

Chapter 34 Vehicle and Property Insurance

Section 34.2 Property Insurance

Reading Activity—Make a List and Draw a Conclusion

Directions Read the excerpt from the textbook, then answer the questions.

Homeowners policies offer four types of protection. Structural protection covers the cost to repair or rebuild the house if it is damaged or destroyed. Most standard policies also cover garages or sheds that are detached from the house. The policies offer protection for personal belongings, such as furniture and clothes. Items such as jewelry and silverware are covered, but usually for a limited amount. Liability protection in homeowners policies protects against costs of injury or property damage to other people. If a home is badly damaged, additional living expenses protection pays the costs to live elsewhere while it is being rebuilt.

1. Identify the four types of protection.

2. Identify the type of homeowners insurance protection that is of greatest interest to the financial institution that holds the mortgage on a house. Explain your choice.
