Procedure/Lecture Outline

Homeowners Insurance: Coverage and Claims

Overview
Homeowners Insurance: Coverage and Claims is the final lesson plan for the homeowner’s insurance unit. Students will recognize important factors when purchasing homeowners insurance. The lesson will take them through the application process as steps to follow when filing a claim.

Objectives
Students will:
Understand the basics of a homeowner insurance application
Recognize what factors are included in determining rates
Determine steps to take when filing a homeowner insurance claim

Time Required:
60 minutes

Materials
Power Point Presentation
Homeowners Insurance Question and Answer worksheet
Renter’s Insurance Worksheet
Why is Homeowners Insurance Important Worksheet

Procedures
1) Ask the class to list as many different perils that might occur in an apartment or house
   1.) fire or lightening
   2.) windstorm or hail
   3.) explosion
   4.) riot or civil commotion
   5.) aircraft
   6.) vehicles
   7.) smoke
   8.) vandalism or malicious mischief
   9.) theft
   10.) damage by glass or safety-glazing material that is part of a building
   11.) volcanic eruption
   12.) falling objects
13.) weight of ice, snow or sleet  
14.) water-related damage from home utilities  
15.) and electrical surge damage  
16.) earthquakes  
17.) floods

2) Guide students through the Power Point presentation (link)  
a. When purchasing a home you have to do your homework to know how much insurance you need  
b. What factors do you have to consider when purchasing homeowners insurance?  
c. The Application Process  
   i. When you apply for insurance an agent will ask you basic questions about your home and your lifestyle  
   ii. Type of construction  
      1. Brick homes cost less to insure, why?  
   iii. Age of the structure  
      1. Newer homes cost less to insure, why?  
   iv. Local Fire Protection  
      1. The distance to the nearest fire station makes a big difference in premiums  
   v. Amount of coverage  
      1. The more coverage you buy the higher the premium  
   vi. Claims frequency  
      1. If you have a history of filing claims your premium will be higher  
   vii. Size and makeup of the household  
      1. The larger the number of people in the household, the higher the likelihood a claim will be filed  
   viii. Neighborhood  
      1. Insurers charge higher premiums in neighborhoods where more claims are filed  
   ix. Smoke alarms and fire extinguishers  
      1. These items reduce the likelihood of a bad fire  

d. Ways to reduce your premium  
   i. Raise your deductible  
   ii. Buying homeowners and automobile insurance from the same company  
   iii. Fire resistant structures, sprinkler systems, or smoke detectors  
   iv. Tiedowns for mobile homes  
   v. 55 years of age, or older and retired  
   vi. Original owner  
   vii. New home  
   viii. Non-smoker  
   ix. Security system  
   x. Home security systems  
   xi. Security systems reduce losses from theft  

e. Steps to follow when filing a claim  
   i. Make emergency repairs  
      1. You should never make permanent repairs until the insurance claims adjuster has seen the damage  
   ii. When to call the police  
      1. If the loss was from a theft or other crime the insurance company will need a police report  
   iii. Call the Insurance Company  
      1. You have to report the loss to the company  
   iv. List the damage and review your policy  
      1. Is the damage larger than the deductible  
   v. Be there during the inspection  
      1. The insurance claims adjuster will probably have questions that you will need to answer  
   vi. Get more than one bid for repairs  
      1. Usually the company requires at least two estimates
vii. Keep records of all contacts with Insurer
   1. If a question arises later you will be able to clarify it
viii. Don’t agree to a settlement until you are satisfied
ix. Save all receipts
   1. The insurer will reimburse for expenses based upon your receipts
3) Guide students through the question and answer worksheet