7 Reasons to Require Renters Insurance

For Property Managers

- What Is Required Renters Insurance?
- Benefits of Mandatory Programs
- 7 Reasons You Should Consider It
Required renters insurance is coverage that every renter must carry in order to move into a community that mandates it. These days, it’s regarded as a best practice for property managers to require that all residents carry liability insurance. While many renters see the wisdom in protecting themselves and their belongings in the event of fire, water damage or theft, property owners and managers can use a force-placed renters insurance program to protect their communities against resident-caused damages.

Even if a resident chooses not to protect their personal possessions, a required renters insurance program will ensure that the property they occupy will be protected against loss.
## 7 Reasons to Require Renters Insurance

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01 Play Defense & Reduce Risk
Statistics from ResidentShield show that resident negligence is the number one cause of damage to apartment units and rental homes. Required renters insurance transfers risk from the property owner to the actual occupants of apartment communities—the residents. This allows you to:

- Safeguard your properties from resident-caused damages (which carry deductibles) and protect your owners from liability should a resident suffer a loss or injury at your community.
- Avoid having to sue residents to pay for damages they caused.
- Maintain a good reputation for your communities and your brand as a property manager.
52% of Millennials don't have renters insurance because they wrongly believe their landlord's insurance will cover their belongings.¹
Create Value for Communities
With mandatory renters insurance in place, you enhance the overall community profile with an additional layer of security and protection that benefits owners and residents alike. You’re also preserving asset value, which is big concern for owners and investors. In the event one of your residents causes their neighbors to suffer a loss, through bodily injury or property damage, their renters insurance will provide compensation to the injured party. This means no liability arguments will occur between property managers and residents, and the injured parties won’t approach property owners for restitution.
Save Money, Reduce Expenses
For property owners accustomed to paying small damage claims from their operating budgets, renters insurance provides the great benefit of covering those costs when a resident causes any property damage or loss. Also consider that when an uninsured resident gets caught up in costly litigation, they might not pay their rent. Renters insurance will prevent that unpleasant and expensive scenario from happening, so residents are protected from liability and deductibles and property repairs are paid for.
04 Cover Your Deductibles
In the event of a catastrophic property loss such as multi-unit fire, renters insurance can cover the cost of high deductible payments on the property owner’s commercial policy. So while it’s great that small out-of-pocket expenses are covered for minor damages like a broken sprinkler (that, for example, one of your residents backed over with their car), it’s critical that big losses are taken care of that you are not prepared to cover out of pocket (such as an entire floor of units damaged by one resident’s kitchen fire).
Offer Affordable Options
Renters insurance is relatively inexpensive and it’s easy for residents to obtain — with some popular options for quickly obtaining quotes and signing up for policies online. For most residents, renters insurance can cost less than $20 a month and provides a more worry-free living experience at your community. Two options are typically available to residents:

- Liability only, which names the landlord or property manager as “primary insured” and the resident as “additional insured”.
- A policy that provides the required liability coverage along with personal contents coverage so residents can also protect their personal property.
06 Get Peace of Mind
Renters insurance is a proven safeguard against property loss and personal liability — and when a community requires it, everybody wins. Residents can feel confident knowing with renters insurance, if there is a fire or other serious loss in their unit or at their community, they will have a place to go. And, loss-of-use coverage provided by renters insurance means residents will not look to you for alternate accommodations.

Residents that choose personal property coverage have the added benefit of protection for their belongings — including furniture, clothing, electronics, jewelry and other valuables. They can even protect themselves should a visitor fall in their apartment or get bitten by their dog. The choice is theirs. Either way, you, your communities and bottom line are covered.
Automated Signups
Automated Signups

Make it easy for your residents to purchase renters insurance, with affordable options to cover their personal property or just comply with your liability coverage requirement. Letting your residents purchase their policies online as part of the leasing workflow provides both convenience and transparency.
Required renters insurance like ResidentShield is a win-win. It benefits owners with property protection and offers residents a low monthly premium, giving peace of mind to everyone that if something were to happen, damages are covered.

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For more information about starting a required renters insurance program at your properties today, contact us. We're here to help!

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