

WOULD A YOUNG ADULT RATHER PAY MONTHLY FOR INSURANCE OR STREAMING SERVICES?

Lessons about the importance of insurance to teach your children early

Kids will learn a lot of lessons throughout their lives. The value of a dollar is certainly one. But how about the value of insurance? We are told we need various insurance policies, but do young adults understand the reason why it's an important part of our financial planning?

Here are a few topics to cover that can help your children learn about the importance of insurance at an early age so they can better plan for their future:

KEY TALKING POINTS ABOUT INSURANCE

Insurance is necessary.

Insurance is one of the keys to financial security. Whether you want to buy a car, own a home, or see a doctor, you must provide proof that you have insurance since the cost of a loss can be so expensive.

Protect what you care about from unexpected risk with insurance.

If your car is in an accident and damaged beyond repair or there's a fire at your house that prevents your family from living in it, having the proper insurance could help pay for unexpected catastrophes like these and cover resulting damages, medical bills, and/or repairs.

Safeguard your wallet with home owners and rental insurance.

If a thief broke into your house and stole valuable items, including that brand new gaming system or laptop, for instance, insurance could help to pay for the cost of buying new ones instead of paying to replace the items out of your own pocket.

Accidents happen, you need insurance.

If a friend or visitor gets injured on your property, you could be responsible for paying the medical bills needed to get treated and recover from the injury. And liability insurance (as part of home insurance) could pay for those bills.

Are you a collector? There's insurance for that.

From vintage records to a personal collection of baseball cards or comic books, there's insurance for treasured items like these. Part of being responsible for them is protecting them with a valuable articles or collection policy just in case they are ever stolen, or damaged/ruined by an unforeseen covered event.

Auto insurance and auto titles, do yours match?

If you have adult children who drive a car you own, think about transferring the car out of your name and into theirs, especially if they no longer live with you. Not only does this make them financially responsible for the car, but it also limits your liability and makes sense for insurance purposes.

Here's why:

- Personal car insurance covers only the people who live in your house related to you by blood, marriage, or adoption. So, if your child lives elsewhere, he or she would not be covered by the policy and neither would damage he or she causes to the car.
- If your child has an accident with the car, an injured victim could sue you, even though you were not driving or involved, but simply because you are listed as an owner.



Your landlord's insurance covers the building, renters insurance covers your assets. As your children grow up and move out, it's important to understand that just because the owner or landlord of a property has insurance, the policy would only pay to rebuild the structure they live in if it was damaged. It would not pay to replace any tenants' belongings.

Renters insurance, on the other hand, would include coverage for:

- Personal property for belongings that are lost, damaged or stolen
- Liability for needed repairs if they accidentally damage someone else's property or medical bills if a visitor or friend gets hurt while in their apartment.
- Extra expenses to pay for temporary living arrangements if the rental is ever damaged, deemed not livable, and must be repaired.

Say "I do" to wedding insurance.

If one of your children is planning to get married, it's a good idea to consider wedding insurance, which is a specific type of event insurance that could reimburse for financial losses that stem from a variety of unfortunate circumstances, including, but not limited to, unexpected illness, cancellation or postponement, or even stolen wedding gifts.



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