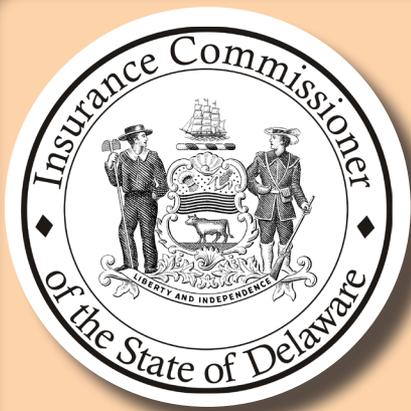


The Instant Insurance Guide: College Students



**Information for
College Students
in Delaware**

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Delaware's Insurance Commissioner
1-800-282-8611 • www.delawareinsurance.gov

A Message From The Delaware Department of Insurance

The Delaware Department of Insurance has compiled this guide to help college students understand the types of insurance that may be beneficial to carry, may be beneficial to change, and how to make what you do have work for you. Insurance is a field that can be confusing for even the most experienced person. Our goal is to provide you with concise insurance information and ways to access more information if you want it.

This guide covers renters insurance in addition to health and automobile insurance. In the health insurance market changes have come about because of the Affordable Care Act (ACA, also known as Obamacare) which became law in 2010. The ACA has experienced modifications on the state and national levels and we will continue to update this guide as often as possible to reflect the latest regulations and guidelines. Whenever you have questions you can always call our office or contact your insurance provider directly.

The Department of Insurance is here to serve you and if you have any questions about insurance-related issues not covered in this guide we will do our best to assist you.

www.DelawareInsurance.gov

1-800-282-8611

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Whether you are a State of Delaware resident or an Out-Of-State college student we have compiled information on some of the most commonly purchased insurance products that could be beneficial.

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Please note: The Department of Insurance makes every attempt to provide up-to-date information. If you need further clarification with any insurance questions we suggest you call our office or visit our website. This guide is not a substitute for legal or professional advice. May change without notice.

Renters Insurance

The Basics

When you rent an apartment or home your landlord is responsible for insuring the structure against damages caused by a fire or such. Many renters believe purchasing this type of insurance is unnecessary and that the landlords insurance will cover the replacement costs of their personal property. That is incorrect, the landlords insurance does not cover your personal property against damages. Another reason is that they think they don't have enough things that would need to be insured. They also underestimate the worth of their belongings. To protect your financial interests you may want to consider purchasing renters insurance.

Three main types of renters' insurance coverage

Personal Property Coverage

Renters' insurance policies offer coverage for theft, loss or destruction of your personal belongings caused by fire, storm, or other causes that will be listed in your policy. This coverage will help you replace your day-to-day items such as; clothing, jewelry, computers, appliances, etc.

When looking at this coverage you will need to decide if you want the provision that covers actual cash value or replacement costs. For example: you bought a television two years ago for \$1000.00 and it is stolen. If you resold it today the actual cash value would be \$200.00. However, the replacement cost covers the current cost of the same model and size television, it does not depreciate the value based on age.

The difference in premium costs do not vary much. But if you have fairly new items it may be better to spend a little more for the replacement cost provision.

Liability Coverage

This coverage comes as part of your standard renters insurance. This covers you if you are sued by a guest to your house or apartment. It will also cover you if you or a family member cause damage to a neighbor's property. If a guest slips on your stairs due to a loose rug this insurance may cover the medical bills. Or maybe your tub overflows and soaks the downstairs' carpets, you're covered.

Renters Insurance

Additional Living Expense Coverage

While your landlord's policy may cover damage to the structure you will still need a place to stay. This coverage will help pay for your temporary living expenses, such as hotel or motel and restaurant bills. These are charges you would not normally incur if you still lived in your apartment or house. There will be limitations on the amounts paid per day so you will need to check your policy or by contacting your insurance company.

Do I need Renters Insurance?

If you live in a college owned housing you may have coverage for personal belongs through the college and your parent's homeowners' insurance policy. There are three questions to ask yourself when deciding if you should purchase this insurance:

- How much is my stuff worth?
- Could I afford to replace everything?
- What would happen if someone was injured on my property and sued me?

It is best to review your parents' homeowners' insurance policy with their agent or directly with the company to see what specifically will be covered while living away at college.

Health Insurance

The Basics

With the passing of the Affordable Care Act (ACA) or more commonly known as Obamacare, there has been many changes to the health care market. One of those changes is the ability to stay on your parent's health insurance plan up to age 26 years. If your parents do not have family coverage or health coverage at all you may need to review your own options. With the rising costs of medical care these days an unexpected illness or injury could put you in deep debt and possibly ruin your credit history.

Dependent Coverage on Family Plan

If your parent has a group employer policy that offers dependent coverage they may be required to extend your coverage up to age 26. If this is the type of coverage you re enrolled in do not assume your medical care will be covered while attending college out of state. If your coverage is limited to a specific service area or state, such as an HMO, you will not receive reimbursement for routine services or non-emergency care. However, some insurance companies offer away from home programs. You will need to contact the insurance company directly to inquiry about any possible programs and to see how this plan will work for you.

