



# ***Homeowner Versus Renter Insurance***

**Homeowners Education**

*by AJ Amjad Khan*

**(949) 404-4349**

<https://www.coastviewrestoration.com>

[coastviewrestoration@gmail.com](mailto:coastviewrestoration@gmail.com)

2840 E White Star Ave, Suite 117, Anaheim, CA 92806, USA

# Homeowner Versus Renter Insurance

HOMEOWNERS INSURANCE	RENTERS INSURANCE
Covers the actual building you live in	The landlord pays for the coverage on the existing building, and you pay for coverage on personal property
Most lenders require it if you take out a mortgage	Taken out by tenants to cover personal property and liability owned by the tenant and not the responsibility of the landlord
Typically more expensive than renter's	Never assume the landlord's insurance will cover anything you own in or around the property
A homeowners insurance policy is taken out by the owner of the home. The amount of insurance generally covers the cost to replace the house in the event of a total loss and the personal property in it, such as furniture, appliances, clothing, jewelry, and dishes. If a home costs \$200,000 to rebuild and the items inside the house cost \$150,000 to replace, a homeowner who wants to cover everything would need to insure the property for at least \$350,000.	Renter's insurance is for occupants who do not own the property but want to protect their personal belongings that are in the home or on the property. Renters need to note that the property owner's insurance policy does not cover them and their items if they are damaged or destroyed. Renter's insurance policies will reimburse a renter for the replacement cost of property that is lost or damaged while on the property. It can also extend to means of transportation, covering items stolen from your car or a bike stolen while you were at work.

## The Bottom Line

A property owner is not obligated to insure their property unless there are exceptional circumstances. Still, a homeowner who has a mortgage is usually required to take out an insurance policy. Landlords often stipulate that tenants obtain their own renter's insurance in the lease agreement. As you insure a more substantial asset with homeowners' insurance, the cost will likely be higher than rental insurance. Most homeowners' and renter's insurance policies also have liability coverage associated with them.