



## MJ INSURANCE

SORORITY DIVISION

### How is your personal property insured while living in a sorority chapter house?

The Independent Insurance Agents of America estimate that 100,000 property claims occur on college campuses annually. In addition, today's students are bringing more and more expensive items to school with them than ever before. For that reason, we have developed this resource to help women's fraternity/sorority members inform themselves about adequate insurance.

Each House Corporation/Chapter has a contract with the resident members that define the relationship and obligation of both parties to the arrangement. The agreement explicitly states that the House Corporation/Chapter is not responsible for *any* loss or damage to a resident member's personal property, including their personal automobiles. Similarly to any other rental arrangement, the resident is responsible for insuring their own personal property, either via their parent's homeowner's policy or via a renters' policy.

#### **Parent's homeowners' policy**

It is the responsibility of the resident member to make sure that their personal property is protected while living in the chapter house. Many chapter members' property would still be covered under their parent's homeowner's policy; however, we recommend that chapter members and their families verify their homeowner's policy extend to cover a student's personal property while away at college.

We have reviewed the industry-standard insurance language for homeowners' policies, in hopes of providing resident members with the information necessary to ensure that their personal property is adequately protected. The standard homeowner's policy language defines an insured as:

A student in school full time, as defined by the school, who was a resident of your household before moving out to attend school, provided the student is under the age of:

- (1) 24 and your relative; or
- (2) 21 and in your care of the care of a person described above (there have been a number of states that have enacted legislation that extends the age limit beyond 21 years, so be sure to verify the age limit in your insurance policy language)

Most resident members would fit into one or both of the definitions above, but there are further issues to consider to make sure your personal property is protected:

- College students are typically covered for ten percent of the contents limit under their parent's homeowner's policy. If your personal property is valued at or above the ten percent limit under your parent's policy, you should speak with your parent's insurance agent about increasing that limit.
- Under the standard homeowner's policy, the contents coverage only provides named perils coverage, which means that losses would be covered only if they arise from causes of loss listed in the policy. A laptop that was damaged from power surge or from being dropped, for example, would likely not be covered under a named perils policy. We recommend that you verify with your insurance agent that the policy provides all-risk coverage.
- If a student chooses to declare independent status, perhaps for loan purposes, they would likely not be covered under their parent's homeowner's policy.

### **Renter's insurance**

If you would prefer not to rely on your parent's homeowner's insurance or you do not have access to their insurance for whatever reason, we highly encourage you to purchase renter's insurance, which will cover your personal property and is very affordable. For example, [National Student Services, Inc.](#), the nationwide leader in college student property insurance, offers \$10,000 worth of coverage with a \$50 deductible for about \$200 in annual premium. If you purchase a renter's policy, we recommend that you confirm that the following perils are covered: theft, fire, flood, and wind. In addition, some of the most common causes of loss to a laptop include drops and damage from liquids being spilled into the laptop, so it is important to verify whether or not those types of claims would be covered.

### **Automobile insurance**

If you take your car to school with you, your automobile policy will continue to cover your personal automobile when you go away to school. If you do not take a car with you to school, you will want to ensure that you are still listed as a driver under your parent's automobile policy, if you plan to drive any automobile while away at school. Several insurance companies offer "student away at school" discounts for this types of coverage, so be sure to check with your insurance agent before you leave for college.

For many chapter members, college is the first opportunity for them to live on their own away from home. It is important that chapter members and their families take the necessary steps to ensure that their personal property, which can often be very expensive, is financially protected via insurance. We realize that this can be a confusing issue, so please do not hesitate to [contact us](#) with any questions or concerns.