

## Insuring Student Assets

Your baby has flown the nest and has officially entered one of the most exciting times of their lives – student life!

While you're dealing with the inevitable emotional turmoil of cutting the apron strings, there is also the financial reality of managing the hard costs that come with tertiary tuition and especially expensive student assets - tablets, phones, laptops, text books, sports gear, clothing, furniture and appliances for their res and possibly their first car.

It's all an investment into your child's future that's hopefully going to be paying dividends for many years to come, so make sure that you insure your student child's assets appropriately and protect your pocket against the financial impact of an accident, theft or loss of valuable assets.

Mandy Barrett of insurance brokerage and risk advisors, Aon South Africa, offers parents the following invaluable tips when it comes to insuring student assets:

### Portable assets

"It's easy to underestimate the combined value of your child's portable assets - gadgets such as tablets and smart phones and watches, sports gear and apparel as well as branded kit, uniforms, text books and stationery soon add up to a hefty sum. You need a holistic insurance plan in place to mitigate the risk of theft, accidental damage or loss which could leave you seriously out of pocket, so talk to an expert insurance broker whether such items can be insured on your policy and especially to review and understand the "All Risks" section of your household contents cover," explains Mandy.

Policies vary from insurer to insurer. Some require that you specify the items to cover under All Risks that are typically removed from your home such as smart phones, smart watches, laptops and so on. Remember that household contents cover is applicable to items that stay within your home. But as soon as an item is removed from your home for whatever reason, it ceases to be covered unless specified under 'All Risks'.

"There is a common misconception that the contents of students' residences are uninsurable because it is regarded by insurers as a 'communal area', presenting a much higher risk. While this may be true with more basic insurance policies, it is possible to arrange affordable cover for these risks linked to your household contents cover. It's advisable to discuss your insurance needs with your broker who will be able to advise you and arrange the most appropriate insurance cover for these needs," says Mandy.

Student vehicle is every young person's dream and every parent's nightmare – the keys to your child's first car. "There are very important insurance considerations with being a young and inexperienced driver," says Mandy. Aon offers the following important tips:

- **Regular driver** - It is important to advise insurers of the regular driver of the vehicle. One of the risk rating factors that is taken into consideration when calculating the premium for motor insurance is the regular driver of the vehicle. If your child is the regular driver of a vehicle, they need to be noted as such – failure to do so could result in a claim being repudiated due to misrepresentation or non-disclosure.
- **Telematics** is a young driver's best friend when it comes to building a track record and profile with an insurer. Stick to the speed limits, avoid harsh braking and turns, drive responsibly, attend an advanced driving course and use Uber instead of driving late at night and get a better premium rating based on responsible driving behaviour.

- **Comprehensive motor insurance** is the widest level of motor insurance cover available, covering accidental damage to your vehicle in addition to third party, fire and theft. If you have basic comprehensive cover, you may need to ‘buy up’ for additional cover such as towing fees, hail damage, roadside assistance and so on.
- **Adhere to the provisions of your insurance cover** such as security requirements – a tracking system, immobiliser and parking in a safe, locked premises at night.
- Consider additional **personal liability top up cover**, given the risk of major claims in the event of an accident or incident where the young driver is proven to be negligent.
- **Don’t get sucked into low premium pitfalls** - while premiums may be cheaper, the catch comes in with a very high excess in the event of a claim – getting slapped with a R25k excess for a premium saving of R180 won’t make sense if you don’t have that cash readily available. Always talk to your broker to obtain insurance advice on what’s practical for your specific circumstances.
- **Don’t buy a high-powered, expensive first car** as an inexperienced driver is unlikely to handle the power and speed. Safety and reliability should be a primary consideration, so be sensible in your choice of car for your child.
- **Zero tolerance on drinking and driving.** Besides being illegal and a serious risk to yourself and others on the road, an accident caused under the influence of alcohol or a drunk driving charge could wreck your child’s future. Make sure they have access to Uber and never drink and drive.

“When it comes to protecting your child’s portable assets and car, a professional insurance broker has the experience and specialist knowledge to help you find the best cover that’s the right fit for your needs and unique circumstances. Consult your broker today to ensure your child is off to a smooth and safe student journey – it’s likely to be one of the most exciting times of their lives, so make sure that mishaps don’t spoil their memories,” concludes Mandy.