INSURANCE INFORMATION INSTITUTE

Domestic Partners

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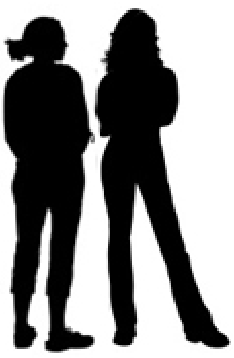

Since insurance and domestic partnership laws are different in each state, it's best to consult with a financial advisor or lawyer who is familiar with laws affecting domestic partnerships in your state.

AUTO

When you buy a car, it is titled. The most practical approach to getting insurance is to ensure that both names are on the title. Most auto insurance policies have one person as the primary driver and others in the household who regularly use the car as secondary drivers. Traditional rating factors, such as the age of drivers, and claim and driving records, will come into play. Depending on the insurance company, a discount may be available to domestic partners involved in a long-term relationship. Some insurance companies will offer a discount, while others don't, so compare coverage and rates of several companies to see what is available.

HOME

For homeowners, it is likewise important to have both names on the mortgage. This gives both partners an “insurable interest” in the property. If one person owns the home, the other should have separate renter’s coverage to protect his or her personal possessions. Keep receipts so it is clear who should claim what items, even if those items were jointly purchased. In homeowners insurance, the most important factor is the property itself, and the claims history of that property. Insurers also pay attention to the claims history of people who live in the home through loss history reports.

LIFE

Is your partner dependent on your income? Are you dependent on your partner’s income? If the answer is yes to either of those questions, consider purchasing a life insurance policy. You can name your partner as the beneficiary. When determining how much coverage you need, you should consider the following:

- Lost income
- Outstanding debts, such as a mortgage
- Estate costs

HEALTH

Increasingly, many employers offer health benefits for domestic partners. If you have this option, you may want to consider adding your partner to your health insurance. Keep in mind that this may involve an additional payroll deduction. If you are both working, and have separate health insurance policies, you should take the time to calculate whether dropping one partner’s health coverage and adding that partner to the other’s coverage makes financial sense. You should look at:

- Payroll deductions for each plan
- Deductibles for each plan
- Whether your personal doctors are covered under each plan

DISABILITY

If you are young and healthy, you may not have considered disability income insurance. Statistics show that the younger you are, the more likely you are to become disabled then die. Disability income insurance protects you and your partner financially if either of you has an injury or illness that results in the inability to work for a long period of time. Factors influencing the premium you will pay include age, gender, benefit amount, benefit period, current health status, your present job, and whether you smoke or not. The definition of disability will also have an effect on your premium. A policy that covers you for lost wages if you are no longer able to perform the duties of your present job is more expensive then a policy that pays benefits if you are unable to perform the duties of any job. Some companies offer discounts for policies on more than one person.

LONG-TERM CARE

The importance of long-term care increases with age. However, more people are beginning to buy coverage in mid-life. It may not be practical to purchase the insurance before age 50. It will increase in cost at age 60 and 70. It is also important to remember that new insurance becomes unavailable to people on their 80th birthday, so locking in coverage before then is important.

FINANCIAL PLANNING

It makes sense to consult with a financial advisor who is experienced in domestic partnerships. It is important to have a will and clearly spell out who you want to inherit your assets. To the extent possible, establish joint accounts for your checking, savings and investment accounts. Most individual retirement accounts require you to specify a beneficiary. The last thing you want is a family feud over your estate after you are gone.

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