

# Arkansas Insurance Department

## NEWS RELEASE

*Allen Kerr  
Insurance Commissioner*



FOR IMMEDIATE RELEASE

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## MILITARY ALERT: BAH No Longer Covers Renter's Insurance

*Kerr encourages servicemembers to obtain coverage for 'peace of mind'*

**LITTLE ROCK** – Arkansas Insurance Commissioner Allen Kerr today released the following statement alerting members of the United States Armed Forces stationed in Arkansas that they should strongly consider purchasing renter's insurance now that the Basic Allowance for Housing no longer covers it:

"Last year, Congress reduced the rates for the Basic Allowance for Housing, which eliminated the renter's insurance component. As servicemembers stationed in Arkansas start to renew leases in 2016, I encourage them to look into purchasing private renter's insurance in order to have the peace of mind that their valuables are protected."

Kerr highlighted the following misconceptions surrounding renter's insurance:

- **It is too expensive.**  
The average renter's insurance policy costs between \$15 to \$30 per month.
- **Not having that many valuables, making insurance not worth the cost.**  
Renter's policies can cover everything from electronics to home appliances to clothing. Even a minimal number of items can add up to thousands of dollars.
- **Landlord already has insurance on my rental.**  
A landlord has insurance on the structural damage to the building, which doesn't include the personal property of a tenant. Also, you could be held liable for damage you might cause due to an accidental fire or plumbing mishap.

Kerr also offered the following questions prospective consumers should ask their insurance agent when determining what coverage fits their needs:

**1. How much coverage do I need?**

Talk to your insurance agent or company about the property you want to protect, the property hazards you

would like to be insured from, how you should determine the value of your items, and whether a roommate is covered.

**2. What kind of discounts are available?**

Does a burglar alarm, deadbolt, fire extinguisher, or sprinkler system in your rental get you a discount on your premium? Also, getting renter's insurance with the same company you have car insurance with can usually earn you a discount on both policies.

**3. Are you covered in case of earthquake or flood?**

A renter's policy may not cover these natural disasters. Ask whether you may need additional coverage.

**4. Does my pet affect my insurance policy?**

Certain breeds may require additional coverage.

**5. Is personal liability included?**

A renter's insurance policy covers your property and your personal legal responsibility (or liability) for injuries to others and/or their property while they are on your property.

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