Homeowners insurance questions and answers worksheet

Homeowners insurance questions and answers worksheet pdf. How to use homeowners insurance. What questions do home insurance companies ask. How to answer home insurance questions. Which insurance policies are needed worksheet answers.

The correct answer would cover damage to property of others completely under section II because it provides protection for accidental harm to someone else's belongings while they're being taken care of by the insured. In this situation, since John damaged Robert's entertainment system while helping him move, the policy will likely pay for replacing it entirely. Coverage D in an HO-3 policy usually offers $60,000 for additional living expenses if the homeowner can't occupy their house due to a covered loss. Additional Living Expense coverage is typically included in DP-3 policies but not in DP-1 policies, providing reimbursement for extra costs incurred due to a covered loss making a property uninhabitable. Commercial Package Policies can combine certain coverages like Boiler and Machinery, Pollution Liability, and Liquor Liability. Ocean Marine cannot be combined with these other coverages as it has its own unique requirements. Business personal property coverage is provided on replacement cost basis if insurance limits are at least 80% of the covered property's value. Coverage for amounts under 80% of replacement cost is on actual cash value basis. The Cause of Loss - Basic Form does not provide coverage for weight of ice, snow or sleet, leaving policyholders uncovered in such cases. A business income coverage extension provides $100,000 in automatic coverage at each newly acquired location for the first 30 days of operation. The Extra Expense Coverage Form would pay for temporary setup costs while a doctor's building is being repaired, covering expenses like rent, moving costs and necessary equipment. 1. The eligible areas include offices, office condo associations, and convenience food stores with or without gasoline sales. 2. The correct answer is D because it has been less than 30 days since acquiring a new item, allowing coverage under a Personal Articles Floater (PAF). 3. Currency risks are not typically considered a category of commercial property floaters but rather refer to potential financial losses due to exchange rate fluctuations. 4. The community's limited flood hazard boundary map and available coverage amounts qualify them for the Emergency Program of the NFIP, providing temporary assistance for communities at risk of flooding. 5. A single-family dwelling can receive up to $250,000 in total coverage under the NFIP, including basic and additional amounts. 6. Insured individuals can obtain earthquake coverage by purchasing an Earthquake Clause of Loss Form, which outlines terms and conditions specific to losses caused by earthquakes. 7. The Florida Valued Policy Law applies specifically to mobile homes, providing protection against full value payment without considering depreciation in the event of complete destruction. 8. A watercraft endorsement can be added to a homeowner's contract to provide coverage for water-based vehicles. Coverage for watercraft excluded under HO policy modifies terms to include protection. By adding endorsement, homeowner ensures their watercraft is covered against losses and damages. Insured rejects windstorm coverage; they must acknowledge insurance company won't cover windstorm-related losses. Insurable interest refers to actual, lawful economic interest in safety or preservation of insured subject. Person seeking insurance must have financial stake, such as ownership or legal relationship. John's accidents don't present physical or precarious hazard; instead, may affect morale, causing decrease in motivation, confidence, or mood. Indirect loss occurs due economic loss from direct loss. In scenario, John's office burning down is direct loss, and economic loss he suffers is indirect loss. Replacement cost valuation seems to violate principle of indemnity, as insured may profit from loss. Insurance pays full cost replacing damaged property, regardless of its actual value at time of loss. Salvage refers to damaged property recovered, reconditioned, and sold to minimize financial loss for insurance company. Salvage value is amount obtained selling recovered property. Deductible is amount insured person must pay out pocket before insurance kicks in. Insurance companies often cover remaining costs after a loss. This acts as a form of self-insurance, encouraging policyholders to be responsible for part of the costs and reducing small claims. The deductible amount can vary depending on the insurance policy and is typically agreed upon when purchasing the policy. The principle that insured individuals should be restored to their approximate financial condition before a loss occurred is called indemnity. This means the insurance company will compensate the insured for losses up to the specified amount in the insurance policy, ensuring they are neither better off nor worse off financially after the loss. The term "limits of liability" refers to the maximum amount an insurance company will pay for a specific loss or during a specific period of time. It sets a cap on the amount the insurance company is obligated to pay in the event of a claim, defining the extent of coverage provided by the policy and providing financial protection for the insured. Coinsurance encourages insureds to accurately insure their property by requiring them to carry a certain percentage of the property's value as insurance coverage. If the insured carries less than the required percentage, they may be subject to a coinsurance penalty in the event of a claim. In property insurance, specifically homeowners, insurers must give written notice of non-renewal at least 120 days before the effective date of the non-renewal, allowing the insured sufficient time to find alternative coverage if needed and to review reasons for non-renewal. Absolute liability holds a person or entity responsible for damages or injuries caused, regardless of whether they were negligent. Vicarious liability holds an employer responsible for the actions of its employees, even if not directly involved in wrongdoing. A binder is an oral or written statement that provides immediate insurance protection until the actual policy can be issued and delivered. It serves as temporary proof of insurance coverage during this time. For a specified period, a binder provides temporary coverage until a policy can be issued or denied. This provisional agreement outlines liability coverage until a formal insurance contract is established. Endorsement documents modify an original policy, adding or removing coverage, changing terms, or making adjustments as needed to tailor the policy to specific needs. The declarations section summarizes key details of the insurance policy, including insured parties, covered property, effective dates, and coverage amounts. Insurance policy conditions outline rights and responsibilities for both insurers and insureds, covering matters such as prompt notice, cooperation, and preserving insurer rights. An insured is the individual who enters into an insurance contract with the company, aged 15 or older, benefiting from indemnification and protection under the terms and conditions of the policy. Policies are often conditional contracts, where the insurer's obligation depends on the insured meeting specified conditions. A proof of loss document details and amounts claimed in an insurance claim, providing a formal statement to the insurance company with supporting evidence. A notice of claim is a formal communication from the insured party to the insurance company, informing them about a potential claim or loss, prompting a prompt response and investigation. Subrogation is a process in insurance policies where parties who have already been compensated for losses can transfer their right to seek further compensation to the insurance company. In this scenario, John received $1,500 from his insurance company after he was initially involved in a loss. Subrogation allows the insurance company to take over the claim against another party, eliminating the need for John to pursue additional compensation. Subrogation is commonly included in property and liability insurance policies as a condition. This means that by accepting subrogation, individuals or entities named as insured parties are giving up their right to file lawsuits against other responsible parties. The concept of subrogation relies on the principles of insurance contracts, including exclusions, insuring agreements, and conditions. In John's situation, he is essentially making a false statement about his prior loss history. This misrepresentation can be seen as a breach of contract, which may allow the insurance company to terminate their obligations or pursue further action against the other party.