

Know Your Insurance

Home

Renters insurance offers an affordable way to financially protect your belongings and liability when you live in a rental property. When living with a roommate, you may consider sharing a renters insurance policy. While this may offer some financial savings, it also comes with potential setbacks.

Policies vary, but you may benefit from sharing renters insurance in the following ways:

- **Cost savings**—Splitting the policy premium with your roommate can help your overall budget and expenses.
- **Simplified coverage**—When you share certain items with your roommate, such as furniture and appliances, a joint policy can make it easier to insure these items under one plan instead of having to divide the coverage between roommates.

While splitting a policy may offer some advantages, consider the following possible drawbacks:

- **Legal issues**—Some states don't allow roommates to share a renters insurance policy unless they're spouses. Check with your insurance provider to determine if you're able to share a policy with your roommate. When sharing a policy, you'll typically be required to update it each time you get a new roommate.
- **Uneven and complicated claims**—In the event of a claim, you and your roommate may need to provide proof of ownership over damaged or destroyed items. This can create confusion, and if one person owns more or higher-value property, splitting the costs and reimbursement may lead to complications, disputes and delays in the claims process.
- **Shared liability**—If a liability claim arises and your roommate is at fault, you may be tied to the outcome of the claim if you share a renters insurance policy. It may also affect your claims history, subsequently leading to possible rate increases even after your roommate, address or other details of your living arrangements change.

Sharing a renters insurance policy with your roommate may offer cost savings and convenience, but it can involve risks that may outweigh the potential benefits. Before deciding what's best for your needs and budget, consult your insurance provider to explore any legal caveats and receive help weighing the pros and cons of a shared policy.