

## Insurance for Young Adults

Mar 10 2015

As they take the big step of moving out of their parents' home and into their first apartment or other living quarters, the last thing on a young person's mind is insurance. Yet, this is an area of great importance as they also begin their journey on the road to financial wealth and health.

There are several different types of insurance services that young adults should consider from property insurance, to car insurance, health benefits and life and other insurances. The key is to get appropriate coverages for all the needed areas. A rule of thumb is to spend about 8% of gross annual income on all the various types of coverage available.

Students and young professionals often avoid buying insurance because they don't think they need it or can't afford it or it's too much of a hassle to figure it out.

But the process shouldn't deter you from making sure you have the right coverage. The first thing to consider is renters or homeowner's insurance. This will cover you for losses for your valuables such as iPhones, laptops, expensive TVs, jewelry and household effects etc. Amongst other benefits, it also protects your landlord from any property damage caused by you to the unit and protects your pocket book from financial claims by your landlord.

If you drive a car, then car insurance is mandatory and is designed to protect all parties from claims for medical expenses and property damage. There are numerous coverage options such as theft and other perils as well as decisions to be made about deductibles to consider.

When starting their career, young adults should consider those companies that offer employee benefits, such as health, dental, disability coverage and Out-of Country medical coverages as part of the compensation package. In cases where this not offered then try to negotiate a higher wage or salary so that you can arrange to get these coverages on your own.

If you are in a relationship, then employee or group benefits may be available through your partner's plan with you listed as a dependent. You can also consider 'coordinating' benefits to maximize the refunds received for dental treatment where you both have benefit plans.

Finally, you can consider a starter life insurance program to cover off your known future needs over the next 5 - 10 years or so. This can include the need to cover off debts such as a mortgage, income replacement in the event of having children and the most basic need of final expenses. The cost of life insurance is very low at young ages and getting large amounts of coverage does not translate into huger premiums.

Often young people want to wait until they have a need for life insurance rather than starting today. The question asked then is: 'What do you use to buy your insurance with?' They usually answer money...but the real answer is their health.

If you are not healthy all the money in the world will not allow you to purchase stand-by capital (commonly called life insurance). Unless you can guarantee 100% that you will be healthy in the future when you need it then you should consider buying it today.

This may all sound complicated and expensive but it need not be. It is recommended that you work with an experienced life insurance advisor as well as a property and casualty broker for your various insurance needs. The advice, experience and input you can receive by working with a qualified insurance professional can prove invaluable in the search for the right coverage at the right price. Please call us today for a review of your situation.

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Do you have questions about insurance coverage?

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