

**Area** – Consumer and Family Resources

**Scenario** – Homeowner/Renter Insurance Claims

### **Standards**

SD FACS Standards

FCS 7.3.3

Apply management principles to decisions about individual and family insurance.

SD Mathematics Standards

Math 9-12 N.3.1

(Analysis) Use estimation strategies in problem situations to predict results and to check the reasonableness of results.

### **What will you do?**

You will react to a scenario dealing with homeowner's insurance and estimate which damages are covered and how much the family will be able to cover with insurance.

### **What is the scenario?**

Megan and Matt Jones live in a suburb of Sioux Falls, SD. A spring tornado last week caused damage to their home. The roof is missing on the garage and a large tree was uprooted and went through the front living room window. Rain blew in and ruined the carpeting. Parts of the tree landed on Megan's car that was parked in the driveway, leaving huge dents in the roof of the car. Due to the power outage during the storm, the food in the freezer thawed out and had to be thrown away. The short wave radio tower on the roof was torn off and smashed. When the insurance adjustor came to evaluate the damage, she fell on a pile of rubbish from the storm and broke her ankle. The Jones family has moved to neighborhood motel during the time the home will need to be repaired. Now the Jones' are trying to figure out what is covered by their home owner's policy. Review the policy information below and record which coverage will take care of the multiple problems that the Jones family faces. Determine an approximation of how much money they can count on from their homeowner's coverage. What problems will not be covered?

### **How will you do this?**

- You will study the scenario given.
- You will determine which problems are covered by the homeowner's policy.
- You will determine which problems are **not** covered by the policy.
- You will seek estimates on repairs and determine how much money the family will be able to count on to replace their losses.

## How will you be evaluated?

Answer key and repair estimate product

This is what Jones' family policy states:

<u>Coverage</u>	<u>Limit of Liability</u>
A. Personal Property	\$20,000
B. Loss of use	Actual Loss
C. Dwelling Coverage	\$150,000.00
D. Other structure coverage	\$25,000
E. Medical Expenses	\$1000 per person injured on your property
F. Personal Liability	\$500,000
G. Damage to property of others	\$500

A. Personal property includes property owned by or used by any insured anywhere in the world. The following personal property is **NOT** covered by this policy:

1. Animals, insects, birds, and fish
2. Land motor vehicles
3. Any type of aircraft
4. Outdoor antennas and accessories
5. Trees, plants, shrubs, and lawns
6. Credit cards

Insured perils include: fire and lightning, windstorm and hail and associated water damage, explosion, riot or civil commotion, aircraft, vehicles, smoke, vandalism, theft, breakage of glass, falling objects, weight of ice, snow, or sleet, bursting, accidental discharge or freezing of a heating, air-conditioning system or water heater, damage from artificially generated electrical current and volcanic eruption

B. If the premises where the insured resides becomes uninhabitable or if a civil authority prohibits use of the premises because of damage to neighboring premises, we will pay additional living expense, meaning any necessary increase in living expense incurred by the insured so that the household can maintain its normal standard of living.

C. We will replace or repair up to the stated amount any damage to the dwelling structure.

D. We will replace or repair up to the stated amount any damage to separate structures on the property. (Storage shed, separate garage, etc.)

E. We will pay the necessary medical expenses which are incurred or medically ascertained within three years from the day of an accident causing bodily injury covered by this policy.

F. We will pay, up to our limit, all sums for which any insured is legally liable because of bodily injury or property damage caused by an occurrence covered by this policy.

G. We will pay up to \$500 per occurrence for property damage to the property of others caused by any insured, even if not negligent or legally liable.

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