

Is Your Child Headed Off To College? “Study Up” On The Insurance Implications

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NEW YORK, August 24, 2012 ? All over the country, college students are gearing up to move out of their parents homes and into campus housing; it is therefore important that parents review their insurance policies to make sure their children?s possessions are properly insured, according to the Insurance Information Institute (I.I.I.).

?With e-books replacing notebooks and textbooks, curricula and classes going online, expensive electronics are not just a luxury, they are a necessity for many college students today,? said Jeanne M. Salvatore, Senior Vice President and Consumer Spokesperson for the I.I.I. ?And, in addition to the things they need to study, students also tend to bring a number of comfort items from dorm furniture to high end music and DVD players.?

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

1. **Create a ?dorm inventory?**?a list of 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. Be sure to note specific high-value items such as a computer, camera or musical instrument and scan receipts into the system in order 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. **Contact your insurance agent or company representative?**college is a major life event that may trigger the need for changes in insurance coverage, so ask about the insurance implications of a son or daughter becoming a full-time student and determine if supplemental insurance is needed. And, don?t forget to ask about discounts or ways to reduce costs.

Some parents' homeowners and/or renters policies include protection for a college student's personal possessions (e.g., a TV, clothing and furniture) away from home, if they live on-campus and the student's property is stolen or damaged. Other 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 parents have \$100,000 worth of personal possessions insurance for the family's primary residence, for example, only \$10,000 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 perils would include, fire, theft, vandalism and natural disasters such as a hurricane. The student would *not* be covered for typical college type mishaps such as accidentally 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 you take jewelry out and wear it if you let them know in advance.

Parents may want to look into acquiring stand-alone policies for desktop computers, laptops, tablets and iPads, and other electronic devices as they may provide coverage against accidental damage, liquid spills and other events not included under a standard homeowners or renters policy. Keep in mind that if you are using a credit card to buy such items, some insurance protection may also be available through the card itself.

Students who live off-campus may not be covered under their parents' homeowners or renters policy and may need to purchase their own renters insurance coverage.

Other Coverages to Consider

- **Auto Insurance:** If the student has been driving the family car and will now be away at college, at least 100 miles from home, make sure you let your insurance company know. You may be eligible for a discount on your auto insurance. If your son or daughter has their own car, it is very important to let your insurance company know if the car will be at school or left home, as the cost of the insurance will be based on where the car resides. Many auto insurance companies will also give a discount to students who get good grades at school.
- **Tuition Insurance:** This coverage refunds a significant portion of semester tuition and on-campus room and board when a student withdraws at any time during a semester due to a covered medical reason, including emotional, nervous or mental disorders or the death of the student. There is no coverage if the student voluntarily withdraws from school. Student loans used to pay for college costs can also be covered by the policy. Tuition insurance is available to students through participating colleges and universities, including some graduate programs, and is provided by third-party insurers; these policies cost anywhere from 1 percent to 3 percent of tuition per semester. The average tuition cost for U.S. private, non-profit schools in 2011-2012 was \$28,500; a seven percent increase over 2010-2011, according to the College Board, a nonprofit organization that keeps track of higher education information.

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