



Do Your Homework Before Sending Your Child to College, Insurance Experts Advise

UTICA, Mich., August 1st, 2015– If your son or daughter is heading off to college this fall, you would be wise to consider new potential risks, liabilities and the insurance implications. With this in mind, [Action Advantage Group](#) of Utica and its insurance carrier partner, [The Hanover](#), offer tips to minimize financial risks and increase peace of mind.

Property Damage

The average college student will bring between \$5,000 and \$10,000 of personal property to college. Most students will suffer a loss at least once, with the most common cause being theft and the most severe being fire and weather events.

Tim Hays, account executive at Action, reminds parents that property risks have increased for students today. In the '80s and '90s, students did not carry a \$500 phone in their pocket and a \$1,500 laptop in their backpack. It's usually a good idea to insure certain items of high value separately or to purchasing technology coverage, which can provide broader coverage with a lower deductible, Hays said.

Most homeowners policies classify a student's possessions as "personal property located off premises" and provide coverage for up to 10 percent of the value of the homeowners coverage. If 10 percent of the value is not adequate, parents should consider renters insurance, which can cover both the student's personal belongings and liability.

It is good to be mindful of whether policies cover actual cash value or replacement cost. According to Hays, replacement cost coverage can be slightly more expensive, but it covers the actual cost to replace items, instead of the depreciated actual cash value of the items, which very often makes it the better value.

In the event of a property claim while at school, it is very helpful to have proof of purchase for the items reported. So, it's a good idea to take the time while packing to create a "dorm inventory" with purchase prices, model numbers and photos."

Car Sharing

As a general rule of thumb, auto insurance follows the insured vehicle more than the driver. If your son or daughter brings a car to college and loans the vehicle to a friend, he or she is also loaning the car's insurance. Hays explains this can mean the car's owners have to file a claim because someone else got into an accident with their vehicle.

Liability laws also follow the car's owner, but can impact a driver as well. For this reason, it is important to keep a student covered on your auto policy, even if they are not bringing a car to school. If your son or daughter borrows a friend's car and causes an accident resulting in serious injury, both the parents of the driver and the car's owner could be sued.

Added protection

It may be a good idea to consider adding an umbrella policy, Hays suggests. This offers an extra layer of protection to preserve your valuable assets, like your home, in the event of an unusually expensive loss. These policies provide coverage for legal judgments that may exceed the standard auto or homeowners policy level and are often available for a reasonable price.

Any time you have a significant life-changing event, like a child heading off to college, taking time to discuss the implications with your insurance agent can make a big difference. An independent agent can offer expert advice as to your policy limits and liability exposures, and be your most valued personal advisor, said Hays.

ABOUT ACTION

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