# Lesson 5 Home Insurance

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#### **Tenant's Package Policy**

Insurance policy that protects renters from loss of contents or personal belongings.

### **Example 1**

Joe rents an apartment. He calculates the value of his clothes, electronics, furniture, etc. to be worth \$35 000. He wants to get a Tenant's Package Policy with a \$500 deductible to protect these belongings in the event of a fire or robbery. If he selects a standard plan, determine the amount of his annual premium.

## Example 2

Carrie rents an apartment. She gets insurance with a \$200 deductible to cover any loss up to \$65 000. If she selects a comprehensive plan, determine her annual premium.

## **Homeowner's Insurance Policy**

Insurance policy that protects homeowners from financial loss from fire, robbery, storm damage, etc. It covers personal belongings as well as the building and any liability.

## **Factors affecting cost**

- Replacement cost
- Location
- Type of coverage
- Amount of deductible
- Any discounts homeowner qualifies for

## Example 3

Alecia and Carey have purchased a home with a replacement cost of \$195 000 just outside of Winnipeg (Area 3). They wish to purchase standard coverage with a \$500 deductible. Determine the amount of their annual premium.

### Example 4

Tim and Faith purchased a home with a replacement cost of \$325 000 in Area 2. They chose standard coverage with a \$200 deductible. Determine their annual premium.

Table 5
$$325000 - 200000$$
(1) first #200000[25000](2) Add'] cost $125000$ # 2.75 pur  
# 1000 $125000$ \* 2.75 pur  
# 1000 $125000$ \* 2.75 pur  
# 343.75 $12500$ (3) Total 519 + 343.75(4) \* 200  
# 862.75(3) Total 519 + 343.75(4) \* 200  
# 949.03  
\* 1.10 \* 949.03