

§12-4

Other costs

- Why is homeowner's Insurance important?

What it covers

- Fire
- Lightning
- Theft
- Wind
- Hail
- Explosions
- Smoke
- Frozen pipes
- Falling objects
- Water Damage
- Cave ins

Deductible and Premium

- Deductible – the amount you must pay before insurance money is used.
- Premium – The amount you pay each year to keep insurance.

Types of coverage

- Dwelling – covers the main structure
- Other Structures
- Personal Property – All items owned, some items may be excluded.
- Loss of use – covers temp. living expenses.
- Personal Liability – covers lawyer costs, etc.
- Medical expenses – covers injuries to visitors.

Other costs

- Heating and air conditioning
- Pest extermination
- Gutters, roof, etc.
- Plumbing
- Electrical
- Updates
- Appliances
- Lawn care
- Property taxes

Example

- If I want to save \$10,000 by the end of 5 years for a pool, how much would I have to save each month if I can get 1.5% APR on my savings account

Assignment

- P574
- 5-10 all
- 12-28 even
- MR