



**Independent  
Insurance  
Agents of Texas**

1115 San Jacinto, Suite 100, Austin, TX 78701



**News**

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Media contacts:  
Nicole Hubik  
(512) 448-4950  
nhubik@piercom.com  
<http://www.iiat.org>

## **Insurance Tips to Protect College Students and Parents**

Austin, TX — If yours is among the nine million U. S. households sending students off to college this year, you need to ensure your planning has included the all-too-often forgotten subject of insurance, according to the Independent Insurance Agents of Texas (IIAT).

“More than 80 percent of students may not have enough insurance to protect them from property loss or liability,” says IIAT Executive Director, David VanDelinder. In addition, one-in-seven students has inadequate or no health insurance.

“Parents should take a few minutes to talk to their insurance agent about these issues before sending kids off to college away from home,” says VanDelinder. Below are tips college students and their parents should know.

### **Student Property and Liability Insurance Issues**

The typical homeowners policy may provide some protection for college student’s property and personal liability exposures away from home. The student must be considered an “insured” under the terms of the policy and be a legal resident of the family household. However, there may instances where a student doesn’t meet this legal test, such as a 23-year-old graduate student living in an apartment year-round.

Other policies indicate students under the age of 24 are covered only if they are enrolled in school full time. However, fluctuations in class offerings each semester, as well as work schedules, often cause students to end up carrying fewer hours than required by the school to be classified as “full-time.” Therefore, a college student might be insured one semester and not insured the next semester.

Another potential problem is the small amount of insurance that may be available to cover a loss. Virtually all homeowners policies cover personal property away from the main residence – usually 10 percent of the personal property covered inside the home. For example, if the policy provides a limit of \$100,000 on personal property in the home, then only \$10,000 is available to cover personal property of a college student living on campus. Also, some policies won’t pay when property is stolen while a student is away or living at home for the summer.

“Contrary to what some might think, a typical renter’s insurance policy can be pretty affordable,” says VanDelinder. “Parents and college bound students should calculate the value of the property they will bring them, whether it’s a new lap top, stereo or other valuables.” For a cost of about \$100 to \$150 a year a student can get \$15,000 in personal property coverage and about \$100,000 in liability protection.

### **Student Auto Insurance Issues**

While there are obvious exposures when a child takes a car to college, there can be a dangerous coverage gap for students who don't have a car at college, according to VanDelinder.

"It goes without saying that just because a kid does not take a car with them to college does not mean they won't be driving or occupying a car. Whether they borrow a friend's car or just ride around as a passenger, coverage for the student on the family auto insurance policy depends once again on the issue of residency." A policy which covers just the exposures related to driving or riding in someone else's car is called a Named Non-Owner Auto Policy.

It's best to first determine with your agent how the auto will be rated, which could be higher or lower depending on policies rated either in the college town or home territory location. The student may also qualify for a Good Student or Driver Training Discount or be able to lower his or her rates by increasing the deductible.

### **Student Health Insurance Issues**

Health insurance is another tricky issue for college students and parents. A recent survey revealed that 84 percent of college students and their parents either don't know or mistakenly believe that the student's health insurance will cover them when they leave home to attend college. Once a student is over the age of 18, he or she may not be covered by a parent's health insurance unless they are a full-time student. Once a student reaches age 23, that student will usually lose coverage under a parent's policy, regardless of enrollment status. Checking with the insurance provider is the best way to determine any limitations.