

## Insuring Adult Children

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Blood may be thicker than water, but it is thinner than insurance contracts. An adult son or daughter may think that, when a loss happens, coverage is available from mom or dad's homeowners or auto policy. It usually isn't and finding this out after a loss makes matters much worse. Policies are typically clear. A relative is covered, but only if the relative is a full-time resident of the named insured's household. Even if the nonresident child lives next door, a parents' policy is not going to spread its coverage to take care of an adult child's belongings.

If this fact appears harsh, know that insurance contracts are meant to handle sources of loss that can be easily identified. Person A's cars or home is protected by Person A's auto or homeowner policy. Imagine if that weren't the case.

Example: The Rabbitfield's home and cars have been insured by Plausible Fire & Casualty for 20 years. In the last five years, the Rabbitfield's children have grown and started their own households. Per the Plausible home and auto policies, the insurance premiums and two policies that covered the original family's two cars and one home, now cover the original home and cars PLUS the following:

- Son Jimmy Rabbitfield's apartment and car
- Daughter Chana Rabbitfield's home and two cars
- Other son Perry's home, seasonal home and two cars
- Other daughter Bonnie's apartment and car.

Besides covering all of the property, the Rabbitfield parents' policies ALSO cover everyone's personal legal liability.

While it might be a bargain for insurance consumers if a single auto or homeowner policy could be stretched this far, it's not likely that the insurance industry could survive such flexibility.

### Being Independently Insured

Understandably, insurance is not always a priority for adult children who are now on their own. In the beginning, there's often a phase where the kids commute between "home base" and their new apartment or home and their property is at both locations. The new grown-ups typically have few possessions, especially possessions of high value, and this adds to the likelihood that insurance is overlooked or seen as unnecessary. However, even when possessions are few, EVERYONE has a legal responsibility to handle the damage they accidentally cause to other people and/or other people's property. When a child reaches adulthood, they've also reached the point where they need to get their own insurance.

If an adult child asks you for insurance advice, give them the name of an insurance professional you trust to help them get the exact protection they need.

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