



Insurance Council
of Australia



The benefits of contents insurance – protection for renters

How does contents insurance protect renters?

In the same way that car or third-party insurance can protect you if you damage another person's car or injure someone else, contents insurance can protect you if there is an accident at your rented premises or involving the things you own.

It is generally well known that contents insurance can pay for your furniture and belongings if they are ever damaged or stolen. There may also be cover for damage to your things, for example in the event of a fire or flood, or if appliances are damaged because of a power surge from lightning.

Contents insurance can also cover you for injury to a person or damage to property when you are at fault, while at the place you rent, or while you are away from the place you rent.

These situations may not be so well known. Here's a few real-life examples:

- **Injuries to visitors at the place you rent** - Your friend Eve is visiting you and she trips on your son's skateboard he left in the lounge room. Eve is now asking you to pay \$7,500 for the cost of a knee operation because she tripped and injured herself. You can claim for this as you have legal liability cover as part of your contents insurance policy.
- **Injuries or damage caused by your pets** - Your dog is usually a calm and well-behaved animal. Your dog is also a breed that is safe to be around people without a muzzle. One day you accidentally left your gate open and your dog gets out of your yard and destroys your neighbour Nico's prized rose garden for no reason. Your dog also bites Nico's hand even though Nico tried to stay out of your dog's way, with Nico needing urgent hospital treatment. Nico is now threatening to take you to court for a large amount of money. You are relieved to find your contents insurance covers your legal costs along with the amount you need to pay Nico for hospital treatment.
- **Accidental damage to your neighbour's home** - You forgot to turn off the stove before leaving the place you rent. This causes a fire that spreads to burn down the home of your neighbours Jim and Joan. You now find yourself having to pay to fix the damage to your neighbours' home, with you receiving a big unexpected bill for several thousands of dollars. Thankfully your contents insurance covers you if you are found responsible.



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What are the benefits of contents insurance for renters?

Contents insurance can protect you when there is an accident by covering your liability for the cost of someone else's medical bills, the cost of replacing or repairing items that were broken, or fixing damage to your neighbour's property. It could also cover you for any legal fees if there were a court claim against you.

These types of unexpected expenses might not be something you have budgeted or saved for and can involve a lot of money. It might be stressful trying to find the money to pay.

Who is protected by contents insurance?

Your family members and other persons living in the place you rent (e.g. share mates) may also be covered by a contents insurance policy.

As not all contents policies are the same, it's a good idea to check what family means and whether there are other rules, like the other person having to be named on the tenancy agreement to be covered by the insurance.

Things to keep in mind with contents insurance

Contents insurance may only protect you for *accidental* injuries or damage. You may not be covered if the damage or injury falls outside the policy's cover (e.g. was caused deliberately).

How do I find out more about contents insurance?

You can find out more about contents insurance by shopping around or speaking with your insurer. You can also search the Insurance Council's Find An Insurer service.