Individual or Self Coverage Plan

If your parent does not have health insurance that will cover you as a dependent you may need to consider purchasing your own insurance policy. Because of the ACA everyone is required to have health insurance to cover the 10 essential health benefits to avoid tax penalties. However, if you are enrolled in a school sponsored plan you can avoid tax penalties as these are considered grandfathered plans and not subject to the ACA requirements. Please note that many colleges require proof of insurance at time of enrollment or you may be required to enroll in their school sponsored student health insurance plan (SHIP).

Health Insurance

Coverage Options: Advantages and Disadvantages

<u>Family Plan</u>	<u>Individual or SHIP</u>
Parents pay the premiums and <i>may</i> be less costly	You pay the premiums and <i>could</i> be more costly
Parent does the enrollment	You do the enrollment
Can stay with family doctors	May have to find new doctors
Provides full service coverage	SHIP may have limited service coverage
May have limited coverage when out of state	Medical services available on campus or near by
Parents get the EOB showing services receiving	Confidential care as you receive the EOB
May lose coverage if parent loses their job	Keep coverage as long as you pay the premiums
Does not require full-time student status	SHIP may require full -time student status

While many college students are often referred to as the “Young Invincible” they are still vulnerable to illness and accidents. It is important to know your options when making these decisions. Above are a few differences in the types of policies available. Compare the different policies to make sure you are getting the fullest benefits available. While most plans offer coverage for emergency care everywhere other plans may be limited to specific service areas for the follow up care and non-emergency care.

**Emergency medical conditions involve immediate onset of symptoms, including pain, severe enough to lead a person with an average knowledge of health and medicine to believe immediate medical attention is needed to avoid a serious impairment of bodily functions or serious dysfunction of a bodily organ or part.*

Automobile Insurance

The Basics

In Delaware, as all other states, drivers are required to carry automobile insurance. If you are planning on going to a college out-of-state and taking your car with you, you must make sure you meet all the minimum requirements of the state you will be living in. The minimum requirements in Delaware are:

Bodily Injury Protection - \$15,000/\$30,000

If you are responsible for the injury or death of another person and have minimum coverage, your insurance company will pay:

- Up to \$15,000 to one person involved in a single accident
- Up to \$30,000 to all people involved in a single accident, with no more than \$15,000 to any one person

Property Damage - \$10,000

If you are responsible for damages to another person's property and have minimum coverage, your insurance company will pay:

- Up to \$10,000 to a person involved in a single accident

Personal Injury Protection (PIP) - \$15,000/\$30,000

Whether you are responsible for the accident or not, your insurance company will pay for the medical expenses and loss of wages for you and your passengers. If you have minimum coverage, your company will pay:

- Up to \$15,000 to any one person involved in a single accident
- Up to \$30,000 to all people involved in a single accident, with no more than \$15,000 to any one person

*Also included in PIP coverage is up to \$5,000 for funeral expenses

Don't Drive Uninsured: Driving without insurance is against the law and leads to higher insurance premiums for the drivers who play by the rules. Registered vehicles are randomly checked for coverage and insurance companies will notify the state if coverage is dropped. Driving without insurance can cost you a fine, your license plate or your driver's license.

Automobile Insurance

How To Decide?

Leaving the car at home: Even if leaving your car at home you need to decide if you should keep your parent's coverage or drop it. Many companies allow young adults to remain on their parents' policies as long as the car title lists at least one parent, the young adult still lives at home or is a full-time student. Generally, it is recommended to keep your coverage active on your parents' policy for many reasons:

- Covered when home visiting
- Covered when driving a friend's car with limited coverage
- Lower premiums (the cost of the policy)

There are ways to save on the premiums while in school. Listed below are some of the options available that may vary by companies. Your parents should discuss ways to save insurance costs with their agent.

- Occasional Driver Discount
- Good Student Discount
- Distant Driver Discount

Taking the car with you: If your college allows you to bring your car with you, you will need to review your options for insurance coverage to make sure you have satisfied the new state's minimum coverage rules. In addition, your current coverage may need to be increased. While it is not often required, some companies may require you to enroll in a separate policy which may have a higher cost when the car will be located in another state. However, the above discounts may still apply.

When making your decision we suggest you discuss your options with a licensed agent. It may be helpful to get at least three different car insurance quotes to see which will offer the best rates for the coverage you will need. If you remain with your current carrier and policy, you will need to notify your insurance company where your car will now be located.

Contact Us

The Delaware Insurance Commissioner's Office is here to help if you have questions about or problems with your insurance coverage or insurance company.

Questions about insurance or complaints about an insurance company or insurance agent can be made to the Commissioner's Consumer Services division by phone, by fax, by letter, by email or with an online complaint form.

**Phone: 1-800-282-8611
(Toll-free in Delaware)**

or (302) 674-7310

Fax: (302) 739-6278

Email: consumer@state.de.us

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Dover, DE 19904**

www.delawareinsurance.gov

Insurance Commissioner's Office of the State of Delaware

Our Mission

- **Protect insurance consumers**
- **Regulate companies to ensure ability to pay claims**
- **Review, approve, and/or disapprove rates submitted by insurance companies**
- **Prosecute insurance fraud**
- **License agents and brokers**

Dealing with insurance and insurance companies can be complicated and confusing. The Consumer Services staff at the Department of Insurance is trained and experienced in dealing with insurance problems. Whether it's a simple question or a tough situation where someone is being denied a service, we will do everything we can to help you understand your options.

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