

Chapter 34 Vehicle and Property Insurance

Section 34.2 Property Insurance

Section Summary with Key Terms and Academic Vocabulary

Summary Property Insurance Renters, homeowners, and business owners need property insurance. Many different kinds of property insurance protect both real property and personal property against threats such as earthquakes, fires, floods, and various other disasters. Property owners can buy individual insurance policies to cover specific types of threats. Property insurance protects against loss of property, liability for injuries on the property, and additional living expenses in case a home is damaged or destroyed. A homeowners policy is a standard policy that combines various types of protection into one policy. Homeowners can insure their home for either its actual cash value or its replacement value.

Key Terms _____

real property Property attached to land, such as a house, business, garage, or other building

personal property Possessions that can be moved, such as furniture, jewelry, and electronic equipment

renters insurance Insurance that covers loss or damage to a renter's personal possessions

standard fire policy Insurance that covers damage due to fire or lightning

extended coverage Other types of protection added to a basic insurance policy

homeowners policy Insurance that covers damage to property and personal property, additional living expenses if a home is destroyed, and liability protection

rider An addition to an insurance policy that covers specific property or damages

replacement value The full cost of repairing or replacing property, regardless of its depreciation value

Academic Vocabulary _____

consist To be composed or made up—usually with of

injure To inflict bodily harm

civil Of or relating to citizens

nuclear Produced by a nuclear reaction (as fission)