

CONSUMER ALERT



NEBRASKA DEPARTMENT OF INSURANCE

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Do I Really Need to Insure My Stuff?

What College Students Should Know About Renter's and Auto Insurance Coverage

Until now your parents have probably handled all of your insurance decisions. Even if they still do, you should understand what your insurance covers in the event of an accident or loss. There are two main types of insurance appropriate for most college students to purchase: renter's and auto. Here are the basics you should know about insuring your stuff.

Why Buy Renter's Insurance?

Make a mental list of the things you own. You may not think you have much to insure. Your computer? Maybe. Your gaming equipment? Possibly. Your hand-me-down couch? Maybe not. But you buy insurance because when you start adding up the value of all this stuff, the cost to replace it all generally outweighs the cost to insure it. Insurance is meant to help get you back to where you were before an accident or disaster.

Your Home Away from Home

Renter's insurance covers the stuff in your apartment or dorm room (but just your possessions, not your roommate's stuff). Like your auto insurance, it also covers your liability if you negligently hurt someone or something. It also covers your personal property that may be stolen from your car or taken from your backpack while you study at the library.

If you live in the dorm, it is likely your parent's homeowner's insurance will cover your stuff, but there may be a limit on what is covered. So if you buy a new computer or a gaming system, make sure your parents know so they can talk with their insurance agent about making sure there is adequate coverage.

If you live in an apartment or share a rental house, your name is probably on the lease, which means the policy will be in your name and you are responsible for any losses. The policy will cover a set amount of stuff that you own. It also covers your liability if somebody gets hurt at your place. There are things that you may be considering purchasing that could be excluded from your liability coverage – such as certain breeds of dogs or a trampoline that sounded fun when you saw it on Craigslist. You should talk with your parents or insurance agent before adding major, potentially hazardous stuff to your collection. Also, if you are throwing a party, you need to know it is possible you could be held liable for accidents that happen after someone's been drinking at your house.

No matter where you live, it is a good idea to have a full list of your stuff that you have with you at school. A home inventory will help you and your parents know how much insurance you need and if something happens you can use it to file your claim. The NAIC has a free smartphone app that makes a home inventory easy. You can download the app **myHOME Scr.APP.book** which is available from Insure U located in the consumer dropdown on our website at www.insureuonline.org/insureu_getready_newhome.htm. There is also a spreadsheet located at www.doi.nebraska.gov/brochure/out10205.pdf that is available for printing and tracking items.

Your Auto Insurance

The first thing you need to know about auto insurance is that most states require you carry at least a minimum amount of liability coverage. The liability coverage on your car pays damages and injuries to someone else if you are found responsible for an accident you did not intentionally cause. So, whether you drive a new car or an old car, you have to have continuous liability coverage. Some states also require you buy personal injury protection (PIP) coverage. If you live in a state that requires PIP coverage, work with your insurance agent to get what you need.

If your name is on the title for the car, you will need to purchase your own auto policy. If your parents own it, you may be able to remain on their policy, which may be less expensive (but you may have to prove your parent's home remains your primary residence). Be sure to notify your insurance company about the address where the automobile will be stored, if it is different than what is on the policy. If you are going to school in another state, be sure to check the new state's minimum liability or PIP coverage requirements.

If you want coverage for damages to your car, you will need comprehensive and collision coverage. **Collision coverage** fixes damage caused when you hit something like another car, or if somebody hits you. **Comprehensive coverage**, also referred to as **other than collision coverage**, is for just about everything else – like hail damage or hitting a deer. You will have to pay for part of the repairs – that is your deductible and the amount you are going to have to pay is listed on your insurance card. Speaking of an insurance card, the insurance follows the vehicle and not the driver. Always make sure that your insurance card is in the car and if you let a friend borrow the car, make sure they know where to find the card.

If an Accident Happens – What do I do?

If you are in an accident, it is important to get certain information from the other driver. It is also important not to give the other driver too much information about yourself or your parents. Do not admit fault for an accident. The National Association of Insurance Commissioners (NAIC) has a free smartphone app called WreckCheck that helps you know what information to get following an accident. Download the app from www.insureonline.org/insureu_getready_newcar.htm.

A word of caution about accidents: When your car is damaged in an accident, that information goes on a special insurance report called a C.L.U.E. report. Insurance companies can access that information for up to seven years, which could affect your premium in the future.

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. Be sure to also visit Insure U on the consumer dropdown of our website, www.insureonline.org, to get helpful information about insurance options at all stages of your life.