

Significant Other, Significant Issue

Oh how the times have changed. In 1950, eight in 10 households were occupied by married couples. According to the 2000 U.S. Census, that number declined to 51.7%; the balance being singles and couples living together who are not married. The former includes individuals who either live alone or with roommates; the latter encompasses both opposite and same-sex couples who consider themselves partners. It is the latter segment which now makes up approximately 10% of American households.

A benefit to marriage that is often overlooked (perhaps because of its dismal ranking on the romantic scale) is insurance. Married couples experience advantages that are not available to others living together. If you are not married and living with a significant other (SO), there are some important things you should understand about your home insurance.

Standard home insurance is designed to cover damage to personal property like furniture, electronics and clothing that is owned by residents of the home who are related to the person named on the actual home insurance policy (i.e., you). The term “related” is where your SO’s problems begin.

Certainly the cost to replace that stolen television or incinerated clothing is essential. But home insurance has another important role: personal liability coverage. Personal liability is insurance that will cover expenses for which you are liable, like when a guest slips and falls on that loose step or your amateur attempt at controlled brush-burning sets your neighbor’s home ablaze.

Following are some important limitations found in a standard home insurance policy that you and your SO should know:

First, there is no personal liability insurance offered to individuals residing in the home who are not related to the person whose name is on the home insurance policy. For example, did your boyfriend move his dog in? Does your girlfriend’s son host football games in the yard? Examples like these (dogs can bite and children will hurt themselves) serve as a reminder of the unpredictable nature and expenses of a liability claim. The good news is that your personal liability is covered by your home insurance. The bad news is your SO isn’t—a potentially devastating expense that he will have to pay for personally unless he has his own insurance (discussed below).

Second, personal property of a non-relative is not covered by your home insurance. This means no coverage for claims like when your SO’s laptop is stolen from home or school or if that plaid recliner he can’t live without is burned in a fire.

Not all hope is lost. In some cases it is possible to modify a standard home insurance policy to cover losses to your SO’s personal property. However, this won’t fix everything. The best solution is for your partner to purchase a home insurance policy

(often called “renter’s insurance”) that will offer your SO protection for expensive property losses and/or a significant liability expense. Your Trusted Choice[®] Independent Insurance Agent can recommend some solutions.

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