

**PREVENTIVE LAW  
SERIES**

**Legal Assistance Program**

*TOPIC:*

***RENTER'S INSURANCE***

*June 2014*

If you have questions concerning the topic  
of this pamphlet, please contact the  
Legal Assistance Office

For additional information & useful links, please visit:

<https://aflegalassistance.law.af.mil>

**Legal Assistance Office  
Phone: 226-4022**

**Office of the  
Staff Judge Advocate  
Misawa AB, Japan**

## A GUIDE TO RENTER'S INSURANCE

### I. WHY DO I NEED RENTERS INSURANCE?

**Example:** An Airman First Class that is renting a home was destroyed by a fire. He and his wife estimated \$32,000 in property losses. Regrettably, they did not have renters insurance, leaving them alone to face the financial hardship of rebuilding their life.

The U.S. Air Force may pay a maximum of \$40,000 for a personal claim in a military housing unit. (However, there is an exception for emergency evacuation or extraordinary circumstances but this is rarely approved and you shouldn't count on this)

Is that enough to replace all of your property and goods? **Probably not.**

**FACTS--**The Air Force is not an insurance company

The Air Force has a maximum amount payable on certain items

1. Jewelry \$1000 per piece/\$4000 per claim
2. Computer \$4000 per claim (Include all software, etc)
3. Power tools \$1500 per claim

The AF pays a depreciated value for your damaged goods. The value of the goods has depreciated since you bought the goods therefore the amount you receive may not be enough to actually go out and replace your damaged or lost goods.

If the damage is due to your negligence or the negligence of your dependents then you may be liable for the damages. You may be liable for damages to all of the property that is caused by your negligence. If you live off base then you could find yourself liable for damages that your negligence causes as well.

**Example:** A fire starts because a stove was left on. This is negligence and the member is possibly going to be liable for all of the damage that is caused by that fire.

A visitor to your home may have a cause of action against you for the following:

1. If they are, in any way, injured at your home; or
2. Your dog or other pet injures someone.

### II. MYTHS ABOUT RENTERS INSURANCE.

**MYTH--** Many people think that in the event of a fire the government will cover their losses. When, in fact, the government may not reimburse them. If the cause of the damage is found to be negligence or wrongful conduct on the part of the occupant, family, or guests, the government cannot pay for the family's personal loss. The military member could be held liable for the cost of damage to government structures under the Report of Survey program.

**MYTH--** Renters are covered by their landlords insurance. This is **NOT TRUE** the landlords insurance normally only covers the structure and not your personal belongings.

### **III. WHAT DOES RENTERS INSURANCE DO FOR ME?**

Renter's Insurance can help you with all of the above problems. Renter's Insurance can cover theft, falling objects, wind, water, hail, lightning, smoke damage, civil commotion, vandalism, explosions, vehicle coming into your house, personal property. In some cases renters insurance can cover the full value of your property. You need to make sure that the insurance policy is a replacement value policy otherwise you will receive a depreciated value for your goods.

Renters insurance is especially good for high value items (Jewelry), food loss due to power outages, accidental injury in your home, aid when temporarily displaced while your rental home or apartment is being fixed or repaired, and protection if you identity is stolen and a thief runs up your credit card bill.

Renters insurance also protects your financial well-being through liability coverage. If a visitor to your apartment slips on a wet floor and is injured, you could be held responsible for thousands of dollars in medical bills. In this type of situation, a renters insurance policy likely would cover the costs up to a specified limit.

If you leave an iron on and a fire breaks out, your simple mistake could leave you personally responsible for damages to the building and others' property. Again, renters insurance could provide \$100,000 or more to cover your liability, and even your legal fees in some cases.

For military personnel who re-locate frequently, another advantage of renters insurance is its portability. During your move, most renters policies cover your personal possessions during shipment or while in storage. This can mean the difference between getting the depreciated value of an item and the actual value of an item. And when you travel, your luggage and other personal items are covered up to the limits of your policy. So if your duffel bag disappears from the airport baggage claim or your camera is stolen, there's a good chance renters insurance will cover it.

Renter's insurance may not be necessary for all service members, so it is important to understand the value of your possessions to determine exactly how much coverage you need, if any.

