

Homeowners Insurance Question and Answer



Provided by the Insurance Education Institute

	Questions	Answers
1	A fire damaged your apartment, list one item that will be covered by your renters insurance.	Computer, telephone, CD player, clothing, table, chairs, furniture, personal items, etc (a variety of different possibilities)
2	Are my possessions covered away from home?	Yes, but coverage amounts vary from 10% to full value.
3	As a student, am I covered by my parent's homeowner's policy?	Yes, if you're in college, under 26, and your parents have a homeowners or renters policy, the coverage might give you limited coverage in the dorm but not in an apartment.
4	You have borrowed a television from a friend for the weekend. The TV is stolen while you are doing your laundry; will your renter insurance cover this item?	Yes, Items "in your possession" are covered under a standard policy.
5	Is my bike or vehicle covered by renters insurance?	The bike is covered, but vehicles aren't.
6	List 3 types of information that the insurance company will ask when filling out an application insurance?	Current Occupation, Employment history, Marital status, Previous address, Date of birth, Social security number, description of electronics.
7	What factors go into determining the premiums for a homeowner's policy?	Age of home, Building Construction, type of materials, Location of property, Square footage, Number of rooms, Special properties(antiques, etc)
8	What insurance do you need to buy as a supplemental plan?	Flood insurance, earthquake insurance, endorsements (jewelry, computers, ATV, boat etc), and personal umbrella liability insurance.
9	Am I covered for "Acts of God"?	Sometimes. The term "Acts of God" is not specifically mentioned in homeowners insurance policies. Some natural disasters, such as damage from windstorms, hail, lightning and volcanic eruptions are covered under homeowners insurance. Damage from floods and earthquakes are not.
10	What is considered "Acts of God"?	It usually refers to natural disasters like hurricanes and tornadoes.
11	In the Basic Form there are 11 covered perils. Name 2 of those perils.	Fire, Lightning, Windstorm, Hail, Explosion, Riot, Civil Commotion, Vehicles, Aircraft, Smoke, Vandalism, Glass Breakage, Theft, Volcanic eruption.
12	What is an example of man-made acts?	Examples of man-made acts are theft and auto accidents.
13	What is replacement cost?	It is the amount necessary to repair or replace the dwelling with materials of "like" kind and "like" quality at the current prices.
14	What is actual cash value (ACV)?	The current value of property measured in cash, usually arrived at by taking the replacement cost and deducting for depreciation brought about by physical wear and tear, age and other factors.

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15	A huge storm blows through your town and a tree falls but does no damage to my property. Will insurance coverage pay for the removal of the tree?	Your trees and shrubs are covered for losses due to risks like vandalism, theft and fire, but not wind damage.
16	This is a decrease in the value of property which could be the result of wear and tear or age of a property.	Depreciation
17	A tree falls and damages my roof during a storm. Am I covered?	Yes. You are covered for the damage to your roof. You are also covered for the removal of the tree, generally up to a \$500 limit.
18	A neighbor slips on my sidewalk or falls down my porch steps. The neighbor is threatening to take you to court. Does the policy provide coverage of this type?	Yes. The policy will pay for damages, if a fall or other accident on your property is the result of your negligence. It will also pay for the legal cost of defending you against a claim.
19	Does my homeowner's policy cover the medical expenses of my neighbor?	Yes. If a neighbor or guest is injured on your property, your homeowner's policy with liability coverage will cover these expenses. You will need to check your policy for amount.
20	What is an umbrella policy?	It is extended liability coverage which provides for such things as libel, defamations of character, and invasion of privacy.
21	A pipe bursts and water flows all over the first story floors. Is there coverage?	Yes. The HO-3 covers you for accidental discharge of water from a plumbing system. You should check your plumbing and heating systems once a year.
22	Am I covered for direct losses due to fire, lightning, tornadoes, wind storms, hail, explosions, smoke, vandalism and theft?	Yes. The HO-3 provides broad coverage for these and other disasters or "perils". Check your policy for coverage amounts.
23	Give an example of "real property".	Physical structures that are attached to the land such as a home, garage, or fences.
24	What is a peril?	The cause of the loss.
25	Are my jewelry and other valuables covered?	The standard policy provides only from \$1,000 to \$2,000 for theft of jewelry.
26	In insurance, what is a floater?	A floater is a form of insurance that covers specific items wherever you take them.
27	What is an endorsement?	An endorsement is an attachment to existing insurance coverage to provide additional protection.
28	A document that is an estimate of the current value or property is called a what?	An Appraisal
29	You have a party and a candle starts the couch on fire. The fire burns out of control and the entire building is destroyed. What can you expect your renters insurance to cover?	It will cover in a limited amount for building alternations but the building coverage is the responsibility of the owner.
30	What is an "Inventory Record"?	It is a record of personal property that is to be kept in case of a loss.
31	What percentage is used in the calculation of replacement costs?	100% is the number used in the calculation.