renters insurance? Answering these common questions may provide some insight:

- How much coverage do you need? Determine the value of all your property.
- Does the insurance cover the full replacement cost of your items?
- How much of a deductible can I afford?
- Will my insurance cover my property during a move?
- Is the insurance company financially stable with a good track record of paying out claims?
- Do you need a "personal article floater" to cover expensive jewelry, antiques or electronics? "Floaters" have no deductible and usually cover a broader range of claims.

