

Making a Move—Important Things to Consider

ACCORDING TO THE 2010 Census Bureau, 37.5 million U.S. residents (age 1 or older), or more than 10% of U.S. residents, changed their residence during the past year. Moving day is a time of great excitement as well as great stress, with a lot of things to do and think about. One of the most important is ensuring that proper insurance protection is in place for the property being moved. Adequate insurance is necessary whether it is a homeowner moving around the block, or a major corporation relocating across the country or around the world. Helping clients understand the exposures and arrange for the proper coverage is one of the value-added benefits of the professional insurance agent.

Personal property coverage under an insured's homeowners or tenants policy may extend to property anywhere in the world, including in storage at another location, or on a moving truck. However, this is not true for all policies. Coverage may only apply for named perils, and not for many other possible causes of loss. Special limits on certain types of property, such as jewelry, furs, or fine arts apply no matter where the property is located. For businesses, the situation is different, as there is usually very limited coverage under a business insurance policy for property in transit.

It is a common misconception that coverage is provided under the moving company's policy. In most instances, the moving company's liability for property they are transporting is very limited, such as \$0.30-\$0.60 per pound. It is therefore recommended that the insured purchase additional coverage to provide for reimbursement should property be lost or damaged in transit. This may be available through the mover or a third party.

The standard homeowners policy provides coverage for your contents that have been moved to a new residence for 30 days after the move is started. After that time, coverage for the property at the new residence is limited to 10% of the personal property limit at the insured residence. The purpose of the limitation is to give the insured time to procure proper insurance at

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the new location. If there is a homeowners or tenants policy in effect for the insured, then property in storage is covered to the full personal property limit.

It is important to inventory property prior to the move, and check the condition of everything before signing the final delivery release for the

moving company. Read the contract with the moving company, as they may be disavowing liability for some claims. The mover's liability may be even more limited if they do not pack the items.

If there is a loss, the claim must be reported to the mover in writing as soon as possible. In New York, for example, the mover is required to respond within 30 days, and settle the claim within 120 days. If the claim is not settled to the claimant's satisfaction, then small claims court may be the only recourse. Moves that involve more than one state fall under Federal jurisdiction.

Suppose there is a gap between the time the insured moves out or sells the old home and into the new permanent residence. If the insured will be living in a temporary residence for more than 30 days, they should purchase a tenants policy for the temporary residence. The personal property limit should be adequate to include the val-

ue of the property in storage. Even if the insured puts their belongings in storage and moves in with relatives, they will still need personal liability coverage to protect against unintentional damage or injury they may cause to others.

If moving to another state or country, the insurance requirements or recommendations may be different from the current state. For example, California homes have a higher earthquake exposure than other areas of the country. Auto insurance regulations differ from state to state as well.

Hopefully, the move will go smoothly, and precautions will be unnecessary. For the agent, ensuring that clients have the proper coverage in case there is a problem is the mark of the true insurance professional.

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