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## **Breaking up? Seven tips for making sure your assets are covered by insurance**

**Gina Roberts-Grey**

Breaking up is hard to do. It's even harder when you take financial matters into account. If you're on the brink of uncoupling, don't forget to examine the various insurance policies that you and your not-so-loved one share.

Here are seven insurance considerations for couples who are calling it quits.

### **1. Cover your car.**

If you and your soon-to-be ex are both named on an **auto insurance policy**, you'll each need your own coverage for your own vehicle. Experts say it's best to take this step sooner rather than later.

"You definitely want to establish your own auto insurance policy before any divorce or legal separation takes place because credit scores usually take a big hit during a breakup. And since credit is a huge piece of your car insurance rate, you could pay more than you would have pre-divorce or pre-split," says Billy Van Jura, an insurance broker in Poughkeepsie, N.Y.



Warning: If your current auto insurance policy is part of a multicar or **multipolicy package**, you may lose that "multi" discount and pay more for a single auto insurance policy than you do as the drivers of at least two cars.

### **2. Clarify crash responsibility.**

Eustace Greaves Jr., owner of Greaves Financial Services and The Bridge Insurance Agency in Brooklyn, N.Y., suggests asking your current auto insurance agent for a written statement explaining your involvement – or lack of – in any claims within the past five years.

"A history of accidents or claims can drive up car insurance rates," he says. "Written proof from your current insurance company that any accidents your spouse may have had were, in fact, their fault and not yours will help you obtain affordable rates if you switch to a new car insurance company."

### **3. Protect your personal belongings.**

Never assume that your personal items are covered if you move in with a friend or relative while sorting out the details of a split, Van Jura says. If you move to a new place, even temporarily, you should buy **renter's insurance** to protect yourself against theft, fire and other risks, he says. If you're the one staying behind at the place you and your partner shared, talk to your insurance agent about a possible reduction in your coverage. If your partner clears out half (or more) of his or her stuff, you might not need all the coverage you're paying for now.

### **4. Review your beneficiaries.**

Greaves says one of the biggest concerns he addresses when couple splits is updating beneficiaries for **life insurance policies** and other investments.

"During many policy reviews, I've prevented the disinheritance of new spouses because beneficiary designations were not changed from the old spouses," Greaves says. "This is a very important step to take when a breakup is coming."

Eli Lehrer, vice president of The Heartland Institute, a nonprofit consumer advocacy group, says changing your life insurance beneficiary should be simple. "Most companies allow you to do it with a simple web form. You'll typically need the Social Security number of the person you want to designate as the new beneficiary," he says.

Remember to change the beneficiaries on all policies, including those available through work. Many employers automatically provide minimal coverage through a group policy, Lehrer says. Because money for that coverage doesn't come out of your pocket, it's easy to forget that you designated a beneficiary on the policy.

### **5. Cover your kids.**

Angela Neave, a family law and divorce attorney in Fort Lauderdale, Fla., suggests soon-to-be exes who have minor children agree that a **term life insurance policy** be part of their divorce settlement. That will protect alimony or child support obligations and help with college costs if the paying parent dies.

"You should also consider a disability policy to cover alimony and child support obligations in the event the paying spouse is disabled and unable to earn income," Neave says.

### **6. Zero in on health insurance.**

If you have **health insurance** through a spouse's employer-provided policy, you're going to need your own coverage. Contact your current insurer before the separation is finalized to inquire about continuing your coverage, says Alan N. Canton, owner of A.N. Canton Insurance Services in Fair Oaks, Calif. "You shouldn't have to go through the approval process since you're already insured with that carrier," he says.

Just don't expect to pay only half of what you're currently paying for coverage offered through a spouse's employer. If you switch to another health insurer, your premiums could be more costly.

### **7. Go over all of your coverage.**

For peace of mind, schedule a checkup with your insurance agent to review all of your coverage and make sure that there aren't any gaps in auto, home and other types of insurance. Ask lots of questions; act as if it's your first time getting insured.

"I have run into situations where the ex made some mistakes like not having enough coverage or not giving information that could result in a discount, and that realization is a real eye-opener," Van Jura says.