

Insurance for student residents – How are they covered?

Many parents wonder whether their college bound child's expensive electronic devices are covered under their homeowner insurance policy. This blog explores that and much more - including your concerns as a student housing property owner or manager.

Many parents wonder whether their college bound child's expensive electronic devices are covered under their homeowner insurance policy. The answer is probably not completely and you should encourage them to check with their insurance agent regarding these expensive items.

The standard homeowner policy forms include limitations for personal property away from the residence premises. For personal property "usually located" at an insured's residence other than the "residence premises." For example, many policy forms have a limitation of 10% of the personal property coverage amount – or \$1,000 - whichever is greater.

This means that if it is covered, the limit may or may not be adequate when you take into account a deductible and the coverage limitation. In addition, for many students the school year's length means the property is "usually located" at another residence. Although an apartment is not the permanent residence, it is considered a "residence." As a result, the 10% or \$1,000 limitation would likely apply.

There is also a theft limitation. Many policy forms state that the coverage does not include the peril of loss caused by theft unless the student who is an "insured" has been at the "residence away from home" at any time during the 45 days immediately before the loss. For example, if a student comes home for the summer break and left property in their apartment, there could be a gap in coverage, unless the student came back to the apartment some time within the 45 days before the theft loss.

It is important to note that many policies today do not use standard forms, so always advise students and parents to have their homeowner coverage checked by calling their insurance agent. In addition, unless you are a licensed insurance agent, you should refrain from giving insurance advice

altogether. A licensed insurance agent will be able to address any concerns parents have ranging from having their child's laptop stolen to concerns about coverage for a potential lawsuit due to some mishap the student ends up causing while away at school.

It's also a good idea for parents to have an umbrella liability policy that can provide a million dollars or more additional lawsuit protection. A lot can happen while sons & daughters grow more independent in the college environment, and not all of it is good. Having solid insurance coverage for both property and liability should be part of the planning process for the college years.

What do you encourage or require your residents to do regarding insurance? Do you have a story to share of how proper insurance protected a resident, or caused them (or you!) harm when no or inadequate insurance was in place?

Posted by **Global Administrator** on 10/2/2012 7:55:44 AM