

## Insurance Quiz Instructions

### Overview

Participants test their knowledge about insurance before they learn more about this subject.

### Time

5–10 minutes

### Materials

- Copies of the “Insurance Quiz”
- Pencils

### Set Up

Make enough copies of the “Insurance Quiz” page for all participants.

### Activity

- Give each participant a copy of the quiz.
- Explain to the participants that they are to indicate whether they think the answers are true or false.
- Conduct the quiz.
- After five minutes, ask for participants’ answers.
- Review the correct answers.

### Debriefing

Did this activity help you become more familiar with insurance as it relates to manufactured homes?

## Insurance Quiz

1. Credit life insurance is always required on a manufactured home loan.  
 True                       False
2. Homeowners insurance normally provides coverage for loss of your possessions anywhere in the world.  
 True                       False
3. With homeowners insurance, your home will automatically be replaced as it was if it is substantially damaged.  
 True                       False
4. A standard homeowners insurance policy provides flood coverage.  
 True                       False
5. Financing your property insurance is the least expensive way to pay for it.  
 True                       False
6. A standards homeowners insurance policy provides liability coverage.  
 True                       False
7. Smoke detectors may provide a discount on your homeowners insurance policy.  
 True                       False
8. You must buy insurance from a manufactured home retailer.  
 True                       False
9. You have the right to cancel your homeowners insurance policy with a particular provider at any time.  
 True                       False
10. Mortgage insurance protects you.  
 True                       False

## Insurance Quiz — Answer Key

1. False. Credit life insurance is always optional. It is a form of life insurance that pays off your loan if you die so that your family can continue to live in your manufactured home even without your income.
2. True. The property protection provided by a homeowners insurance policy normally covers your home, other structures and personal property. The coverage for your possessions will be a certain percentage of your home's coverage, anywhere in the world.
3. False. Many homeowners insurance policies use the concept of actual cash value, which is the replacement cost minus depreciation, to replace your home after it is substantially damaged. However, full replacement cost coverage, where you get the amount required to replace your home up to the limit of your policy, is available on most policies, if you meet certain requirements.
4. False. Flood coverage is generally not included with a homeowners insurance policy. If you buy land or a manufactured home in a flood zone, you may be required to purchase a separate flood insurance policy.
5. False. When premiums are financed, you pay interest on them. This increases the cost of the coverage.
6. True. Homeowners insurance is a package policy that combines property and liability protection in one insurance policy.
7. True. Some insurance companies offer discounts on insurance premiums for factors that reduce risk and loss, such as smoke detectors and security systems.
8. False. You have the right to shop around for insurance at the company of your choice.
9. True.
10. False. Mortgage insurance protects the lender in case you default on a mortgage loan.