

Preparing for College

Quick Quiz

When preparing to send your child to college be sure to review:

1. Their college essay
2. Your bank account
3. The film "Animal House"
4. Their insurance coverage

If you selected insurance, you go to the head of the class. When your child moves from home to college there are a number of insurance questions to consider, especially if he or she is planning to live off-campus. Remember, not all insurance policies have the same terms and conditions. Consult your Trusted Choice® independent insurance agent to determine the limits and types of coverage that apply to your family's lifestyle.

Home sweet dorm

Insurance companies consider college students to be residents of their parents' home, temporarily residing elsewhere. They also consider your dorm-room contents to be "personal property, located off premises".

Most homeowners/renters policies limit coverage up to 10 percent of personal property, off premises. If you have \$75,000 of contents coverage at home, you will have \$7,500 for an off premises dorm room. You will need to decide if that's enough to repair or replace all electronics and other items likely to fill your trunk, back seat, and roof rack in the fall. If it's not, you might consider purchasing a separate renters policy or property policy for the dorm room.

Moving on up

Nearly one-fifth of college students rent off-campus apartments. Most insurance companies consider these apartments to be a permanent residence. Therefore, the apartment will not be covered under the parents' homeowners/renters policy for contents or liability.

Generally, the person who signs the lease is held liable (and may be sued) if someone is injured on their leased premises or by their property. A roommate or parent may also be sued, whether they've signed the lease or not, if the injured party thinks the roommate or parents might be responsible for the claim.

Regardless of who signed the lease, when your child is living off-campus they should obtain their own renters policy. Many insurance companies will not insure multiple names, or unrelated names, on a single policy. However, if you, as a parent signed the lease, you and the student should be named as insureds on the policy.

The annual premium for renters insurance is very reasonable, usually less than \$250 a year for about \$15,000 worth of contents.

Up and away

Studying abroad can provide a host of insurance issues. For example, an insurance company can suspend theft insurance at a student's domestic residence if he/she has been studying abroad for more than 45 days. Consult a Trusted Choice® independent insurance agent to make sure your child is covered in at least the following major areas:

- Theft of personal property
- Trip cancellation/interruption
- Emergency medical evacuation and/or repatriation coverage
- Health and/or hospitalization

Hot wheels

Few colleges allow freshman living on campus to bring their cars. But 70 percent of the rest of the students have them. Things to consider if your child has a car:

Leave the car at home: You might be eligible for a reduced rate if the car is titled in the student's name, no one else will be driving it, and the student will reside more than 100 miles away from the car.

Take the car to college and:

Notify your insurance company that the car will be garaged in another location. Premiums can be affected positively or adversely by a location change.

State laws vary. For instance if your child goes from a "straight-liability" to a "no-fault" state, their liability coverage may not be adequate. Increasing or decreasing policy coverages will impact their premium accordingly.

Consider letting your child assume the title to the car if they are 18 years or older. As the titleholder they must get their own auto policy. This will decrease your liability exposure.

Discourage your child from allowing others to drive the car. Regardless of who may be using the car and for what purpose, your child is still responsible for the car and what is done with it.

Out of sight, out of network

Health insurance coverage is complex, at best. Imagine the potential difficulties for your child when they're away from home. Problems can surface without warning, so it's a good idea to familiarize your child with the coverages and emergency provisions of your plan and policy.

Mistakes in this area can be extremely costly and plans vary widely, so check with your health-plan administrator in advance to minimize surprises.

Here are some of the major issues to resolve before your child leaves for school:

Age cutoff—Full-time students between the ages of 18-23 can usually be covered under their parents' health plan. Some plans have younger age cutoffs. Most require proof of continued enrollment from the school in order to keep coverage in force.

Full-time or part-time—The definition of full-time or part-time student can vary between colleges and health plans. You will need a signed document from the enrollment officer or registrar for your insurance carrier to demonstrate full-time status.

In network—If your health plan has a physicians' network where your child is going to college you will need a referral from your local physician.

No physicians' network—Your plan may offer an indemnity option where you will pay 80 percent of all medical bills and the insurance company will pay 20 percent. Find out before your child leaves for school.

College health plans—Most colleges offer some type of limited, campus-based, infirmary or emergency health care. Ask the registrar or student health services director for details.

Ineligible—Your child is no longer eligible on your plan? Many colleges and insurance companies offer affordable, extremely limited health insurance plans for individuals. If the student is working while attending school, check with their employer to see if any health insurance benefits may be available.

Insuring your legacy

Experts recommend obtaining or increasing your existing life insurance to cover the total cost of your child's tuition. When figuring that cost you will want to include: tuition, room and board, transportation, books, and supplies. Whether you have a college fund prepared for your child or are paying as they go, life insurance is a secure method to safeguard your child's education.