



## Consumer Alert

Nebraska Department of Insurance  
402-471-2201 ~ Toll-free Consumer Hotline 1-877-564-7323  
[www.doi.ne.gov](http://www.doi.ne.gov)

### Insurance Consequences for “Boomerangers” and Parents to Consider

*Layoffs and a dearth of new job openings continue to add to the high rate of unemployment, leaving an increasing number of new college grads and young adults unable to make ends meet. Left with limited options, many are moving back home with Mom and Dad – an increasing trend that creates important insurance consequences for these so-called “Boomerangers” and their parents to consider.*

#### Stay Protected

In this economic environment, many young adults and their parents are finding themselves in a position they never expected. A grown child moving back home can create insurance implications that must be considered carefully and understood to ensure everyone stays protected.

A recent Pew Research Center study found that, in the past year, nearly 13 percent of parents with grown children have had at least one of their adult sons or daughters return home to live for financial reasons. Saddled with college loans and unexpected job loss, these young adults are forced to live at home until they can find a job and get their finances back on track. The Nebraska Department of Insurance (NDOI) suggests that families who find themselves part of this new phenomenon consider the following:

#### Review Your Insurance Policies

A move back home provides the perfect opportunity to review existing health, home and auto insurance coverage for both parents and children to ensure it adequately reflects the new living arrangement.

As part of the review process, families might find they can save money by combining existing insurance policies. For example, young adults renting before moving back home no longer need renter’s insurance; instead, they could potentially be added to the homeowners policy. However, they need to be sure that their parents’ homeowners policy has a broad enough scope to include them as “insured.” Check to see if young adults need additional coverage if the move back home forced them to rent a storage locker for their belongings or if they have big-ticket items, like jewelry, expensive electronic equipment or other valuables that may require coverage beyond what their parents’ homeowners policy has currently.

Auto insurance coverage is another important consideration. Does the young adult have his or her own car that needs to be added to the parent's policy? Or does the young adult need to be added as another driver of an existing family vehicle? The good news is parents can keep any member of the family on their auto insurance policy as long as that person lives in the same house. But rates may increase, so parents should look for discounts such as those given for multiple vehicles, multiple policies (homeowners, life, health, disability), anti-theft devices and good driving records.

Parents should discuss the situation with their insurance agent to determine what level of coverage their family needs. Young adults can also visit a dedicated section for young singles on Insure U located at [www.insureuonline.org/course\\_singles.htm](http://www.insureuonline.org/course_singles.htm) to learn more.

### **Check about New Health Care Limits**

Ask your health insurer if it permits re-entry of dependents onto the parental health plan. In Nebraska, under certain circumstances, insurers are allowed to include coverage for dependents through the age of 29 on the insured's family coverage plan at the policyholder's own cost. Be aware of disqualifying events for which a dependent's coverage ceases under the parental plan. Anyone with questions about how Nebraska law affects their coverage should reach out to the NDOI by calling its toll-free consumer hotline at 1-877-564-7323 or visiting the website at [www.doi.ne.gov](http://www.doi.ne.gov).

### **Explore Alternative Options for Insurance Coverage**

If young adults don't qualify for a parent's policy, other options can be considered to make sure they stay protected. Options include:

- **Alumni Associations:** University alumni associations can be a resource for cost-effective insurance plans — health, auto, life — but this might require application within a set period of time after graduation and perhaps membership in the alumni association.
- **State Insurance Pools:** The Nebraska Comprehensive Health Insurance Pool (NECHIP) is an insurance pool that guarantees coverage to people rejected by private insurers. It also can provide a way to continue insurance coverage for those who exhaust COBRA benefits.
- **Industry Associations:** Many professional groups and associations also provide members access and preferred rates. If part of an industry group, check with the organization to see what benefits are available.

For more information about auto, home, life and health insurance options, as well as tips for choosing the coverage that is right for you, visit [www.InsureUonline.org](http://www.InsureUonline.org) or the NDOI website at [www.doi.ne.gov](http://www.doi.ne.gov).