



Current Articles 2002 - October

Student's Property

The summer is over and many of your clients will have sons or daughters leaving home to attend a University or College in some distant city. As a broker, you can give some good advice to your clients in regard to several insurance related matters applicable to these students.

The first concern is with regard to the personal property that the student will take with them to University. Most Homeowner's policies will cover the property of students providing the student is *"temporarily living away from home for the purpose of attending a school, college or university"*. The key words are "temporarily away". If the student intends to return home at breaks or at the end of the semester, the wording will apply. However, if the student remains in the location of the university after the semester or year has been completed, he/she would no longer be deemed "temporarily away from home". The Homeowners may not apply and the student would have to arrange separate coverage.

Although the Homeowners may supply coverage for the student, the policy should be reviewed with regard to limits. Some insurers may apply a limit of 5% of the Personal Property limit of the Homeowners. Others may apply a dollar limit as low as \$2,500! If a Homeowner or perhaps a Condo or Tenants policy has a low limit on contents, the student limit may be inadequate, to say nothing as to the adequacy of a stated limit. Many students may take a laptop computer with them which in itself may exceed the applicable student limit.

With regard to the laptop, does the parent's policy have an electrical disturbance exclusion? This is extremely important to losses to computer equipment. Now, if the limit is inadequate to include a laptop and you recommend a separate Personal Computer policy, does this policy cover electrical disturbances? (It puzzles me as to why a policy designed for computers would contain such an exclusion, but believe me- they do!!) Also, does the Personal Computer policy cover at the location of the student? If the student is outside the country, the Personal Computer policy may be limited to Canada and the U.S.A. The Homeowners will apply to the student property on a world-wide basis.

The liability section of a Homeowners policy extends to cover students who are dependent on the Named Insured or spouse and again the student is temporarily residing away from the principal residence.

If the student is attending a University in the U.S.A. and particularly in the southern states such as Texas, Arizona, New Mexico, Parents may supply the student with an automobile licensed and insured in Ontario. Many of these students may venture to beaches in the northern part of Mexico such as Puerto Penasco which is like the student Daytona Beach of Florida. You should caution the client that the auto policy will not apply in Mexico and that Accident Benefits of the student vehicle or any vehicle that he/she may be deemed a dependent will also exclude these benefits for loss in Mexico. Furthermore, a vehicle driven in Mexico without valid Mexican Insurance can land you in jail! In Mexico, you are guilty until proven innocent - and that may take quite a while.

It is also a good idea to remind your clients that OHIP will only cover up to \$400.00 (Canadian) per day for hospital expense. This will be highly inadequate in many parts of the U.S.A. Most Universities offer Excess Student Medical coverage to bridge this gap and include other medical related benefits as well. Also if the student will be away from Ontario for more than 212 days OHIP will cease to cover. This can be extended for students but you must make application to OHIP and receive an extension permission. It may be a good idea to recommend that clients review any group medical plan to see how it may apply to their student son or daughter.

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