

Name:

Students will be able to:

- Distinguish the similarities and differences between renters and homeowners insurance
- Read the fine print of a rental insurance agreement
- Assess whether they will need renters insurance after high school
- Appreciate why it is valuable to have insurance, regardless of whether you own or rent a home
- Enumerate what types of perils are and are not covered by standard renters and homeowners insurance policies



INTRO

INTERACTIVE: [What's Your Stuff Worth?](#)

Did you know that you can get insurance to cover all the stuff you own inside a rented apartment? It's called renters insurance! But, one reason people give for skipping renters insurance is, "I don't have that much stuff. And none of it's very nice." Use this interactive to "customize" your hypothetical first apartment. Then, answer the following questions:

1. **How much did the website estimate it would cost to replace all the items in your apartment?**
2. **How much does the interactive assume your renters insurance policy will cost per month? Does this surprise you? Explain.**
3. **Do you think you will get renter's insurance as a young adult? Why or why not?**



LEARN IT

EDPUZZLE: [Insurance 101 - Renters Insurance](#)

As you saw in the INTRO, renters insurance can save you a lot of money if you need to replace the items in your apartment after a disaster. Watch this video to learn more about how renters insurance works and why it's valuable, and then follow your teacher's directions to answer the

questions either in your student activity packet or within the EdPuzzle itself.

NOTE: EdPuzzle videos shuffle answer choices and do not always match the order provided in the lesson here.

1. Why would someone want to have renters insurance if their building owner has insurance?

- a. The building owner's insurance only covers liability. Renters insurance will cover damage to the exterior and structure of the building.
- b. The building owner's insurance only covers the building structure. Renters insurance covers your personal property.
- c. There is no need to get renters insurance if the building owner already has an insurance policy
- d. By law, you must have two types of insurance: landlord insurance and renters insurance

2. The coverage under renters insurance will cover the costs of the following items EXCEPT:

- a. Your personal belongings
- b. The damage to the building
- c. Hotel you have to stay at until your apartment can be repaired
- d. Small alterations to the property you made at your own expense

3. What is the purpose of liability coverage on a renters insurance policy?

- a. It covers only damage to the exterior of the rental unit
- b. It covers your medical bills if you are injured on the property
- c. It covers unintended damage and accidents in the rental
- d. Liability coverage is not available on a renters insurance policy, only on a landlord policy

4. There is no need for a college student to have a renters insurance policy.

- a. TRUE
- b. FALSE



ACTIVITY: FINE PRINT: Renters Insurance Agreement

With all insurance policies, it's important to not only understand the fundamentals of how they work but also to dig into the specific details of your policy agreement. It's there that you'll find out exactly what is and is not covered and for how much. Follow the directions on the worksheet to complete this activity.



LEARN IT

VIDEO: [Do I Need Renters Insurance in College?](#)

While the EdPuzzle video earlier in this lesson touched on whether renters insurance is necessary for college students, this video goes into a little more depth on the topic. Watch the video to learn more and then answer the questions.

- 1. Sue is headed off to college, will be living in the dorm, and her parents have homeowners insurance. She figures, “I won’t need renters insurance. My parents’ policy will cover me.” What’s the danger in this thinking?**

- 2. Jacques is also headed off to college, will be living in the dorm, and his parents have homeowners insurance. He’s thinking, “I don’t know for sure whether their policy will cover me or what the coverage limits will be, so I’ll just buy my own renters policy too.” What’s the danger in this thinking?**

VIDEO: [Homeowners Insurance 101](#)

From the previous video, you learned that a homeowners insurance policy might cover items a college student takes with them to the dorm. What else does homeowners insurance cover? Watch this video to find out. Then, answer the questions.

1. For each of the 6 coverage areas of a standard homeowners insurance policy, briefly describe what they cover:

- a. Dwelling --

- b. Other Structures --

- c. Personal Property --

- d. Loss of Use --

- e. Personal Liability –

- f. Medical Payments --

2. Pretend your homeowners policy has a premium of \$150, a deductible of \$5,000, and a limit of \$300,000. Your home suffers \$170,000 in damages.

- a. How much will you pay for the damages?

- b. How much will your insurance pay?

3. Unlike most natural disasters, floods and earthquakes are not covered by a standard homeowners policy. Why might that cause problems for homeowners?



ACTIVITY: [DATA CRUNCH: How Do Renters and Homeowners Insurance Compare?](#)

While renters insurance and homeowners insurance protect against a similar set of perils, they vary greatly in the cost of their policies (and for good reason). Follow the directions on the worksheet to complete this activity, and then answer the one question below as well.

1. **Why are the premiums for homeowners insurance more expensive than those of renters insurance?**



EXIT TICKET

Follow your teacher's directions to complete the Exit Ticket.