

# April Is Financial Literacy Month, the Perfect Time to Review Your Insurance Needs

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**NEW YORK, April 19, 2012** — April is Financial Literacy Month and a reminder that major life milestones, as well as significant purchases and home alternations, can affect your insurance needs, according to the [Insurance Information Institute](#) (I.I.I.).

“To make the most of your insurance dollars, let your agent or insurance company representative know about major events in your life, such as a marriage, a divorce or the birth of a child,” said Michael Barry, vice president, Media Relations, I.I.I. “A thorough analysis of your existing policies will ensure that you are properly covered.”

The I.I.I. notes that the following major life events should trigger a review of your insurance policies:

**1. Have you gotten married or divorced?** If you plan on marrying, you will be combining two households and all of those personal belongings should be protected by a homeowners or

renters insurance policy. In many situations, there may also be expensive wedding gifts that need to be included in the coverage.

One of the best ways to protect your personal property is to create a detailed home inventory of all your possessions. To make creating your inventory as easy as possible, the I.I.I. has free Web-based home inventory software, [Know Your Stuff®](#), which includes secure online storage so you can access your inventory anywhere, anytime. If you have an iPhone, you can also download the free Know Your Stuff® ? Home Inventory app in the [iTunes App Store](#) (or search for “iii inventory”).

A home inventory can offer guidance to newlyweds when assessing what level of coverage they will need for their personal possessions under a homeowners or renters insurance policy. And, should the marriage end in divorce, the inventory can be revisited to determine the appropriate division of property.

Couples often bring two separate cars into their newly formed household, and it may make sense to list both vehicles on the same auto insurance policy. Married persons often find that their auto premiums are lower than when they were single.

Lastly, life insurance offers new couples a way to provide financially for their surviving spouse, in the event one of them died prematurely.

In the event of a divorce, it is important to unwind these types of economic relationships so that couples no longer list one another on auto, homeowners, renters and life insurance policies.

**2. Have you had a baby?** If you have recently added a child to your family, by either birth or adoption, it is crucial that you review your life insurance protection. If you are planning for your life insurance to cover your survivors' living expenses after your death, the new child will likely add to these expenses and require more life insurance to keep them financially secure. And remember to update the beneficiary designations on your life insurance policies to include the new child.

**3. Have you done extensive renovations on your home?** If you have made major improvements to your home, such as adding a new room, enclosing a porch or expanding a kitchen or bathroom, you risk being underinsured unless you report the changes to your insurance company. Speak to your agent or insurance company representative if you have added new structures outside of your home as well, such as a gazebo, a new tool shed, or a swimming pool or hot tub. If, as part of the renovation, you purchase furniture, exercise equipment or electronics, you may need to increase the amount of insurance you have on your personal possessions. Keep receipts and add any new items to your home inventory.

**4. Have you signed a lease on a house or apartment?** The real estate market downturn of recent years has given rise to a growing number of renters. If you are renting an apartment or a house, your landlord is responsible for insuring the structure of the building, but not for insuring

your possessions—that is up to you. A 2011 Insurance Information Institute poll conducted by ORC International found that only 29 percent of renters had renters insurance. In order to be covered against losses from theft and catastrophes such as fire, lightning and windstorm damage, invest in renters insurance. Like homeowners insurance, renters insurance also includes liability, which covers your responsibility to other people injured at your home, or elsewhere by you, and pays legal defense costs if you are taken to court.

**5. Have you retired?** If you commuted regularly to your job, in retirement your annual mileage is likely to drop significantly. You should report any such changes to your auto insurer as it could substantially lower the cost of your premiums. Furthermore, some companies provide a discount for drivers over the age of 50-55.

## RELATED LINKS

Financial Literacy Month: [Council for Economic Education](#); [Junior Achievement USA](#); [Jump\\$tart Coalition](#)

I.I.I. Resources: [Life Stages: Assessing Insurance Needs](#); [Facts and Statistics: Financial Services](#)

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**Back to top**