

Saving Money on Your Insurance

BY JOSE MONTE MAYOR

Insurance Coverage for College Students

HEADING FOR COLLEGE is an adventure. However, the adventure should not include unpleasant surprises about insurance against auto accidents, loss or destruction of personal property or medical expenses.

Here are some things you should know about insurance coverage before your student leaves for school.

Automobile

If your family auto policy covers your children now, it will provide the same coverage while they're away at school in the United States, Puerto Rico or Canada.

Your auto liability insurance policy will cover any accident for which your student might be held responsible while driving somebody else's car, up to the policy's dollar limits. The liability policy covering the car driven generally must pay first. Your policy will pay for expenses in excess of those paid by the policy on the non-owned car your student was driving. However, your policy will pay on a primary basis for damage to the non-owned car itself.

Several insurance companies offer "student away at school" premium discounts when a young driver covered by a policy attends college away from home without a car. Some companies offer 10 percent discounts to college students classified as "youthful drivers" who maintain grade averages of at least "B" or 3.0 on a 4.0 scale. Your agent can tell you if your company offers this discount.

Personal Property

A student's personal property—clothing, bicycle, musical instruments, computer equipment, stereo, etc.—can be expensive to replace if damaged, destroyed or stolen.

Your homeowners policy automatically covers the personal property of dependents temporarily living away from home. The coverage is limited to 10 percent of the personal property coverage provided by the parent's policy. If the parent has \$70,000 in personal property coverage,

for example, the policy will replace the student's property up to \$7,000. There are certain exceptions, so it's a good idea to talk to your insurance company or agent about coverage for your student's personal property away from home.

If a student needs more personal property coverage than the parent's policy affords, an option is to buy a separate renters policy. Premiums for these policies average approximately \$20 per month.

Health

If your family health plan is a traditional major medical policy, it covers your student wherever he or she attends college. Questions arise most often when family coverage is with a health maintenance organization because HMOs provide full coverage only within specific geographic service areas and only when services are received from network physicians and providers. If the student is out of your service area, the HMO is only required to pay for emergency care. However, the student can return to your service area to receive other care.

An exception is HMO coverage bought by parents whom divorce courts have ordered to provide health insurance for their children. In such cases, an HMO must cover a child, wherever he or she happens to live, even if that means contracting with another HMO or insurance company to furnish the necessary coverage.

It's a good idea to ask your HMO if it has a service area where your student will be attending college. If so, the HMO can help the student find a primary care physician in that area.

If your HMO doesn't have a service area where your child attends college, you should consider a regular major medical policy. In addition, some schools offer health policies covering their students. Check with the student services office or health center at your student's school for more information on health policies offered by the school. ★

Editors:

- If you need further information, call:
**Texas Department of Insurance
Public Information Office
(512) 463-6425**

We welcome your questions and suggestions about this column.