

Hoarding Too Much Stuff? Self-storage Units Can Provide Useful Extra Space, But Belongings Must Be Properly Insured

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NEW YORK, February 28, 2012 – Whether you are downsizing to a smaller home, safeguarding heirlooms after a death in the family or are simply a packrat who has accumulated too much stuff, many find storage units, including portable on demand storage (PODS), offer a useful solution for dealing with extra belongings. In fact, the Self Storage Association notes that one out of every 10 households in the U.S. currently rents some kind of storage unit. While storage units may be the answer to de-cluttering your home, adequate insurance coverage is the answer to protecting items while in storage, 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.”

“Many storage facilities offer a variety of additional insurance policies, so make sure you understand what is and is not covered. Consumers should also check their homeowners or renters insurance policies to learn how much insurance protection they may already have,” pointed out Worters.

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. These 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.

Personal belongings can be covered on either an actual cash value or a replacement cost basis. An actual cash value policy would pay only the depreciated value of an item, while a replacement cost policy would pay to replace the item at what it would cost to purchase it at the time of loss. Replacement cost policies generally cost about 10 percent more but are a better value in the long run.

If you intend to store valuable property such as art, antiques, jewelry, furs or other expensive items, there may be dollar restrictions under your standard homeowners or renters insurance policy. Ask your agent or company representative 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 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 for an item stored at a bank.

One of the best ways to protect 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.

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 new Know Your Stuff® - Home Inventory app in the [iTunes App Store](#) (or search for "iii inventory"). Information about your belongings can be entered either through the iPhone app or the Web-based software and your data will automatically synchronize between the two.

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 damage these items. 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.** Find out about the facility's procedures in cases such as fire, flood, etc. Make sure you fully understand how the insurance they are offering will cover any potential damage. Also, check with your insurance agent to see if your renters or homeowners insurance will cover you. The facility should also have their own insurance to cover damages or injuries that occur within their premises
- **Make sure 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. Be sure to verify the facility has a permanent, reliable pest extermination contract in place, before you trust them with your things.
- **Check out the reputation of the storage company.** Check with neighbors or ask the storage company for referrals.

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