**THE FINANCIAL RISKS BEHIND COHABITATION**

Meta Description:

An article about cohabitation, live-in relationships, and why either partner may be at a financial risk when the relationship is over.

Keywords:

live-in, partners, cohabitation, risks of cohabitation, financial risks of cohabitation, protection from dissolution

Cohabitation and life insurance:

Unmarried couples have the ability to purchase various insurance policies at competitive rates; given the wide range of choices, shopping around is a great idea when it comes to deciding on what insurance policies to buy.

Your partner can be named as the beneficiary of your life insurance policy, irrespective of your marital status. But when it comes to homeowners’ insurance or renters’ insurance, you must check with the organization beforehand to see if you can add your partner as an occupant under the terms of the policy. If not, he or she must purchase separate coverage.

Times are changing as major organizations now start to offer domestic benefits to their employees, inclusive of their live-in partners. If not automatically provided for, communicate with your employer to see if your partner can be included in your perks.

Risks of cohabitation:

The greatest risks faced by either partner of a cohabiting relationship are the death of their loved one, and the dissolution of their relationship.

According to Moneyweb, a reliable advice site, neither partner of a live-in relationship have no right of inheritance in terms of the Intestate Succession Act, and cannot rely upon the provisions of the Maintenance of Surviving Spouse Act.

This implies that the survivor has no claims as the loved one’s heir, nor the right to claim maintenance on his or her part.

While legal changes are undergoing to recognize cohabitation under the law, it is always better to protect oneself from the financial risks of cohabitation, and other unforeseeable consequences.

One such way is to draft a cohabitation agreement – very similar to a prenuptial, the agreement should set up regulations in the case of a break-up, thereby providing both partners protection from dissolution.

Another suggestion is to draft a will early-on – this gives the will’s drafter better control towards their possessions while also taking care of potential disasters in the future.