

Landlords come in so many types, from the accidental landlord, stuck with a property he can't sell and must rent, all the way to the professional landlord who owns many houses. In each case, the most obvious insurance decision that the landlord has to consider is the insurance for the structure itself, often called Dwelling Fire Insurance. Losing the dwelling to a catastrophic loss presents a fairly easy formula in terms of what the landlord has to lose. The value of the house itself is usually pretty easily measured and understood. But there is another danger out there for the landlord, and missing this detail can present a large and unknown loss, one that could take away your other assets much beyond the value of the rental house itself.

What I'm referring to here is the liability exposure that comes from owning and renting a dwelling to others. In North Carolina, most dwelling fire insurance policies, which cover the house itself and sometime the landlords personal possessions inside, often do not have a mechanism for protecting the landlord from liability exposures related to owning and renting the house. So how do you protect against this exposure?

If you are a landlord with just a few policies, the easiest approach is to use your [homeowners insurance policy](#) to extend the liability from your homeowners insurance to your rental property. Most homeowners policies will allow this up to some total limit of locations, usually no more than 4. This strategy is a good one if you have an umbrella policy as well since this will extend the liability protection for your rental house directly to the umbrella policy, thus giving you much higher limits of coverage.

Another approach is to find an insurance company that will allow you to add liability to [the dwelling fire policy](#) form. Not every company can or will do this, but if you look hard enough, you should be able to find a company that can do this for you. Typically this will cost more than adding the protection through your home insurance but prices do vary so perhaps you should check both. If you add the liability protection to your dwelling fire insurance policy, then you should be sure to remember to add the dwelling policy to your list of underlying policies on your umbrella policy if you have one. This approach may also be more expensive on the umbrella policy, or it may make no difference at all to the costs.

For landlords with many locations to insure, usually the best approach is to purchase a general liability insurance policy to list all the locations on one policy.

When setting up the liability insurance for your rent house, be sure to carefully consider the amount of liability protection you want to buy. It is relatively cheap to move to higher and higher limits so purchase the most insurance that you can afford. Remember, you are insuring a large, unknown loss here. There is no way of knowing how high the loss could go and ultimately this means you are trying to protect everything that you own, so don't scrimp on limits here.

At Clinard Insurance Group, located in beautiful Winston Salem, NC, we want all of our clients to be informed insurance buyers. We want you to have the information that you need to make wise, and informed decisions about protecting your assets from loss. If we can help you with insuring your rental property in North Carolina, please feel free to call us, toll free, at 877-687-7557, or visit us on the web at www.ClinardInsurance.com.