



## TO INSURE U, START AS A YOUNG SINGLE



### Insurance Tips for Young Singles

#### Considerations for Young Singles

As a young single, you're on your own for the first time without parental support. You could be finishing college, or you may be looking for or starting a new job. This stage of your life might require you to leave your hometown and move to a different city or state. It also means new responsibilities, including building the foundation of your financial security. At this point in your life, it's important to understand that your financial decisions – even very early ones – have long-term implications. That is especially the case with insurance coverage. So you'll want to make informed choices about what kind of coverage is best for you.

#### Auto 101: Car & Driver

- As long as you live with your parents and don't own your own vehicle, you are eligible to remain on your parents' auto policy. Staying on their policy saves money because parents are considered lower-risk drivers than young singles. However, many people buy their first car as a young single. If you do, insurance companies will require you to purchase your own insurance policy to avoid any potential legal confusion about who owns the vehicle and is responsible for its use.
- In most states, the law requires you to maintain auto liability insurance to cover losses that are caused by your negligence, and sometimes you are required to carry personal injury protection coverage. To avoid penalty, pay your premiums on time, and don't let your coverage lapse to save money in the short-term. If you do, you may be putting yourself at substantial financial risk as well as negatively affecting your insurance history.



There are several ways that you can prudently control your costs for auto insurance:

- When buying or leasing your first car, remember to consider the cost of insurance in your financial calculations. Insurance rates vary with the type and model of vehicle, so check these costs before you decide which car to purchase. For example, SUVs, convertibles and performance vehicles typically cost more to insure than other cars.
- While auto policies are an important way to protect your financial health, don't go overboard when purchasing liability coverage. Since young people typically have a low net worth, they may not need hundreds of thousands of dollars in liability coverage.
- If you purchase a used car, or your parents give you their old car, you might consider dropping the collision coverage as a way to cut expenses. With older cars, the cost of collision coverage can exceed the value of the car.
- You might also consider raising the deductible for your comprehensive and collision coverage. A higher deductible will lower your premium cost.
- Seriously think about commuting to your job via public transportation, rather than by driving. Your premiums may be lower if you limit your vehicle use to weekly recreational activities.
- If you will be traveling extensively or will be deployed in the military for an extended period of time – and no one will be driving your vehicle – you may be able to suspend some or all of your coverage to save on premium payments. You should check out and choose a policy that specifically allows for full or partial suspension.
- Taking a defensive driving course may help lower your premiums.
- And, of course, it's wise to maintain a good driving record – one devoid of tickets, accidents, and Driving

*(Continued on page 2)*

What is your **Insure U** IQ?

Visit the Web site at [www.insureUonline.org](http://www.insureUonline.org) and try the Life 101 Young Singles Quiz.



**LIFE STAGE COURSES**

**LIFE INSURANCE TIPS FOR YOUNG SINGLES**

*(Continued from page 1)*

While Intoxicating citations.

- For those in school, it's also advantageous to maintain good grades, and inform your insurance company every semester, as they often offer preferred rates and discounts to young people who do so.

**Home 101: Living Single**

- At this stage of your life, you're more likely to be a renter. So you should seriously consider renter's insurance. However, make sure you understand what's covered and what's not covered by your policy. Don't rely on the landlord's insurance, or your parents' insurance. As someone living independently, you need to protect yourself and your belongings.
- In maintaining your own residence, you must realize that you are liable for things that happen on your premises. For example, you might be using your apartment for parties. Keep in mind that in many states, you could be held legally responsible for the actions of anyone who drinks in your home and then has an accident in your house or after leaving it. Your homeowner's or renter's policy should protect you against lawsuits due to these types of liability issues.
- You might be sharing your apartment with roommates who are unrelated to you. In such a case, insurance coverage can become complicated because renter's insurance is designed for single individuals and traditional families. Be sure that you have an individual policy of your own to cover you and your possessions.
- If you are in the military, speak with your insurance agent about whether personal items that you take with you during your deployment will be covered if they are lost, stolen or damaged. Homeowner's insurance typically covers personal property that you take with you while traveling, but most policies exclude coverage for damage caused directly or indirectly by war. In addition, most homeowner's policies require you to occupy the residence insured. If you are deployed, call your insurance carrier and state insurance department to discuss any possible coverage issues.
- At this stage of your life, you are no doubt mindful of your expense budget. Some prudent steps can help you control your home insurance costs, as well as



lessen the likelihood of damages occurring in the first place.

- Investing in a few smoke detectors and fire extinguishers, and strategically placing them around your home – particularly in the kitchen and bedrooms – is a smart practice that can pay off big time. Not just in lower insurance premiums, but in providing real life-saving protection to you and everyone else you invite into your home.

**Health 101: I Got a Job... and Health Insurance Too!**

- As health insurance in the U.S. is typically employer-provided, getting a job is often the first time a young person begins to think about this matter.
- While you are young and healthy, you might actually feel that you don't need health insurance. In fact, you might be tempted to do without coverage because you are strapped for cash and want to avoid paying the premiums. The National Association of Insurance Commissioners recently surveyed U.S. consumers and nearly a fifth of young singles said they would decline employer health insurance to save money.
- However, forgoing health insurance is a dangerous decision. Accidents and unforeseen illnesses can be financially devastating for you and your family. Weigh carefully the repercussions of not being covered, and seriously consider buying health insurance suited to your needs.
- Know your family's health history. If you are at high risk for developing a medical condition – such as diabetes – later in life, think carefully before saying no to your employers' health policy, even if it means paying higher premiums while you are young and healthy.
- Understand that if you have been covered under your parents' health insurance policy while you were in college or by a plan offered through your college, often this coverage ceases when you graduate. Additionally, many companies have employee probation periods before health coverage goes into effect. For these periods of no coverage, you should check to see whether you can extend your parents' coverage short-term under COBRA. Some colleges also offer graduates interim coverage.
- As an alternative, talk to an insurance agent about catastrophic health coverage as a short-term measure.

