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Consumer Article:

“The Homeowners Policy & College Students”

Question: "Is a computer provided by my daughter's school for use while she is attending covered for theft out of her locked room while she is out of the room? Toward the end of the school year, someone came through her suite mate's room, through the bathroom, and into my daughter's room and stole the computer she had signed out to her by the school. I just received a letter from the school stating that she had to pay \$1,600 before she would be allowed to return to school. Does homeowner's insurance normally pay for such losses? Do you have any idea why my agent would say this was not covered and it was the responsibility of the school?"

Clearly this is a covered loss under the "ISO standard" homeowners policy. Note: Be aware that insurance companies do not all use the same insurance forms. That is why it can be foolhardy to purchase insurance over the internet without the professional counsel of a qualified insurance agent who can properly match your exposures with the best policy and price available for your individual needs.

The homeowner's policy covers any personal property "owned OR USED by" an insured if it is damaged or lost due to a covered peril. The student was certainly using the property and theft is a covered peril. The term "insured" includes a resident relative, and courts have determined consistently that a dependent child away at school is still a resident of the named insured's household. And, under the theft peril, the policy says, "Property of a student who is an 'insured' is covered while at a residence away from home if the student has been there at any time during the 45 days immediately before the loss." In this case, the student was there at the time of loss, so this theft restriction does not apply.

There is, however, one limitation that does apply. For personal property "usually located at" an insured's "residence" other than the residence premises, only 10% of the policy's contents coverage is available for losses. In this case, 10% of the contents limit is more than adequate for the loss of the computer. Of course, there is a deductible to contend with, typically \$250.

In addition, policy conditions require that theft losses be reported to the police. Although "police" is not defined, it is presumable that notice to the campus police would suffice. That being done, this appears to be a clearly covered claim, the only mystery being why the agent would say that it isn't covered.

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