### **IV. ITEMS TO LOOK FOR IN A RENTERS INSURANCE POLICY**

Rental insurance policies may start at \$10-\$20 per month. Insurance rates vary depending on the amount of coverage and additional features. If you purchase a policy be sure to read it carefully. Make sure that you have the things covered that you want and that it is all spelled out. Read the fine print to make sure that you are getting what you pay for. Levels of personal property coverage can vary by company and policy. A basic policy may cost as little as \$5 per month for \$2,500 worth of coverage, while a more comprehensive policy might offer \$100,000 worth of coverage for \$30 per month. All companies place limits on individual categories of property. For instance, a typical policy might limit total payments to \$200 for cash and coins; \$1,000 for valuable papers; \$1,000 for theft of jewelry and watches; and \$2,000 for theft of guns. If you have specific items for which the value exceeds the policy limits, you may elect to pay a few dollars more to add a "personal article floater" to your coverage. Often used to fully insure expensive jewelry or electronics, "floaters" have no deductible and usually cover a broader range of claims.

Ask about replacement versus cash value coverage. Cash value covers only the value of the item — taking depreciation into account — at the time it's lost. Although they cost more, replacement value policies reimburse the cost to buy the item new. Government claims only reimburse the depreciated cash value of personal goods.

Evaluate deductibles and policy limits before you choose a policy. Deductibles determine how much you have to pay out of pocket before the insurance kicks in, and normally range from \$250 to \$500. Policy limits are maximum amounts for a policy or class of goods. Determine whether extra insurance is necessary to cover the excess amount.

Especially important for military personnel, look for a renters insurance policy that does not contain territorial limits. The policy should not include any territorial limits so that it will cover belongings anywhere in the world. A policy without these restrictions will cover your belongings nearly anywhere in the world, with few exceptions. Also here in Misawa make sure that any policy you have will cover you here in Japan.

Always ask your insurance company about what exactly is covered before buying your policy

## **V. HOW TO UTILIZE YOUR RENTERS INSURANCE TO THE FULLEST EXTENT.**

Take an inventory of your property. Take pictures and/or a videotape of your property. Store these records in a safe place so that if something ever happens you can refer to the tape or pictures. Videotaping works well to jog your memory if items are lost. When taping, read off brand names, and serial and model numbers. Use a ruler to determine size. Have your electronic items turned on to provide proof that they work.

Document approximate costs and purchase dates of household goods. This will give you an idea of how much coverage you need and assist you with filing a claim if disaster strikes. When figuring how much coverage you need, many companies offer a "contents evaluation guide" to assist you.

Renters insurance can't protect your memories. Buy a fire-safe box to protect old photos and other items of sentimental value.

The first step is to take an inventory of your belongings, including how much you paid for each item and its current value. Make a record of your possessions, with pictures or a video camera, and store the records in a safe place that is outside your home so they are less likely to be destroyed in a disaster. The record can help you determine your coverage needs, and also can serve as your proof of ownership if a loss occurs, helping the insurance company to estimate your payment.

Next, determine if you prefer to purchase a "replacement-cost" policy, which covers the cost of replacing lost items at today's prices, or a "cash value" policy, which covers what the item is worth after depreciation. Although it typically costs about 15 percent more, many renters find replacement-cost coverage to be a better value.

## **VI. RENTERS INSURANCE WHILE STATIONED IN JAPAN**

While stationed here in Japan, normally your stateside insurance policy will not cover your personal property in the event of fire, theft, accidental water damage, or earthquake damage. Therefore, purchasing local renter's insurance or Householders Comprehensive Insurance is a great option and very inexpensive. There are rental insurance companies right outside the gate. Please see the attachments for an example of coverage.

## **VII. WHERE TO FIND MORE INFORMATION ABOUT RENTERS INSURANCE.**

Now that we have you interested in a renters policy, you may want to know where you can find more information about these policies and also how you can obtain this insurance. We want to remind you to shop around before you purchase a policy. Some companies offer package discounts to clients with more than one plan. And don't forget about flood or earthquake insurance if you're in a susceptible area. Ask about discounts for security systems, smoke detectors or deadbolt locks.

You may want to start by asking friends or co-workers that have a policy. The Internet is also a good source of information. But be careful and try to use reputable companies. Here are a few sites you may want to visit concerning insurance:

[www.insure.com](http://www.insure.com)

[www.naic.org](http://www.naic.org)

[www.insweb.com](http://www.insweb.com)

[www.military.com](http://www.military.com)

[www.usaa.com](http://www.usaa.com)

**The information contained in this pamphlet is of a general nature and is provided for your assistance and convenience. It is not intended as legal advice and is not a substitute for legal counsel. If you have any questions as to how the law in this area affects your legal rights, contact your civilian attorney or legal assistance attorney.**

