



# South Carolina Department of Insurance

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## Media Release

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### CHANGING AMERICAN HOUSEHOLDS CREATE NEW INSURANCE IMPLICATIONS

*Insure U, a NAIC Resource helps baby boomers and Gen Xers navigate empty-nest reversal*

**Columbia, SC** - Nearly half of adults in their 40s and 50s have a parent age 65 or older *and* are either raising a young child or financially supporting an adult child.<sup>1</sup> These baby boomers and members of Generation X are feeling the pressure of empty-nest reversal from boomerangs – adult children returning home to live – and live-in elders – seniors trading their current home for a loved one’s spare bedroom. In addition to negotiating cooking and cleaning responsibilities, Ray farmer, Director of the South Carolina Department of Insurance encourages families to make sure everyone understands how a change in address might affect insurance needs.

“American households are experiencing a dramatic shift. Whether it’s aging parents moving in with their grown children or young adults moving back in with mom and dad — today’s households come in all shapes and sizes,” said Farmer. “As family dynamics evolve, the South Carolina Department of Insurance urges consumers to understand the insurance implications of their unique living arrangements.”

#### **Aging Relatives**

For seniors, moving in with an adult child can be uncomfortable. Before the first box is packed, parent and child need to talk about finances, including insurance.

Consider the following questions:

- Are you current on health, auto and life insurance premium payments?
- Are you covered by Medicare?
- Is long-term care insurance something we should look into?
- What are your end-of-life wishes?

This level of detail will help both parties decide what changes, if any, need to be made to existing coverage. Most importantly, seek to make your loved one feel cared *about*, not cared *for*.

#### **Boomerang Kids**

For the first time in more than 130 years, adults 18-34 years old are more likely to be living with their parents than in any other scenario — including living with a spouse or partner, other family or friends or alone.<sup>2</sup> Experts say hosting an adult child can cost between \$8,000 and \$18,000 per year.<sup>3</sup>

Before welcoming an adult child back home, set clear expectations:

- How will health insurance be covered? Who will pay for what?
- Will we combine auto policies? How will driving records affect premiums?
- What belongings are you bringing? Will expensive items such as electronics or sporting equipment increase homeowners insurance premiums?

To avoid misunderstandings, the National Association of Insurance Commissioners (NAIC) developed the [Welcome Home contract](#). In addition to outlining basic rules of adult co-habitation, the document places under signature key insurance-related agreements between adult child and parent.

For insurance tips to help modern households of all shapes and sizes including [baby boomers](#), [same-sex couples](#), [single parents](#), [millennials](#) and more, visit [InsureUonline.org](#). Please visit the South Carolina Department of Insurance website, [www.doi.sc.gov](http://www.doi.sc.gov), for more information specific to South Carolina. Consumers may also call the Department to speak with an insurance analyst Monday through Thursday 8:00 a.m. - 6:00 p.m. and Friday 8:00 a.m. - 5:00 p.m.

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