
Coverage Overview



Who and What Does Contents Insurance Cover?

Contents insurance provides coverage against the loss of your in-home property to damage or theft.

While there are several items or [types of items that are excluded from coverage](#), the general rule of thumb is if it's something you'd take with you when you move, it's classified as contents. Most homeowners insurance policies also cover the personal property of your guests and live-in employees, but not the property of long-term tenants who aren't related to you.

Below, we've gathered a list of items that are covered by "standard" sample policies in the U.S. Because these aren't legally standardized, your own covered categories and limits may differ in ways that you'll have to confirm by examining your policy. Contents coverage can also change depending on who owns the property and where it's located — more on this below.

If you're a homeowner, other parts of your homeowners insurance policy probably cover many items that your contents insurance doesn't. This includes coverage for carpeting, boilers and appliances such as washing machines. If you rent, your landlord's homeowner's property coverage should apply to these items. As always, be sure to confirm the details of your own policy.



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Does Contents Insurance Depend On Where You Keep Your Things?

However, your coverage limit is often much lower for belongings that aren't in your home. For example, the Insurance Information Institute's industry-standard sample policy states that property "usually located" at a different residence is limited to 10% of the coverage for belongings in your insured home.

Fortunately, the same sample policy provides a consistent amount of coverage as long as your belongings are located on the premises of the insured home.

For instance, tools in a detached garage or shed are covered the same as if they were in your basement. However, landlords face lower coverage limits on furnishings and other property that they place in a tenant's rented space.

What Are The Coverage Limits of Home Contents Insurance?

AGENT NOTE: Increasing Contents Limits

Policy Holders may opt to increase their Contents Limit to 80% of their policies dwelling limit. If they wish to exceed this limit, underwriter approval is required and they must submit proper documentation.

Homeowners insurance tends to cover personal property at a value ranging from **50% to 70%** of the insurance value on the structure.

For instance, if you own a home that's insured for \$500,000 of dwelling coverage, your contents coverage would likely



fall between \$250,000 and \$350,000.

With renters insurance, you can choose a coverage limit when starting your policy.

This allows you to pay for just enough coverage to account for the total value of your possessions. However, your maximum coverage can be affected by two factors:

- How your policy calculates value
- Sublimits on specific types of property

Actual Cash Value vs. Replacement Cost Value

Home contents insurance generally covers you for the actual cash value (ACV) of your belongings.

- **Actual cash value:** An item's actual cash value equals its original purchase price minus any loss of value from wear and tear over time. Unless you lose something on the same day you buy it, an ACV policy will always pay out a smaller sum than what you spent at purchase.
- **Replacement cost value:** If you prefer to insure your belongings for their full original value, consider a more expensive replacement cost value (RCV) policy instead. With an RCV policy, you receive a payment reflecting the price you paid for the object — in other words, the cost of replacing it with a brand-new version. You'll need to decide whether the higher premiums of an RCV policy are worth the improved coverage.

Sublimits on Valuable Items

Most contents insurance policies also come with sublimits — sometimes called special limits — for especially valuable types of property, such as jewelry or fine art. When you file claims for such items, the policy will only compensate you up to the sublimit for the related category. In addition, some sublimits also include a lower per-item limit. Below, we compare sublimits found in three sample homeowners policies.

You may have noticed that some of the sublimits above apply specifically to stolen goods. This means the sublimit doesn't apply to property lost in some other event covered by your policy.

For instance, firearms destroyed in a fire would be covered for their full value, so long as that amount doesn't exceed the overall limit on your personal property coverage.

There are also instances where an insurer's standard contents insurance policy won't cover certain objects at all, such as State Farm's sample policy on jewelry and furs. You may be able to add on coverage for specific items as needed, but adding that optional coverage will raise your premiums.

	Expert Insurance	Farmers	State Farm
Money and coins	\$100	\$200	\$200
Tickets, checks, deeds	\$500	\$1,500	\$1,000
Watercraft	\$500	\$3,000	\$1,000



	Expert Insurance	Farmers	State Farm
Stolen jewelry and furs	\$500	\$5,000 (max \$1,000 per item)	covered separately
Silverware and goldware	\$500 (if stolen)	\$3,000	\$2,500
Trading cards	\$1,000 (max \$250 per card)	\$2,500 (max \$200 per card)	\$2,500
Stolen firearms	\$1,000	\$3,000	\$2,500
Digital equipment	\$3,000	\$5,000	\$5,000
Stolen rugs	\$10,000 (max \$2,500 per item)	\$10,000 (max \$5,000 per item)	\$10,000 (max \$5,000 per item)

How Much Contents Insurance Coverage Do I Need?

The amount of coverage you need is determined by the total value of the possessions you want to cover.

Putting together an inventory of all your belongings is the logical first step in getting the right policy. Most people underestimate how much their personal property is worth in total, but this makes sense given that you're tallying up years' worth of purchases.

There are two main ways to create an inventory:

- Write a list of your belongings (with serial numbers if you have them) using a pen and paper, and keep photos and receipts
- Use a mobile app to create a digital inventory and upload photos, receipts and serial numbers

Dwelling Limits

Coverage Limits

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- Replacement Cost
- Why is Knowing the Replacement Value of Your House Important for Homeowners Insurance



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