HOUSEHOLDERS COMPREHENSIVE INSURANCE  
AOMORI PREFECTURE

2006/10/01~

**A CLASS** REINFORCED CONCRETE (STYLE : TOWER)

PERSONAL PROPERTY EARTHQUAKE	FIRE LEGAL LIABILITY REPAIR EXPENSES	TOTAL PREMIUM ( 1 YEAR)		
		UNDER 99m <sup>2</sup>	OVER 99m <sup>2</sup> TO 132m <sup>2</sup>	OVER 132m <sup>2</sup>
<input type="checkbox"/> ¥1,000,000	¥10,000,000 ¥3,000,000	¥3,330	¥4,030	¥4,530
<input type="checkbox"/> ¥500,000				
<input type="checkbox"/> ¥2,000,000		¥4,540	¥5,240	¥5,740
<input type="checkbox"/> ¥1,000,000				
<input type="checkbox"/> ¥3,000,000		¥5,750	¥6,450	¥6,950
<input type="checkbox"/> ¥1,500,000				
<input type="checkbox"/> ¥5,000,000		¥8,170	¥8,870	¥9,370
<input type="checkbox"/> ¥2,500,000				
<input type="checkbox"/> ¥7,000,000		¥10,590	¥11,290	¥11,790
<input type="checkbox"/> ¥3,500,000				
<input type="checkbox"/> ¥10,000,000	¥14,220	¥14,920	¥15,420	
<input type="checkbox"/> ¥5,000,000				

**B CLASS** STEEL FRAME LATH-MORTAR PLASTERED (STYLE : H)

PERSONAL PROPERTY EARTHQUAKE	FIRE LEGAL LIABILITY REPAIR EXPENSES	TOTAL PREMIUM ( 1 YEAR)		
		UNDER 99m <sup>2</sup>	OVER 99m <sup>2</sup> TO 132m <sup>2</sup>	OVER 132m <sup>2</sup>
<input type="checkbox"/> ¥1,000,000	¥10,000,000 ¥3,000,000	¥3,840	¥4,540	¥5,040
<input type="checkbox"/> ¥500,000				
<input type="checkbox"/> ¥2,000,000		¥5,560	¥6,260	¥6,760
<input type="checkbox"/> ¥1,000,000				
<input type="checkbox"/> ¥3,000,000		¥7,280	¥7,980	¥8,480
<input type="checkbox"/> ¥1,500,000				
<input type="checkbox"/> ¥5,000,000		¥10,720	¥11,420	¥11,920
<input type="checkbox"/> ¥2,500,000				
<input type="checkbox"/> ¥7,000,000		¥14,160	¥14,860	¥15,360
<input type="checkbox"/> ¥3,500,000				
<input type="checkbox"/> ¥10,000,000	¥19,320	¥20,020	¥20,520	
<input type="checkbox"/> ¥5,000,000				

**C CLASS** WOODEN FRAME LATH-MORTAR PLASTERED (OFF BASE)

PERSONAL PROPERTY EARTHQUAKE	FIRE LEGAL LIABILITY REPAIR EXPENSES	TOTAL PREMIUM ( 1 YEAR)		
		UNDER 99m <sup>2</sup>	OVER 99m <sup>2</sup> TO 132m <sup>2</sup>	OVER 132m <sup>2</sup>
<input type="checkbox"/> ¥1,000,000	¥10,000,000 ¥3,000,000	¥8,070	¥8,170	¥8,570
<input type="checkbox"/> ¥500,000				
<input type="checkbox"/> ¥2,000,000		¥11,510	¥11,610	¥12,010
<input type="checkbox"/> ¥1,000,000				
<input type="checkbox"/> ¥3,000,000		¥14,960	¥15,060	¥15,460
<input type="checkbox"/> ¥1,500,000				
<input type="checkbox"/> ¥5,000,000		¥21,850	¥21,950	¥22,350
<input type="checkbox"/> ¥2,500,000				
<input type="checkbox"/> ¥7,000,000		¥28,740	¥28,840	¥29,240
<input type="checkbox"/> ¥3,500,000				
<input type="checkbox"/> ¥10,000,000	¥39,070	¥39,170	¥39,570	
<input type="checkbox"/> ¥5,000,000				

