

Insuring Roommates And Domestic Partners

Most insurance policies are designed to cover the following:

- single individuals
- traditional married couples
- traditional family - husband, wife, children
- relatives sharing the same household

However, when two or more unrelated individuals live in the same residence and/or share the use of the same vehicle(s), the coverage situation becomes confused. It's still common for either policy wording or company underwriting rules to limit or bar convenient coverage for an unrelated person. Why one or more unrelated persons are together is their business; the relevant consideration is how are their insurance needs met?

Homeowners Insurance

If you share an apartment or rent a home and each of you retains separate ownership of your property, each of you should carry your own tenant's policy. If you own the home jointly, but maintain separate ownership of your personal property, you might consider the following strategy:

1. Name one individual as the "named insured" on the policy. The named insured is covered for his interest in the dwelling and personal property (such as clothes, appliances, furniture, etc.). Further, the named insured is also protected against losses involving his legal liability to others including payments for medical services.
2. Add the other owners as additional insureds - residence premises. The other owners then will have coverage for their interest in the dwelling, premises liability and medical payments to others.
3. Finally, each additional insured should buy their own tenant's policy to cover their personal property.

Auto Insurance

If each person has his or her own vehicle, the insurance question couldn't be simpler. Each vehicle should be insured by the individual owner. However, if two unrelated people share ownership of a vehicle, the policy covering the car should have a joint coverage endorsement added to it. A joint coverage endorsement (which may have various names) should result in giving the co-owners the same coverage as if they were related. (This endorsement is not available in all states.) The same strategy may be used when only one person owns the household's vehicle. The other person (who does not have his/her own car) may be added via a joint coverage endorsement. However, other options may exist such as (depending upon the insurer): the non-owner resident may be added to the owner's policy as a part-time driver or the other person might purchase a "non-owned" auto policy to get automobile coverage.

The insurance industry is making halting steps to acknowledge a broader range of ownership arrangements, including policy forms that allow policies to reflect domestic partnerships. How can you be sure about whether your interests are properly covered? Easy...speak to an insurance professional; discuss your situation in detail and then determine the best way to structure your policies.

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