

# CONSUMER ALERT

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NEBRASKA DEPARTMENT OF INSURANCE

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## Modern Families Have Unique Insurance Needs

*Sometimes the empty nest doesn't stay empty. Baby boomers supporting their parents and their college graduates returning home are among the more than 50 million Americans living in multigenerational homes. These modern families have unique concerns when it comes to home, health, auto and life insurance. The following tips will help you understand how to protect you and your family.*

### Household Concerns

Having an adult child, parent or other family member move into your household can be stressful. Aside from deciding who does dishes and who does the grocery shopping, you need to make sure your insurance coverage is adequate. Some questions to consider:

- How long does your family member plan to live with you?
- Are you charging rent (a fee for room and board)?
- Does your new house mate have all of his/her belongings with him/her?
- Will this person regularly drive your vehicle(s)?

When you experience change in your household status, contact your insurer or insurance agent to let them know about the new arrangement. It may be a good time to shop around to make sure you are getting the right coverage for the best price.

### Home Insurance

When a new household resident moves in, you should know what your homeowners policy covers in terms of limitations or even exclusions. First, check with your insurer or agent to see if you need extra coverage. If a fire or theft were to occur, any resident's belongings are typically covered by a standard homeowners agreement. However, belongings are subject to limitations and, high-priced items like electronic equipment or jewelry may need extra coverage.

Beyond coverage of possessions, consider if a pet might be joining your household. If your new household member's dog gets out and bites the neighbor, you want to be sure your policy provides adequate liability coverage. In situations like this, it's important that your insurance company understand who is living in your home and whether any new pets have arrived on the scene.

If you plan to charge your new household member rent, he or she may want to consider renter's insurance. Renter's insurance is typically inexpensive and covers the renter's property and liability up to policy limits. Keep in mind that dependents, such as college students, are automatically covered under their parent or guardian's policies. Typically, a dependent is covered up to 10 percent of the parent's policy. Check with your agent to find out the specific provisions of your policy.

## Health Insurance

Insurers now allow adult children up to age 26 to be covered by their parents' health insurance policies. However, you may want to shop around before adding adult children to your policy. It may be less expensive for a healthy young adult to obtain coverage on the open market than on the policy offered by your employer. If your adult child is older than 26, they'll need to look into an individual policy. COBRA coverage from a previous job is also something to consider if they are newly unemployed.

If an older relative moves in with you, and is over the age of 65, they may qualify for Medicare. For more information about Medicare, visit the official U.S. government site for Medicare at [www.medicare.gov](http://www.medicare.gov). If your parent is moving in due to health concerns, you may want to carefully consider Long Term Care. You may want to contact your insurer or insurance agent to obtain more information on health insurance options or visit InsureU from the Department's website located at [www.insureuonline.org/insureu\\_type\\_health.htm](http://www.insureuonline.org/insureu_type_health.htm).

## Auto Insurance

Car insurers are entitled to know who is living in your household and who drives your vehicles. If your new resident drives, notify your auto insurance company. If the resident owns their own car, your insurer may simply want a copy of his or her auto policy for their personal vehicle.

If the household member does not own a vehicle, you may want to add them to your auto policy if he or she is a licensed driver. Depending on the person's age and driving history, this may impact your rates. If you neglect to inform your auto insurance company about drivers using your car, future claims could be denied and your policy could be canceled or not renewed due to misrepresentation of licensed household members.

If multiple drivers have policies with the same company, you may want to bring all of the policies together under one household for a multicar discount. For more information, contact your insurer or insurance agent to discuss your discount options. Again, this is a great opportunity to shop around to get the coverage you need at the best rates available.

## Life Insurance

If you find your family dependent on you to provide for them, you should review your need for life insurance. To determine if you need coverage ask yourself the following questions:

- How much of the family income do I provide?
- If I were to die, how would my survivors – both children and parents - get by?
- How will my family pay final expenses and repay debts after my death?
- Will there be estate taxes to pay after my death?

To find out more about the different kinds of life insurance policies, visit with your insurer or insurance agent. Information can also be obtained from InsureU on the Department's website located at [www.insureuonline.org/insureu\\_type\\_life.htm](http://www.insureuonline.org/insureu_type_life.htm).

## More Information

If you have insurance-related questions, please contact the Nebraska Department of Insurance at 402-471-2201, or call our toll-free consumer hotline at 1-877-564-7323. Additional information is available on our website at [www.doi.nebraska.gov](http://www.doi.nebraska.gov).