**D CLASS** WOODEN CONST. (OFF BASE)

PERSONAL PROPERTY EARTHQUAKE	FIRE LEGAL LIABILITY REPAIR EXPENSES	TOTAL PREMIUM ( 1 YEAR)		
		UNDER 99m <sup>2</sup>	OVER 99m <sup>2</sup> TO 132m <sup>2</sup>	OVER 132m <sup>2</sup>
<input type="checkbox"/> ¥1,000,000	¥10,000,000 ¥3,000,000	¥8,590	¥8,690	¥9,090
<input type="checkbox"/> ¥500,000				
<input type="checkbox"/> ¥2,000,000		¥12,550	¥12,650	¥13,050
<input type="checkbox"/> ¥1,000,000				
<input type="checkbox"/> ¥3,000,000		¥16,520	¥16,620	¥17,020
<input type="checkbox"/> ¥1,500,000				
<input type="checkbox"/> ¥5,000,000		¥24,450	¥24,550	¥24,950
<input type="checkbox"/> ¥2,500,000				
<input type="checkbox"/> ¥7,000,000		¥32,380	¥32,480	¥32,880
<input type="checkbox"/> ¥3,500,000				
<input type="checkbox"/> ¥10,000,000	¥44,270	¥44,370	¥44,770	
<input type="checkbox"/> ¥5,000,000				

Ford Insurance Agency

# Householders Comprehensive Insurance

ACE's "Householders Comprehensive Insurance" provides a reliable and comprehensive insurance package for home, apartment, and condominium renters.



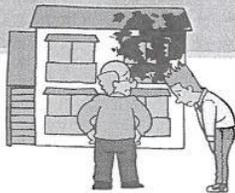
## Legal Liability Owed To Your Land Lord

### ◆ Fire Legal Liability Endorsement

We will settle the claim quickly on your behalf in the case you are found legally liable for damages resulting from a fire or explosion to your rented premises.

### ◆ Repair Expenses Endorsement

In the case your "landlord" holds you responsible for property damage resulting from a small accident, or burglary, we will reimburse the expenses up to the insured limit of liability.



## Earthquake

### ◆ Fire Following Earthquake, Volcanic Eruption And Tidal Wave.

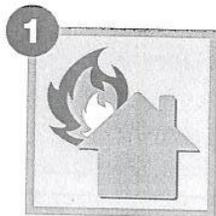
Earthquake Coverage is YOUR OPTION. BUT unless you add this coverage to your policy, loss or damage by not only Destruction, but also Fire Following Earthquake (including loss or damage occasioned by the spread of fire following Earthquake) can not be paid.



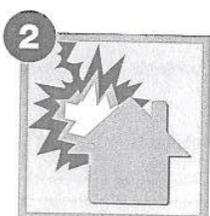
## Full protection for your furniture, fixtures and household contents

### ◆ Householders Comprehensive Insurance

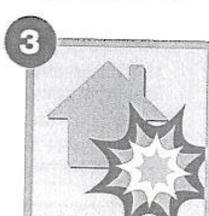
\*The following types of accidents are covered under the Householders Comprehensive Insurance.



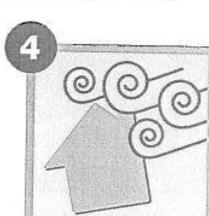
1 Fire



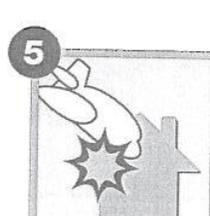
2 Lightning



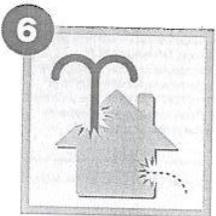
3 Explosion



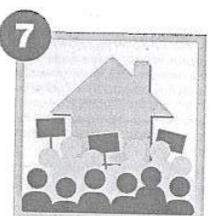
4 Wind, Hail, Snow



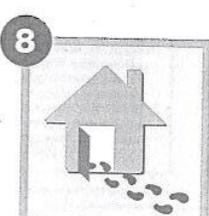
5 Falling Objects



6 Accidental Water Damage



7 Riot & Strike



8 Theft



9 Flood

### ▶▶ Extra Expenses

- ▶ Extra Expenses
- ▶ Earthquake Fire Expenses
- ▶ Debris Removal
- ▶ Accidental Fire Solatium
- ▶ Medical Fees (Bodily Injury)
- ▶ Loss Mitigation

◆ The following items shall not be included in the property insured unless so specified in the policy:

- (1) Precious metals, jewelry and precious stones, paintings and writings, curios, sculptures and other works of arts exceeding ¥300,000 per each item or set,
- (2) Manuscripts, specifications, architectural or engineering designs, certificates, account books and similar items.

