Name _____ Date _____

H. meowner's Insurance

If you own a house or condominium or rent an apartment, you need **homeowner's insurance.** Homeowner's insurance pays for damage to your property and belongings and provides liability coverage in case someone is injured on your property.

You should insure a home or condominium for its full **replacement value**, or the amount it would cost to reconstruct it if destroyed. If you insure for 100% replacement value, then your insurance company will provide these additional coverages.

Mutual Insurance Company
1111 Main Street
Marshall, MO 22222

Valued Customer:

Other structure (garage, etc.):	10% of house-replacement value
Personal property:	50% of house-replacement value
Additional living expenses while house is being repaired or replaced:	20% of house-replacement value
Trees, shrubs, plants:	5% of house-replacement value

Example 1: Your house is fully insured for its replacement value of $98,500. What other coverage would homeowner's insurance provide for losses or damages?

Multiply to find the amounts.

Other structures (10%)	$0.1 \times \$98{,}500 = \$9{,}850$
Personal property (50%)	$0.5 \times \$98{,}500 = \$49{,}250$
Living expenses (20%)	$0.2 \times \$98{,}500 = \$19{,}700$
Trees, shrubs, plants (5%)	$0.05 \times \$98{,}500 = \$4{,}925$

Name _____ Date _____

If you rent, you should get homeowner's insurance to cover the full replacement value of your personal property against losses due to fire or theft. Then the insurance company will provide these additional coverages.

Alterations to the apartment:	10% of property-replacement value
Additional living expenses while apartment is being repaired:	20% of property-replacement value

Example 2: Gail rents and fully insures her personal property for $129,250. What other coverage would homeowner's insurance provide for losses or damage?

Multiply to find the amounts.

Alterations (10%)	$0.1 \times \$129{,}250 = \$12{,}925$
Living expenses (20%)	$0.2 \times \$129{,}250 = \$25{,}850$

Think About It

1. Statistics show that 96% of homeowners, but only 32% of renters, have insurance. Why is that?

_____

_____

_____

2. What are the dangers of not having homeowner's insurance?

_____

_____

_____

Name _____ Date _____

Practice

Remember to estimate whenever you use your calculator.

Complete the table to show the coverages provided for the homeowner. The home is insured for its full replacement value.

Home-replacement value	Other structures	Personal property	Additional living expenses	Trees, shrubs, plants
$78,000	1. _____	2. _____	3. _____	4. _____
$109,500	5. _____	6. _____	7. _____	8. _____
$87,645	9. _____	10. _____	11. _____	12. _____

Complete the table to show the coverages provided for the renter. Personal property is insured for its full replacement value.

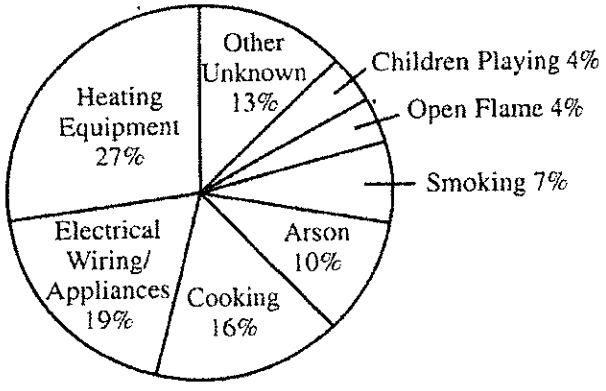
Personal property-replacement value	Alterations to apartment	Additional living expenses
$25,000	13. _____	14. _____
$50,000	15. _____	16. _____
$75,000	17. _____	18. _____

Extension **Fire Prevention**

The circle graph shows the leading causes of fires in the United States. There were about 868,000 fires in 1 year. About how many of them were caused by:

1. heating equipment? _____
2. cooking? _____
3. children playing? _____
4. smoking? _____

Cause of Fire in Homes



5. Based on these statistics, what steps could you take to reduce fire hazards in your home?

_____

_____

Name _____ Date _____

Think again about what other coverage homeowner's insurance provides for losses or damages.

