

[How to Bundle Renters and Auto Insurance](#)

U.S. News 360 Reviews

Bundling is a common way to save money on most types of insurance policies, including renters insurance. When it comes time to renew your renters insurance policy or shop for a new one, it's worth finding out if you can save money by bundling your renters and auto insurance policies together. Here's a primer on insurance bundling, so you fully understand how it works, along with the steps of how to bundle your renters insurance and your car insurance.

What Is Insurance Bundling?

Insurance bundling, sometimes called a multipolicy discount, is a common way to save money on all of your insurance needs. Though bundling probably won't help you save money specifically on your renters insurance, it may allow you to lower your total bill for all of your insurance policies.

Bundling is, first and foremost, a sales and marketing strategy commonly used by insurance companies. According to United Policyholders, a nonprofit organization that helps inform consumers about the insurance industry, companies push bundling opportunities because it benefits them. Offering such a discount is an easy way for companies to convince you to consolidate all of your insurance business in one place. However, that's not to say a renters and auto insurance bundle can't save you money, too.

There are definitely advantages to bundling insurance policies, but it's important to make sure that the benefits of bundling don't outweigh the drawbacks. Some experts caution that bundling can end up benefiting insurance companies more than consumers. That's because it can be harder to comparison shop when policies are bundled with one company, and it also makes consumers less likely to leave their current insurance company and try to find a better deal elsewhere. We'll look at the details of this expert advice, as well as other factors, later down the page. This guide will show you what to look for and what to avoid when bundling renters and auto insurance to ensure you're getting the best deal for you.

How Does Renters Insurance Bundling Work?

Although many companies offer insurance bundling, not all of them offer bundling with every type of policy they sell. If you already have a policy like auto insurance with a company you're happy with, it's

worth asking your agent if the company offers renters insurance with a bundling discount. But if saving the most money possible is your primary goal, you'll still need to compare bundled policy quotes from competitors, as well as quotes for separate insurance policies. This may mean spending a lot of time on the phone; not all insurance companies offer online quotes, some offer quotes only for certain types of policies, and some require you to discuss bundling discounts with an agent.

Does Bundling Insurance Save Money?

Bundling insurance policies can definitely save you money compared to paying for separate policies with the same company. But it's a bit more complicated to determine whether bundling insurance policies is always the right decision.

Of the providers in our Best Renters Insurance Companies of 2020 ratings, most offer the option of bundling a renters insurance policy with another type of policy. However, your exact cost savings won't be clear until you contact an agent for a quote. Furthermore, the discount depends on the details of the policies being bundled. As an example, Erie Insurance offers bundling with auto and other types of insurance, and the company website says that the discount from bundling may even cover the cost of a renters insurance policy. That sounds pretty good, but renters insurance policies are inexpensive compared to other types of insurance, and the website doesn't provide exact numbers or percentages to work with.

Steven Weisbart, senior vice president and chief economist at the Insurance Information Institute, says a price quote for renters insurance bundled with another policy often breaks down like this: one policy is quoted at full price or close to it), while the other policy is heavily discounted. Though this makes it difficult to compare the price of each policy individually, Weisbart says not to worry about that. "I wouldn't focus on a particular insurance premium in a bundle - I would focus on the total bundle number," he says. In comparison, Robert Hunter, director of insurance at the Consumer Federation of America, suggests checking the price of each policy individually and asking for quotes from multiple companies. This will ensure you're actually getting a deal from bundling, rather than just paying the full price for both policies in one bill.

Is Renters Insurance Bundling Worth It?

Bundling renters insurance with another type of policy can be worth it - especially if you can use your renters insurance policy to help lower the price of more expensive insurance, like an auto policy.

Convenience is another advantage of bundling. In addition to the discount, consumers with bundled policies can consolidate their bills and bill payments. It's faster to pay two premiums in one bill instead of paying them separately. Bundling may also offer the benefit of a combined deductible. If there's an incident that requires a claim on both your renters and car insurance policies, for example, you may need to pay only the higher of the two deductibles instead of both.

Despite the potential advantages of bundling, remember that insurance companies offer it to discourage customers from shopping around. It's possible you could save even more money by purchasing individual policies from separate companies. Don't assume that the best deal will come from using one company for all of your insurance needs.

While discounts and convenience are the ultimate goals of bundling, an insurance company's customer satisfaction is also important. If you're saving money with a bundle but find the company's customer service lacking, this is a disadvantage to those bundling savings. United Policyholders cites a 2011 J.D. Power study that showed consumers who used two different companies for car and home insurance were more satisfied than customers who bundled those two policies. That's because companies specializing in car insurance sometimes offer lower prices and better service than larger competitors that sell many types of insurance. Because renters insurance is fairly inexpensive, whatever you save from bundling might not be worth sacrificing quality of service.

Which Companies Offer Renters Insurance Bundling?

Lemonade is the only insurance company in our ratings that doesn't offer bundling. The others offer the following bundling options:

USAA: Will bundle renters with homeowners insurance if you rent and own separate homes, and will also offer a bundling discount if you add a personal property rider to your renters policy

Erie Insurance: Offers bundling with auto and other types of insurance

State Farm: Offers bundling with auto insurance

Allstate: Offers bundling with life insurance policies, as well as auto

American Family: Bundling options include auto, life, business, and recreational vehicle policies

Nationwide: Offers bundling with life and auto insurance, as well as motorcycle and watercraft insurance

Farmers: Offers discounts for bundling renters insurance with another policy.

Liberty Mutual: Call an agent to discuss bundling options

Travelers: Bundling options include auto, umbrella, boat, and additional personal articles coverage



How U.S. News Evaluated Renters Insurance

We explain what matters most to consumers, experts, and professional reviewers when it comes to renters insurance. Then we provide an unbiased evaluation of renters insurance providers available at the time of review. Our goal is to empower consumers with the information and tools they need to make informed decisions. More information about our 360 Reviews methodology for evaluating renters insurance companies is here.

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