



# State of Connecticut

## *Insurance Department*

THOMAS R. SULLIVAN  
COMMISSIONER

### **OFFICIAL NEWS RELEASE**

FOR IMMEDIATE RELEASE

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### **‘BOOMERANGERS’ AND PARENTS FACE NEW INSURANCE REALITY**

Insurance Needs Change as Economy Forces More Young Adults to Move Back in with Parents

Hartford, CT — Layoffs and a dearth of new job openings continue to add to the high rate of unemployment, leaving an increasing number of new college graduates and young adults unable to make ends meet. Left with limited options, many are moving back home with Mom and Dad – an increasing trend that creates important insurance consequences for these so-called “Boomerangers” and their parents to consider.

“In this economic environment, many young adults and their parents are finding themselves in a position they never expected,” said Insurance Commissioner, Thomas R. Sullivan, “A grown child moving back home can create insurance implications that must be considered carefully and understood to ensure everyone stays protected.”

A recent Pew Research Center study found that, in the past year, nearly 13 percent of parents with grown children have had at least one of their adult sons or daughters return home to live for financial reasons. Saddled with college loans and unexpected job loss, these young adults have no choice but to live at home until they can find a job and get their finances back on track.

The Connecticut Insurance Department offers three recommendations to families who find themselves part of this new phenomenon.

#### ***1. Review Your Insurance Situation***

Each time there is a significant change in life; consumers would be wise to review their insurance policies to confirm they have adequate coverage. When young adults move back home, there are likely policies that are no longer needed or additional coverage that may be required to offer full protection. Discuss these changes with your insurance agent or visit [www.ct.gov/cid](http://www.ct.gov/cid) to learn more about various life stages and the impact to insurance needs.

#### ***2. Inventory your policies***

Home:

- a. Eliminate renters insurance or convert the policy to cover a storage unit.

- b. Consider including the young adult and their possessions to the current homeowners policy. Ask your agent if your homeowners policy is broad enough scope to include them as “insured.”
- c. Big-ticket items, like jewelry, expensive electronic equipment or other valuables may require coverage beyond what their parents’ homeowners policy has currently.

#### Auto:

- a. Parents can keep any member of the family on their auto insurance policy as long as that person lives in the same house, however; be aware that premium rates may increase.
- b. Determine the kind of coverage your situation requires. Can you add a driver to the existing policy, or do you need to add another car and driver to the policy. Discuss these options with your insurance agent to identify the best coverage options for your individual situation.

#### Health

- a. In Connecticut, fully insured health policies allow children to stay on their parents’ policy until age 26. Review the Insurance Department [Bulletin HC-71](#) at [www.ct.gov/cid](http://www.ct.gov/cid).
- b. Also, the new healthcare reform legislation requires all health insurance plans to maintain dependent coverage for children until they turn 26; starting six months after enactment.

### 3. *Check for Discounts*

Families might find they can save money by combining existing insurance policies. Be sure to look for discounts such as those given for multiple vehicles, multiple policies (homeowners, life, health, and disability), anti-theft devices, and good driving records.

### **Want to learn more?**

The Connecticut Insurance Department’s Consumer Affairs Unit offers consumer outreach programs on a number of insurance topics, at no charge. Speakers are available to address groups or organizations on an insurance topic of their choice and will answer any general questions the group has about insurance.

Consumers interested in filing a complaint or who have an inquiry are encouraged to visit the Insurance Department Web site at [www.ct.gov/cid](http://www.ct.gov/cid), or call toll free 1-800-203-3447, or direct at 860-297-3900 for more information.

## **ABOUT THE CONNECTICUT INSURANCE DEPARTMENT**

The mission of the Connecticut Insurance Department is to serve consumers in a professional and timely manner by providing assistance and information to the public and to policy makers, by regulating the insurance industry in a fair and efficient manner which promotes a competitive and financially sound insurance market for consumers, and by enforcing the insurance laws to ensure that consumers are treated fairly and are protected from unfair practices. For more information, visit the Connecticut Insurance Department at [www.ct.gov/cid](http://www.ct.gov/cid).

### **About the NAIC**

Formed in 1871, the National Association of Insurance Commissioners (NAIC) is a voluntary organization of the chief insurance regulatory officials of the 50 states, the District of Columbia, and five U.S. territories. The NAIC has three offices: Executive Office, Washington, D.C.; Central Office, Kansas City, Mo.; and Securities Valuation Office, New York City. The NAIC serves the needs of consumers and the industry, with an overriding objective of supporting state insurance regulators as they protect consumers and maintain the financial stability of the insurance marketplace. For more information, visit [www.naic.org](http://www.naic.org).

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