

Insurance Issues for Military Personnel

THERE ARE MORE THAN 1.5 MILLION AMERICANS in the armed services, and nearly one million more in the Reserves and National Guard (International Institute for Strategic Studies). From the new recruit to the seasoned veteran, those in military service face a number of insurance issues. Military personnel have two jobs. One is to defend and protect our country. The other is to protect the family members and assets they leave at home. The Department of Defense tells their troops that "Financial readiness means mission readiness." The new recruit who moves to a base may be considered to have left the family household. Coverage under the parents' policy may no longer be available. As professional insurance agents, it is

important to address the unique insurance exposures and concerns of military personnel.

Military deployments may extend for many months. Most insurance policies carry a vacancy clause, which suspends all or certain coverages when the home is vacant or unoccupied, usually for a period of more than 60 days.

Coverage should be placed with an insurance company that allows the vacancy clause to be suspended.

Many in the military do not own their own home, and must put their property in storage. While coverage for damage to the property may be available through the storage facility, this still leaves the personal liability exposures uninsured. For those living in military quarters, according to military.com, "The federal government provides minimal, limited coverage to... personal possessions if they are damaged or stolen." Additional insurance is needed.

Military personnel may rent their homes or sublet their apartments to others.



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It is important to contact the homeowners insurer and obtain proper coverage. Homes that are not lived in by the insured are not eligible for standard homeowners policies. Even if the house and contents are insured, standard insurance policies also exclude coverage for war-related losses. Damage to personal items such as clothing,

computers and other electronics, may not be covered.

Some types of coverage, such as automobile insurance, may be able to be suspended during deployment. This is not true of all states or all insurance companies, so it is important to know the applicable regulations and requirements of your state and the carriers you represent. It is important to remember that even when not in use, an automobile is subject to loss from fire, theft, glass breakage or vandalism. Maintaining comprehensive coverage may be a good idea.

Premium payment is another concern for military personnel. Many insurers will

not accept customers whose policies have lapsed. Others charge higher rates in such situations. Arranging for someone to make payments, or for automatic withdrawals from a bank account, can help to prevent policy lapses. If the automobile is not being used, it may be better to cancel the policy than allow coverage to lapse for nonpayment.

Military service is an honorable undertaking. It is also a very stressful time for those involved, especially when deployment occurs on short notice. The Department of Defense's Financial Readiness Campaign is designed to help military personnel manage their personal finances, including insurance considerations. Having a knowledgeable insurance agent is another plus. Understanding and addressing the unique exposures and concerns of military personnel, and helping to facilitate the proper coverage arrangements, is another sign of the true insurance professional.

This MSO article first appeared as an Advertorial in the Insurance Advocate.

