

The Kentucky Department of Insurance offers a Consumer Guide to Insurance for Young Adults, highlighting the necessity of informed financial decisions during the transition to adulthood. Young adults are encouraged to secure at least four essential types of insurance: health, automobile, homeowners/renters, and life insurance, with options for additional coverage such as disability, vision, and dental insurance. Health insurance is particularly vital due to the high costs of healthcare, and under the Affordable Care Act, individuals can remain on a parent's plan until age 26. If employer-sponsored health insurance is not available, young adults can purchase individual plans in Kentucky, which cannot be denied based on health conditions. Health Savings Accounts (HSAs) are also available for those with high-deductible plans, allowing for tax-free savings for medical expenses. The guide cautions against health discount and health sharing plans, which are unregulated and may lack adequate coverage. It explains COBRA, which permits individuals to continue health insurance after job loss or qualifying events, and Kentucky's state continuation law for those with smaller employers. Conversion coverage is also available for individuals losing group coverage, enabling them to obtain an individual policy without health restrictions.

For college students, it is recommended to verify parental health insurance coverage and understand the policy's provisions, especially when studying out of network. Life insurance is presented as a means of providing financial protection for dependents, with options for term and permanent policies. Group life insurance is accessible through employers, but individuals should proactively convert to an individual policy upon job loss. Auto insurance in Kentucky mandates minimum liability coverage and includes various components such as liability, uninsured motorist coverage, and comprehensive and collision coverage. The guide explains no-fault coverage, which provides medical expense coverage regardless of fault, with an option to reject it. Young adults are encouraged to maintain good driving habits and consider factors that can lower premiums, such as good grades and a clean driving record, while emphasizing the importance of shopping around for insurance and understanding policy details.

The insurance policy document elaborates on auto, homeowners, renters, mortgage guaranty, and title insurance, addressing frequently asked questions and providing essential consumer tips. For auto insurance, policyholders can request original equipment manufacturer parts for repairs but may need to cover the cost difference if these are pricier than after-market parts. Insurance companies cannot mandate specific body shops but can recommend them. Credit history may influence premiums but cannot solely dictate policy cancellation or renewal. In Kentucky, comprehensive coverage allows for windshield replacement without a deductible. Homeowners insurance covers property damage and liability but excludes certain perils like mold, earthquakes, and floods, with additional coverage available for these risks. Damage from a fallen tree is covered, but tree removal costs are not unless they impact a structure. Renters insurance protects personal belongings and includes liability coverage, but does not cover floods or earthquakes unless added. Mortgage guaranty insurance protects lenders if mortgage payments are missed, typically required when down payments are less than 20%. Title insurance safeguards against issues with property titles post-purchase, covering legal fees and losses due to undiscovered liens or disputes.

The document stresses the importance of reviewing insurance policies annually to ensure coverage limits are adequate, especially as property values may increase over time. Policyholders are advised to consult their insurance agent if uncertain about their policy limits. Before purchasing insurance, it is recommended to verify the licensing of the company and agent through the Kentucky Department of Insurance, as some fraudulent insurers may use names similar to legitimate companies. The department can also provide information on an insurer's financial stability rating. The Kentucky Department of Insurance is committed to non-discrimination and offers reasonable accommodations for individuals with disabilities to ensure equal access to its services. For further assistance, contact information is provided, including toll-free numbers for both in-state and out-of-state inquiries, as well as resources for the hearing and speech-impaired.