What is Property Insurance?

Worksheet

Property insurance protects your home and possessions against damage, theft and liability. It pays for repairs or replacement if a covered event damages your property.

Questions

1. What does homeowners insurance primarily protect?
A) Your car
B) Your home and belongings
C) Your health
D) Your travel

2. A guest is injured in your home. Which coverage helps?
A) Property coverage
B) Liability coverage
C) Deductible
D) Premium

3. What does renters insurance NOT cover?
A) Your laptop
B) Liability for guests
C) Stolen belongings
D) Damage to the building structure

4. If you have a 500 deductible and5,000 in damage, how much does insurance pay?
A) $5,000
B) $4,500
C) $500
D) Nothing

5. Your kitchen catches fire, causing $45,000 in damage. What does homeowners insurance cover?

6. A guest slips on your wet floor and breaks an arm, suing for $20,000. How does liability help?

7. Your laptop and TV are stolen while you're away. Will renters insurance cover it?

8. Define: What is property insurance?

9. Define: Homeowners vs. renters insurance — key difference?

10. Define: What is a deductible in insurance?

Answer Key

1. B) Your home and belongings — Homeowners insurance covers the building structure, belongings, and liability.

2. B) Liability coverage — Liability coverage pays if you're legally responsible for someone's injury on your property.

3. D) Damage to the building structure — Renters insurance covers belongings and liability, but the landlord's building is their responsibility.

4. B) $4,500 — Insurance pays $5,000 - 500 = \$4,500$. You pay the deductible.

5. The policy covers structural damage (walls, roof) Replacement of cabinets and appliances Temporary housing if you can't live there Deductible (e.g., $1,000) paid by you

6. Your policy's liability coverage pays the claim Up to your policy limit (typically 100,000–500,000) If you're found legally responsible You avoid paying out of pocket

7. Yes, renters insurance covers personal belongings You must provide proof of purchase Payment is up to your policy limit You pay the deductible

8. Insurance that protects your home and belongings against damage, theft, and liability.

9. Homeowners covers the building structure; renters covers only personal belongings.

10. The amount you pay out of pocket before insurance pays the rest.