Students

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When a teenager gets a license, it?s probably the first time he or she focuses on insurance. And as young people graduate from high school and head off to college or enter the working world, there are lots of insurance matters for young people out on their own for the first time to think about.

Auto

Teenage drivers represent the highest risk segment of the population and are involved in more serious and fatal accidents than anyone else. From the insurance company?s standpoint, high risk requires a higher insurance premium. Teenage drivers can add anywhere from 50 and 100 percent to the cost of a family?s auto coverage. Generally, it is cheaper to put a teenage driver on the family policy. Driver education and good student discounts can take the sting out of that to some extent. Many states have graduated driver licensing programs which phase in driving privileges and give teens driving experience under controlled conditions allowing young drivers to demonstrate good driving habits and gain experience. Pick a safe car to drive ? the model chosen greatly affects the cost of insurance. If a college student does not have a car during the school year (many schools restrict cars on campus for the first couple of years) and attends a school at least 100 miles from home, tell the insurance company. Rates may be lowered significantly for the period the student is not at home.

Home

There aren?t many ?student homeowners.? But they have ?stuff? that needs protection, which usually comes through homeowner or renter insurance. If a student lives at home, or in a college dorm, their personal possessions, including a computer, stereo, television, clothing and such items are covered by the family?s policy. If they have any items of exceptional value, it?s a good idea to have a separate endorsement on the policy. If a college student lives off campus, the family policy will probably not cover them. They should consider purchasing separate renter insurance.

Life

Life insurance protects a family?s way of life. As students approach college, not only are families focused on how to pay for it, they should also be thinking of how to keep things on track if tragedy strikes. Life insurance, whether whole life or term, is one way to ensure that resources will be there for your student to finish college if something happens to one of the family breadwinners. At a minimum, families should think about a limited policy that would cover burial expenses if a child is killed in an accident.

Health

In most cases, a full-time student will be covered in the family?s health plan until he or she graduates from college, or remains a full-time student up to 23 years of age. However, if the parents belong to a closed-network HMO that doesn?t provide non-emergency coverage in the school?s area, a separate policy for the student should be considered. Most colleges have a clinic on campus and may offer supplemental insurance as well. If a child gets sick and has to temporarily drop out, parents might want to consider having tuition insurance. Otherwise, even though the child has left school, the family may be on the hook for the tuition.

Disability

Disability coverage provides for lost wages in the event you are injured and unable to work. Most part-time jobs do not include such benefits, so disability insurance is unlikely to be provided by employers to students who work while going to school. For parents who are paying for their children?s college education, disability insurance would ensure that resources are there should the primary wage earner become disabled and be unable to work.

Long-term care

The younger and healthier one is, the less paid for insurance. But long-term care insurance is generally not an insurance priority for a young student unless there are extenuating circumstances.

Financial planning

Helping your student establish a solid financial foundation?managing student loans, credit cards and day-to-day finances?will help them in many ways, including getting insurance at the best possible rate. In many states, insurers use information from credit reports, along with other underwriting factors, to help determine who qualifies for insurance and what they pay. As a result, it?s important to avoid graduating from college and burdened by consumer debt in addition to student loans. Establishing a budget is a good first step. Parents may want to set up a debit card account for their student. Cash can be added conveniently to the account when needed, and expenses can be reasonably monitored.

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