

Don't Get Into a Storage War; Make Sure Your Storage Unit Is Properly Insured

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NEW YORK, February 21, 2013 – Whether you are downsizing to a smaller home, safeguarding heirlooms after a death in the family or just cannot let go of those old mementos, storage units can provide a useful solution for dealing with extra belongings. While storage units may be the answer to de-cluttering your home, adequate insurance coverage is the answer to protecting your belongings, according to the Insurance Information Institute (I.I.I.).

“If an item is valuable enough that you are willing to pay for storing it, the item should be financially protected with the proper amount and type of insurance,” said Loretta Worters, vice president for the I.I.I. “Even in the best managed storage facilities, theft, fire and other disasters can and do occur. That’s why before signing a rental agreement, it is important to find out what types of losses will be covered by the storage facility and whether supplemental insurance may be needed.”

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The Self Storage Association notes that one out of every 10 households in the U.S. currently rents some kind of storage unit, including portable on demand storage (PODS).

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Most storage facilities require that you maintain insurance for the full replacement cost of the contents of your storage room and ask to see a copy of your homeowners or renters policy. One way to satisfy your insurance obligation is by purchasing insurance through the storage facility. However, most storage facilities limit the value of property that can be stored in a unit, basing it on the size and the amount of your rent (usually up to about \$20,000). If your property is worth more than the assigned amount, some storage

facilities will allow you to increase the assigned value of the property in your unit. There are also exclusions including art, antiques, jewelry, furs, watches, money, securities and other documents of value. Be sure to check your homeowners or renters insurance policies first to determine whether your contents may already be covered.

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Standard homeowners and renters insurance policies that include off-premises protection provide coverage for property in storage facilities from theft and damage from fires, tornadoes and other disasters listed in the policy. Much like storage facility insurance, homeowners and renters policies do not cover damage caused by flooding, earthquakes, mold and mildew, vermin or poor maintenance. Some insurers may limit the off-premises coverage for personal possessions to 10 percent of the overall amount of homeowners insurance you have. Other insurers may offer higher coverage limits for personal possessions stored off-premises, so check with your insurance agent or company representative before renting a storage unit. Also keep in mind that insurance through your home or renters policy will be more comprehensive than storage facility insurance and is regulated by your state insurance department.

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If you intend to store valuable property such as art, antiques, jewelry or furs, there may be dollar restrictions under your standard homeowners or renters insurance policy for theft. Ask your insurance professional about adding a floater or endorsement to your policy in order to fully cover these items. There are also specialized storage facilities available for these types of items, as they often need to be kept at specific temperature and humidity levels. Small items such as jewelry can also be kept in a bank safe deposit box; insurers will generally charge less to cover an item stored at a bank.

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One of the best ways to substantiate the value of your personal property is to create a detailed home inventory of all your possessions, including those in storage. If your property is stolen or damaged, an inventory can help speed the claims process and substantiate your loss. It will also help you determine how much insurance to buy to adequately protect your possessions.

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To make creating your inventory as easy as possible, the I.I.I. has free Web-based home inventory software, Know Your Stuff®. The program walks you through your home room by room and allows you to enter important data such as purchase price, serial numbers, etc. You can also upload photos and scanned receipts and appraisal forms. The software includes secure online storage so you can access your inventory anywhere, anytime. If you have an iPhone, you can also download the Know Your Stuff® - Home Inventory mobile app in the iTunes App Store (or search for "inventory"). If you have an Android phone, it is available through the Google Play Store. Information about your belongings can be entered either through the mobile app or the Web-based software and your data will automatically synchronize between the two.

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The I.I.I. offers the following tips for choosing a storage company:

- **Look for a secure facility.** Fencing that secures the entire property and access control are the very minimum that a storage business should offer.
- **Consider the safety of the immediate area surrounding the facility.** Does the storage building have onsite security features such as 24-hour video surveillance cameras and coded security pads to access the building? If so, does the code work only for your floor or for the entire facility? Are there video cameras throughout the building or just at the entrance? An informed manager should have the answers you need.
- **Look for a unit with climate control options.** This will ensure your appliances and furniture are not in a harmful environment. Very high or low temperatures, as well as dampness can quickly cause damage. And make sure that rising ground water from snow or rain is unable to penetrate your storage unit.
- **Select a company that offers insurance along with their space. If you do not already have coverage** your renters or homeowners insurance, look for a storage company that offers insurance, and make sure you fully understand how their insurance will cover any potential damage. Find out about

the facility's procedures in cases such as fire, flood, etc. and keep in mind that any facility should also have their own insurance to cover damages or injuries that occur on their premises.

- **Check that the storage facility is clean and well-maintained.** If a storage facility is not routinely and thoroughly cleaned, there is a good possibility no one is monitoring for bugs and rodent infestations. Verify that the facility has a permanent, reliable pest extermination contract in place before you trust them with your belongings.
- **Investigate the reputation of the storage company.** Check with friends and neighbors who may be familiar with the facility, or ask the storage company for referrals.

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RELATED LINKS

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- Video: Home Inventory Software

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The I.I.I. has a full library of educational videos on its You Tube Channel. Information about I.I.I. mobile apps can be found here.

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