

Navigating Risk Management When Sending Your Kids to College

*Authored by
Albert L. Sica*

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Sending your child to college is an exciting milestone, but it also comes with unique risks and challenges. As parents and guardians, it's crucial to proactively address these potential issues to ensure your child's safety and well-being. Throughout this article, we'll explore the essential aspects of risk management you should consider when your child embarks on their college journey, such as understanding coverage, evaluating renter's insurance, different types of policies to be aware of, as well as different safety measures you and your child should consider.

Understanding Coverage: Am I Covered?

The question of coverage can be complex, depending on factors like the age of the student, their relationship to the insured party, whether they are a full-time or part-time student, and their distance from home. What if a student is full-time but drops a class and switches to part-time? What if the student is traveling abroad? What if they "age out" of the parent's policy during the semester? Not all policies are created equally, and these nuances must be understood.

Evaluating Renter's Insurance

Renter's insurance is worth considering when protecting your child's personal belongings. There are steps to lower risk exposure and decrease the likelihood of damage:

- **Always lock doors:** Encourage your child to always lock their dormitory or apartment doors.
- **Don't leave items unattended:** This reduces the risk of theft.
- **Use locks for computers:** Secure valuable electronics.

Additionally, make a list of items in the dormitory or apartment in case an insurance claim needs to be made.

Homeowner's Insurance vs. Dorm Insurance

Homeowner's insurance typically covers a range of different types of loss, but it's crucial to understand the details of your policy. Dorm insurance policies can be a viable alternative with lower deductibles, allowing you to save home coverage for larger claims.

Types of Homeowner's Insurance Policies

There are eight different types of "standard" homeowners' insurance policies:

1. **HO-1: Basic Form**
2. **HO-2: Broad Form**
3. **HO-3: Special Form**
4. **HO-4: Contents Broad Form**
5. **HO-5: Comprehensive Form**



6. **HO-6: Unit-owners Form**
7. **HO-7: Mobile Home Form**
8. **HO-8: Modified Coverage Form**

Homeowners insurance covers a wide range of perils, including earthquakes, floods, and nuclear accidents. HO-3 is the most common type, covering both the replacement cost of the home and personal property at actual cash value. HO-4, or renter's insurance, covers personal property at replacement cost against the same named perils and may cover living expenses if the rented home becomes unlivable. HO-5 offers the highest level of coverage for single-family homes and high-value personal property.

Along with the types of policies we've already talked about, you should also learn about the different riders that you can add to your policy and decide if you want to buy them. Riders are like extra security for certain events that you can add to your normal home insurance policy. Many riders are available, such as coverage for water backups or pipes, coverage for other structures, and coverage for earthquakes.

Cyber Risks: Protecting Digital Information

In today's digital age, cyber risks are a significant concern. Educate your child on internet safety practices:

- **Avoid public Wi-Fi:** Use secure connections.
- **Never share passwords:** Keep login information private.
- **Use strong passwords and two-factor authentication:** Enhance account security.
- **Understand online behavior impacts:** Online actions can have real-world consequences, including legal liability and future employment opportunities.

Auto Safety: Ensuring Safe Travel

If your child takes a vehicle to college, establish clear rules and consider increasing liability coverage. Emphasize the dangers of distracted driving, such as texting while driving. Encourage the use of Bluetooth technology for hands-free calling.

Maintaining Balance and Safety

Encourage your child to manage stress and maintain a healthy balance by prioritizing sleep, social connections, and self-care. [Personal safety apps](#) can be invaluable in emergencies, providing real-time location sharing and quick access to emergency contacts. Discuss the importance of being vigilant about dorm access, practicing rideshare safety, and familiarizing themselves with campus safety features like Blue Lights. Sending your child to college involves more than just academic preparation. By addressing these risk management aspects, you can help ensure a safer and more successful college experience for your child. Remember, open communication and proactive planning are key to navigating this significant life transition.

If you need more information about the topics in this article, or any help with risk related issues, please contact Albert Sica, Managing Principal, at 732.395.4251 or asica@thealsgroup.com.