

## **Renters Insurance FAQ:**

### **1) Why is the Department of Defense no longer funding renters insurance as part of the Basic Allowance for Housing (BAH)?**

According to the Department of Defense (DoD), adjustments were made to the 2015 Basic Allowance for Housing program in an effort to slow growth of certain military pay and benefits in a fair, responsible, and sustainable way. Elimination of funding for renters insurance was one of the key adjustments made by the DoD.

### **2) My BAH increased so how is it that renters insurance was removed?**

Any BAH increases in 2015 covered the standard annual increases in rent and utility costs as determined by your specific geographic location only. The removal of renters insurance funding effectively reduced BAH rates by an average of 1% - 2%. If the insurance component had remained in the BAH, your increase would have actually been more.

### **3) I thought renters insurance was provided for free; when did it become a component of the BAH?**

Funding for renters insurance has always been provided as a specific component of the military member's BAH. The new 2015 Basic Allowance for Housing program has eliminated this component from BAH and going forward military members will be responsible for purchasing their own renters insurance.

### **4) When and how will the change in renters insurance coverage take place for current residents?**

Despite the announced change, the landlord (as defined in your lease agreement) will continue to provide renters insurance to all current residents that moved in prior to February 3, 2015 through the later of (i) December 31, 2015 and (ii) the end of your lease term. You will receive a separate notice of change in lease terms outlining the revised terms that will eliminate the provision of renters insurance coverage.

Under new leases from this point forward, the landlord is no longer required and will not be providing renters insurance coverage.

### **5) Will I be required to purchase my own renters insurance to reside on your property?**

Acquiring your own renters insurance is not a requirement to reside in our community at the present time, however it is highly recommended. If you decide not to purchase renters insurance, you will be responsible for any costs associated with damages to the property (including your personal property) as a result of theft, severe weather, fire, etc. and any liability claims relating to your acts or the acts of your family members, guests, and invitees.

**6) If I acquire my own renters insurance, do I need to notify Balfour Beatty Communities?**

While not required, we appreciate notification of your policy so that we may provide more targeted assistance in the event of an emergency.

**7) If I acquire renters insurance, how much coverage do you recommend I purchase?**

The appropriate amount of renters insurance coverage is a personal decision. As a point of reference, the renters insurance policy provided through Balfour Beatty Communities included \$20,000 in personal property coverage with a \$250 deductible and liability coverage up to \$100,000.

**8) If I acquire renters insurance, will my premium go up if I file a claim?**

The impact on premiums as a result of filing claims varies from carrier to carrier. Contact your insurance provider for details.

**9) I'm grandfathered at the 2014 BAH rate since the 2015 BAH rate decreased. Wouldn't this rate continue to cover renters insurance?**

Residents with rate protection on their BAH also will be subject to the change in renters insurance provision and will receive a notice of change in lease terms outlining the revised terms of the lease.

**10) What if I transfer to another home in the community (regardless of reason) – will I continue to receive renters insurance?**

In the event of a transfer to another home managed by Balfour Beatty Communities, renters insurance coverage will continue to be provided through December 31, 2015 only (for residents entitled to same under No. 4).

**11) If I'm active duty and currently pay market-rate rent for my home, will I continue to receive renters insurance since I pay less than my authorized BAH?**

Similar to all other situations, renters insurance will continue to be provided through December 31, 2015 only (for residents entitled to same under No. 4).

**12) Can you recommend an insurance carrier?**

While we can't endorse or recommend a particular insurance carrier, here are some of major companies that are available to you. Please remember to shop around and compare prices. Be sure to ask for about military discount options.

- Insurance Information Institute: [www.iii.org](http://www.iii.org)
- USAA: [www.usaa.com](http://www.usaa.com)
- Progressive: [www.progressive.com](http://www.progressive.com)
- Allstate: [www.allstate.com](http://www.allstate.com)
- State Farm: [www.statefarm.com](http://www.statefarm.com)
- GEICO: [www.geico.com](http://www.geico.com)