



Illinois Insurance Facts

Illinois Department of Insurance

Insurance for College Students

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Note: This information was developed to provide consumers with general information and guidance about insurance coverages and laws. It is not intended to provide a formal, definitive description or interpretation of Department policy. For specific Department policy on any issue, regulated entities (insurance industry) and interested parties should contact the Department.

Leaving home for the first time can be an exciting experience, but many parents and students overlook the fact that college students still need insurance. Before leaving for college, think about your insurance needs and make sure you have the necessary coverages before there's a trip to the emergency room, a fire in an off-campus apartment or an auto accident.

Insurance for Your Personal Belongings

You should consider some type of coverage for personal belongings (clothing, jewelry, electronic equipment, household furnishings, etc.) you take to school. The amount you need will depend on your situation.

If Your Belongings Are Covered Under Your Parents' Policy

If you are a full-time student (as defined by the school), meet the specified age requirements for students, and are a resident of your parents' household, your personal belongings may be covered up to a preset limit stated in your parents' homeowners policy. You should check with their insurance agent/producer to find out about the coverage limits in the policy. You may also want to purchase additional coverage or endorsements on expensive items such as jewelry, electronic equipment, computers, etc.

If Your Belongings Are Not Covered Under Your Parents' Policy

If your belongings are not covered under your parents' policy due to your age, marital status, or independent student status, and you are no longer a resident of your parents' household, you may want to consider buying renter's insurance. Renter's insurance covers your personal belongings and provides liability protection for yourself and relatives living with you, and may include medical protection if someone is injured at your residence.

A renter's policy generally provides coverage on an actual cash value basis. Actual cash value pays replacement cost minus depreciation. Depreciation is the decrease in your property's value due to age or wear and tear. The company will pay you what your property was actually worth immediately before the loss, not what it would cost you to buy that same property new today. You may also want to purchase additional coverage or endorsements on expensive items such as jewelry, electronic equipment, computers, etc.

Automobile Insurance

You should consider these factors in determining your auto insurance needs while you are in college:

Required Coverage

If you are attending school in another state, check with your insurance company or agent to make sure you have enough coverage to comply with any minimum insurance requirements in that state. If you get caught driving without auto insurance in Illinois, you face a fine and suspension of your license plates. Illinois law requires all motor vehicle owners to have the following coverage:

- **Liability insurance** – Pays for bodily injury to another person or property damage you cause due to the negligent operation of a vehicle. Required amounts are; \$20,000 per person, \$40,000 per occurrence, and \$15,000 for property damage. If affordable, higher liability limits of at least 100/300/100 are better.
- **Uninsured motorist bodily injury (UM)** – Pays for your bodily injury caused by a hit-and-run driver or an at-fault driver who has no liability insurance. Required amounts are \$20,000 per person and \$40,000 per accident. If affordable, higher limits are available.

Note: If you purchase larger amounts of UM coverage, underinsured motorist bodily injury coverage (UIM) is also required.

Other Coverage

- **Medical payments** – Covers medical and funeral expenses for you or your passengers if injured or killed in an accident in your vehicle. It also covers you and your family members if struck by a vehicle while walking or riding in another vehicle. This coverage pays even if you cause the accident.
- **Physical damage** – Pays for damage to your auto. You may have to pay for part of the loss, called a deductible. Illinois law doesn't require physical damage coverage, but your lender may. Depending on the value of your car, you may decide the cost of physical damage coverage is not worth the additional premium.

Vehicle Ownership

- **If your parents own the vehicle** – If your parent or guardian's name is on the title of the vehicle, you can be listed under their auto insurance policy as an additional driver, but their premium will be higher.
- **If you own the vehicle** – If your name is the only name on the title, you will need your own individual auto insurance policy. As a young driver, you will pay higher premiums. Male drivers generally pay more than female drivers.

Location

- Your insurer does need to be notified of a change in location of a vehicle. Even if the vehicle will be garaged in another state, the insurance provider needs to be notified.

Discounts

- If you attend school more than 100 miles away from home and don't have your car there, your parents should contact their insurance agent to see if they can save on their auto insurance.

- Many companies offer a good student discount to young drivers who maintain a "B" average or better.

Health Insurance

Family Coverage

Check with your family's health insurance provider to see if you are still covered while in college. Illinois law requires fully insured Illinois policies to cover unmarried dependent children up to age 26 or to age 30 if the dependent is a veteran. For more information on the law, see the Fact Sheet entitled, [Young Adult Dependent Coverage](#).

Review your policy or call the insurance company's customer service number to determine how your coverage will work in a different location. For example, if your health insurance policy requires you to use specific doctors or hospitals, you may be "out of the network" if you attend college in another city or state.

Some type of emergency care provision is usually included in your policy, regardless of the network guidelines. If you are covered by an HMO and your college is not within the service area, you will only be covered for emergency situations. Follow up care will not be covered unless you travel back to the service area. If you are covered by a PPO plan, and your college is outside the preferred provider network, benefits will only be paid at the non-preferred level contained in the policy.

COBRA

If you lose health insurance coverage and your parents' policy was through an employer, you may be eligible for federal COBRA coverage or for state continuation under the Illinois Dependent Child Continuation Law. For more information about COBRA, see our Department fact sheets entitled [Health Insurance Continuation Rights – COBRA](#) and [Health Insurance Continuation Rights – Dependent Children](#).

Other Health Insurance Options

- Student health insurance – offered through the school
- Group health insurance – offered by an employer (usually you have to work a minimum number of hours per week to be eligible for coverage)
- Individual insurance coverage

Life Insurance

The goal of life insurance is to provide a measure of financial security for your family or loved ones after you die. If you are a young college student with no dependents, life insurance is not as important as it will be when you get older and are married and/or have children. For most college students, the only reason to buy life insurance is to cover funeral expenses and debts, if there are any. Your parents may already have a life insurance policy on you that will cover these expenses. If not, you should be able to purchase a term life insurance policy for a small premium. If you are married, and/or have children or elderly parents who are dependent on you, the need for life insurance is much greater. Still, you should be able to purchase a term life insurance policy that will provide benefits to pay your debts and provide your dependents with some financial security.

After Graduation

After graduation, eligibility for insurance under your parents' policies may change. You should review your insurance coverages (life, health, auto, homeowners), and decide what types of coverage you may have to obtain in your own name. For more information, see the Department of Insurance fact sheets listed below.

For More Information

Call our Consumer Services Section at (312) 814-2427 or our Consumer Assistance Hotline toll free at (866) 445-5364 or visit us on our website at <http://insurance.illinois.gov>

Related Topics

[Health Insurance Continuation Rights – COBRA](#)

[Health Insurance Continuation Rights – Dependent Children](#)

[Young Adult Coverage](#)

[Health Maintenance Organizations \(HMOs\)](#)

[Individual Major Medical Insurance](#)

[Frequently Asked Questions – Individual Accident and Health Insurance](#)

[Buying Life Insurance](#)

[Frequently Asked Questions – Individual Life Insurance](#)

[Shopping for Auto Insurance](#)

[Shopping for Homeowner's Insurance](#)

[Finding a Reputable Insurance Company – Using Financial Rating Agencies](#)