

Life Is a Highway

At key milestones, revisit your insurance needs to make sure you have the coverage you want

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We don't all follow the same path in life. For instance, some of us buy a house before getting married and raising kids, while others have children before even thinking about looking for a new home. But at some point or another, many of us pass through certain key life events—marriage, home ownership, children, retirement. And they all have this in common: They can affect your insurance coverage needs.

That's why it's important to review your auto, renters, homeowners, and life policies with your insurance agent any time you hit a milestone—to make sure you have the types of coverage and limits you want for yourself and your loved ones and you are receiving the discounts you are eligible for. Consider these common life events and their insurance implications.

BUYING A CAR

Consider at least three types of auto insurance when you purchase a set of wheels. First, California law requires liability insurance, which covers you if you injure someone or damage property in a crash. Second, collision and comprehensive coverage help pay to repair damage to your vehicle. Third, UM/UIM coverage helps pay for bodily injury to you and your passengers caused by an uninsured or underinsured motorist who is at fault. Additional coverages

to think about:
medical payments
and car rental
reimbursement.



RENTING AN APARTMENT

Sure, your landlord has insurance, but it normally covers only the building—not your personal belongings. As soon as you sign a lease, talk to your agent about renters insurance, which helps you replace your possessions if they're stolen or destroyed in a fire. It also generally includes liability coverage, in case someone is injured at your apartment, or if you injure someone elsewhere.



HAVING A BABY

Every time you add to your family, check your life insurance policy to make sure you have coverage for all of your dependents. If you bought a new car in anticipation of baby's arrival, call your insurer to update your auto policy.



GETTING MARRIED

After tying the knot, consider

insuring both spouses' vehicles with the same insurer to get a multivehicle discount. Next, since you'll be combining households, look at your homeowners or renters policy to make sure you have the coverage you want. A rider policy or endorsement to cover your engagement/wedding ring may also be smart. Finally, review your life insurance policy to make sure you have the correct beneficiaries listed and the desired amount of coverage.



RENOVATING YOUR HOME

In the chaos of a home renovation, it can be easy to forget to adjust your insurance. But if you added square footage or remodeled your kitchen or bathrooms, it's particularly important to adjust your policy to cover the increased value of your remodeled or larger home. Certain items, such as a pool, might require more liability coverage.



RETIREMENT

Some people find they don't need as much life insurance when they are older, while others may need to purchase additional coverage—it depends on their situation. Either way, make sure you maintain the coverage level you want for items such as a mortgage balance and final expenses (e.g., funeral and burial). Also, ask your agent about annuities for retirement. Regarding your auto and home policies: You may qualify for a discount on your home policy; and if you're driving less, your auto insurance premium may decrease. **W**



INHERITING OR BUYING HIGH-VALUE ITEMS

Your homeowners policy likely has limits on what it will pay to cover the loss of jewelry, art, antiques, silver, Oriental rugs, and home office equipment. If you inherit or purchase items that are valuable, ask your agent about adding a rider to your homeowners policy to protect those objects.



BUYING A HOME

Homeowners insurance is a must: Many times, your mortgage lender won't fund your home loan without proof of it. If possible, buy extended replacement cost coverage or guaranteed replacement cost coverage insurance to cover the cost to rebuild your home from the ground up. Depending on your location, you may need earthquake and/or flood insurance. Also, because of the new, large debt incurred with a home purchase, you might want to buy additional life insurance to help make sure the family can remain in the house if a spouse dies.



THE TEEN YEARS

Keep two major insurance milestones in mind as your kids get older: When they start to drive, and you add them to your auto insurance policy, look into possible discounts, such as one for good students. And if they go away to college without a car, inform your insurer; it could mean a premium reduction. Also, some families choose to purchase a life insurance policy on their teens to secure some coverage for them while they are healthy and premiums are less expensive.



Your insurance agent can provide more information about coverage for your home and auto. Stop in at your local Auto Club branch, call (877) 578-7226, or go to AAA.com/insuranceinfo. For questions about life insurance, see a AAA life insurance specialist at your local branch, call (866) 298-5324, or go to AAA.com/life. AAA life insurance specialists do not provide legal, tax, or financial advice.