(**THINK:** Multiply to find the amount of each additional coverage.)

- Other structures: insured up to 10% of replacement value
- Personal property: insured up to 50% of replacement value
- Additional living expenses: insured up to 20% of replacement value
- Trees, shrubs, plants: insured up to 5% of replacement value

Complete the table. Use the information above to find the coverages provided for each of the 5 homeowners. Assume that the home is insured for its full replacement value.

Home-replacement value	Other structures	Personal property	Additional living expenses	Trees, etc.
$122,000	6. _____	7. _____	8. _____	9. _____
$192,800	10. _____	11. _____	12. _____	13. _____
$107,200	14. _____	15. _____	16. _____	17. _____
$82,850	18. _____	19. _____	20. _____	21. _____
$261,240	22. _____	23. _____	24. _____	25. _____

Extension

The new assessed aluation for a $100,000 house is $100,000. The annual tax on this house is $3,200. $3,200 ÷ $100,000 = 0.032, or $3.20 per $100.

Pages 104-106 Homeowners
Think About It Insurance

1. Renters don't have a mortgage and aren't required to carry insurance, so they may assume that the apartment complex has insurance covering the building.
2. Losses due to theft or fire can be costly to replace.

Practice

1. $7,800
2. $39,000
3. $15,600
4. $3,900
5. $10,950
6. $54,750
7. $21,900
8. $5,475
9. $8,764.50
10. $43,822
11. $17,529
12. $4,382.25
13. $2,500
14. $5,000
15. $5,000
16. $10,000
17. $7,500
18. $15,000

Extension

1. 234,360
2. 138,880
3. 34,720
4. 60,760
5. Answers may vary.
6. $12,200
7. $61,000
8. $24,400
9. $6,100
10. $19,280
11. $96,400
12. $38,560
13. $9,640
14. $10,720
15. $53,600
16. $21,440
17. $5,360
18. $8,285
19. $41,425
20. $16,570
21. $4,142.50
22. $26,124
23. $130,620
24. $52,248
25. $13,062

Pages 108-110
Think About It

1. Answers may vary.
2. Answers may vary.

Practice

1. 23,592 kWh
2. 13,587 kWh
3. 3,195 kWh
4. 2,873
5. $141.64
6. 1,201
7. $72.42
8. 17,637
9. $419.76
10. 7,581
11. $407.10
12. $82.89
13. $150.76
14. $30.60
15. $153.93
16. 3.051
17. $43.87
18. 2.134
19. $28.81
20. 4.892
21. $54.94
22. 4.809
23. $76.22

Extension

1. $1,073
2. $188.50
3. $145
4. $43.50

Page 112
Problem Solving Application

1. $84
2. $8.01
3. $306.60
4. $38.33
5. $124.80
6. $108
7. $1.24
8. Clothes dryer

Page 114
Problem Solving Application
Think About It

1. Answers may vary.
2. Winter

Practice

1. 486 gallons
2. 30 months
3. 48 months
4. 729 gallons
5. $178.20
6. $623.70

Pages 117-118
Think About It

1. For every 50 feet of perimeter, there is 400 square feet of wall. One gallon covers 400 square feet.
2. Answers may vary.

Practice

1. 58 ft
2. 42 ft
3. 56 ft
4. 60 ft
5. 2 gal; $27.90
6. 2 gal; $34.10
7. 3 gal; $31.95
8. $1,512
9. $2,016
10. $3,024
11. l = 10 in.; w = 8 in.
12. l = 8 in.; w = 6 in.
13. l = 37.5 cm; w = 30 cm
14. 2 gal; $35.70
15. 6 gal; $98.10
16. $1,656
17. $9,936
18. l = 16 in.; w = 13.3 in.
19. l = 112.5 cm; w = 60 cm