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College Students Need to Take Insurance 101 Before Heading Off to Campus

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Insurance 101 for College Students Heading to Campus

FOR IMMEDIATE RELEASE
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NEW YORK, August 16, 2013 ? College students moving into dorms or off-campus housing this month should review their family?s insurance policies to make sure their possessions are properly covered, according to the Insurance Information Institute [2] (I.I.I.).

?Expensive sports equipment, electronics and furniture are increasingly showing up on college campuses today, so parents need to make sure these items are insured,? said Michael Barry, vice president, media relations, I.I.I.

Students who reside off-campus may not be covered under their parents? homeowners or renters policy. If that is the case, they will need to purchase their own renters insurance [3] coverage.

Before a student heads off to a college, the I.I.I. recommends taking the following steps:

1. **Create a ?dorm inventory? to document what?s leaving home**: List the items the student plans to bring to school, along with the estimated value. To make this process easier, the I.I.I. has created free Web-based software, available at KnowYourStuff.org [4]. Be sure to note specific high-value items such as a computer, camera or musical instrument and scan receipts into the system to document their retail value. Having an up-to-date inventory can help determine how much insurance to purchase and get insurance claims settled faster in the event of theft, fire or other types of disasters.
2. **Check homeowners or renters policies for off-site coverage**: Many homeowners and renters policies provide financial protection for a college student?s personal possessions (e.g., a TV, clothing and furniture) while they are away from home and residing on a college campus. Other homeowners and renters policies may limit the amount of coverage for a college student?s belongings to 10 percent of the total amount of a policy?s overall coverage for personal possessions. So if the student?s parents have $100,000 worth of personal possessions insurance for the family?s primary residence, for example, only $10,000 of coverage would be applicable to possessions in their youngster?s dorm room. In both cases, the student?s possessions would be covered for the same disasters that are in a standard homeowners or renters insurance policy. These include fire, theft, vandalism and natural disasters, such as a hurricane. The student would not be covered for typical college type mishaps, such as accidently spilling coffee on an expensive electronic device.Items such as jewelry and musical instruments may be subject to dollar limits under a standard homeowners or renters policy. If these limits are too low, parents may want to consider buying a personal property floater or an endorsement to their homeowners or renters policy. This provides a higher amount of insurance and broader coverage. Most jewelry floaters, for instance, include additional coverage for ?mysterious disappearance.?

   It may make sense for students to leave expensive jewelry at home or store it in a safe deposit

box. Floaters for storing jewelry in a safe deposit box are generally less costly, and many insurers will let people take jewelry out and wear it if they are informed in advance.

3. **Review auto insurance policies**: If a student has been driving the family car and will now be away at college, at least 100 miles from home, the policyholder?s insurance professional should be told. The owner may be eligible for a discount. If a student has his or her own car, the insurance company should be informed if it will be used at school or left at home. If the car is being taken to school, the price of the policy will now be re-evaluated based on where the school is located. If a student leaves a car at home, it is important to let the auto insurer know if anyone else will now be driving the car or if it will remain un-used except for when the student is home for vacation. If that is the case, the policyholder may be eligible for a discount. Many auto insurance companies will also give a discount to students who get good grades at school.

Parents may want to consider purchasing stand-alone insurance policies for their college student?s desktop computer, laptop, tablet or iPad for events which are not covered under a standard homeowners or renters policy, such as accidental damage to these pieces of equipment caused by things such as a drop or a spill.

Keep in mind that if a credit card is used to buy expensive technology products, some insurance protection may also be available to the purchaser through the card itself.

RELATED LINKS

Article: Students and Insurance [5]
Video: Test Your Insurance IQ: College Students [6]; College Students and Credit [7]

The I.I.I.?s free mobile apps can help you create a disaster plan, learn about selecting the right insurance for your needs and budget, and create and maintain a home inventory. Learn more about our suite of appshere [8]**.**
The I.I.I. has a full library of educational videos on itsYou Tube Channel [9]**.**

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