# Householders Comprehensive Insurance

Type of Claim	Limit Payment	Major Exclusions
1 Fire	The amount insured or the amount of loss, whichever is less.	* Willful misconduct or gross negligence of the policyholder. * Wear and tear, corrosion discoloration and natural deterioration. * War and civil commotion. * Seizure * Damages to radioactivity or nuclear fuel materials * Accidents during repair or cleaning of insured property. * Electrical and mechanical damages. * Damages to insured properties due fraud or misappropriation. * Mysterious disappearance or theft of the insured property. * Earthquake, volcanic eruption and tidal wave.
2 Lightning		
3 Bursting or explosion		
4 Wind, Hail, Snow	The amount insured or the amount of loss, whichever is less. (Loss over ¥200,000-)	
5 Falling Object	The amount insured or the amount of loss, whichever is less.	
6 Water Damage		
7 Riot & Strike		
8 Theft	The amount insured or the amount of loss, whichever is less. (For cash the maximum limit per accident is ¥200,000-, and for valuable documents ¥2,000,000-.)	
9 Flood (Inundation resulting from Typhoon, Windstorm, High Tide, Land slides and the like.)	a. If the damages are over 30% of the insurable amount, the amount insured $\times \frac{\text{amount of loss}}{\text{insurable amount}} \times 70\%$ . b. If the damages resulting from inundation above "the floor level" of your house are 15% or more and below 30% of the insurable amount, the amount insured $\times 10\%$ . (¥2,000,000-Maximum) c. If the damages resulting from inundation above "the floor level" of your house are below 15%, the amount insured $\times 5\%$ . (¥1,000,000-Maximum)	

## Legal Liability owed to your Landload

Type of Claim	Limit Payment
<b>Fire Legal Liability Endorsement</b> We will pay for the costs that you are found legally liable for losses resulting from fire or explosion to your rented premises.	Total limit of liability is stand on the policy.
<b>Repair Expenses Endorsement</b> We will pay for the repair costs that you incurred for losses resulting from fire, lightning, explosion, typhoon and burglary in accordance with the lease contract. Losses covered by the Fire Legal Liability Endorsement are excluded.	Total limit of liability is ¥3,000,000 per accident. Deductible is ¥3,000.

## Earthquake

Type of Claim	Condition of claim payment
Earthquake shock and fire, Volcanic eruption and tidal wave following earthquake.	<ul style="list-style-type: none"> <li>● 100% of sum insured When loss or damage to contents is 80% or more of its insurable amount.</li> <li>● 50% of sum insured When loss or damage to contents is from 30% and less of 80% of its insurable amount.</li> <li>● 5% of sum insured When loss or damage to contents is from 10% and less of 30% of its insurable amount.</li> </ul>

### In case of an accident

Please contact your agent, or one of ACE Insurance offices as soon as possible, in order to speed up the claim adjusting process.

### In case of change of residence

In case of change of address or change in the insured objects, please notify your agent or one of ACE Insurance offices.

**ACE Claims Services Center ☎0120-011-313**

☐ This is only a pamphlet describing the outline of "Householders Comprehensive" Insurance. For more detailed information, please ask your insurance agency or our company for contract procedures and other detailed information with regards to this product.  
 ☐ For contracts with coverage periods over 1 year, we do provide a Cooling Off period. For more information, please see our Cooling Off explanation form.

**Please be sure to read before agreeing to the contract. The important matter based on the Law on Sales of Financial Products.**  
 (1) In the event of non-life insurance company becoming insolvent, the amount of the insurance claims and return premiums may not be fully compensated.  
 (2) For the protection of policyholders, the Non-life Insurance Policyholders Protection Corporation of Japan (hereinafter referred to as the "Corporation") was established. The Corporation shall compensate 100% of the claims and return premiums for Compulsory Automobile Liability Insurance (CALI) and earthquake insurance on dwelling risks. In addition, regarding claims incurred from voluntary automobile insurance, fire insurance for individuals and small sized enterprises, personal accident insurance, medical expense insurance and nursing care expense insurance, the Corporation shall compensate 90%. Furthermore, the return premiums for cancellation of these insurances, and the return premium and the maturity refunds of these maturity-refund type insurance policies shall be compensated 90%. However, in the case that the expected interest rates of these maturity-refund type of insurance policies are changed by the bankruptcy procedures, the compensation for the return premiums for cancellation and the maturity-refunds involved may fall below 90%.

For Application and Inquiry contact: (Insurance Agent)



**ace insurance**

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 TEL: 0120-011-313

Ford Insurance Agency