

STUDENTS, LIABILITIES AND INSURANCE

BY HARLOCKS PTY LIMITED

All insurance contracts have a definition as to who "The Insured" under that contract is. It is commonly expressed as being "the person named on the policy and includes that person's spouse any of his unmarried children ordinarily residing with that person". A grey area arises with children who attend boarding schools where their clothing and personal items are no longer at the Situation where they ordinarily reside, except when they are not at boarding school.

Some Insurers will accept the liability for these effects on the basis that they believe the children ordinarily reside with their parents. However, they apply this loose interpretation when the children are of primary or high school age, but they will not apply this definition when the children move to Universities.

Where the Insurers accept the children's cover, complication further arises with domestic Household insurance, in that the goods in question are temporarily removed from the residence, and therefore the maximum period of cover would usually be 60-90 days with further restrictions on the Defined Events and cover which the Insurers offer. It would be our advice that the Insured contact his Insurers to ascertain the area of cover in respect of children at boarding schools or Universities, as it effects their policies in respect of domestic insurance.

Regarding the World Wide insurance, the definitions would appear to be clearer, that is that the children attending boarding school or University would not come under the World Wide policy cover, except when the child is travelling to the member's Post, whilst staying with the member at his Post, and for the return to the boarding school or University. Therefore alternative arrangements must be made with your Insurers in respect of students' contents.

Under the Harlocks World Wide policy an extension called 'Students' Contents' can be obtained by payment of an additional \$35.00 premium. However, all the above applications apply to primary or secondary students attending a boarding school or college, and whilst they are occupying a residential unit attached to that school or college. Should a student be attending University or college and be living off-campus at a residence, an additional Household Domestic Insurance cover is strongly recommended, not only to provide some protection for their effects, but to provide cover in respect of Legal Liability, should the need arise.

From the above you will see that the "ordinarily residing" provisions of the definition of "The Insured" generally speaking limits the cover to the Insured, spouse and children residing with the Insured at the time of loss. It is not possible to extend the "ordinarily residing" clause to say ordinarily the child would reside with us if we were not on a Posting, but were living back in Australia.

It is worth pointing out for future reference that whenever a child leaves home, either to share a property or to rent a property on their own, you should have discussions with your Insurers as to what form of protection they are prepared to offer, as with all forms of cover some companies will not insure group housing, joint occupancy, people under certain age limits, and addresses in certain suburbs or high risk areas. It has been our experience that it is via the parents' Insurers that most children obtain their first cover when they move out on their own to rent a property or to share a unit. It is extremely important that Insurance cover be obtained, as most lease documents for rental accommodation require that the Tenant indemnify the Landlord for Liability. As with students at boarding school, you do not wish this Liability to pass back to yourself and therefore some form of domestic Household cover will be necessary.

As mentioned above, we would recommend that you contact your Insurers regarding any children who are at boarding school, either overseas or within Australia, and ascertain what level of cover you can obtain for both their effects and liability.