

PROJECT 11: INSURANCE INVENTORY

INSTRUCTOR OVERVIEW

Before a catastrophe strikes and students are faced with a loss, they should make a home inventory: lists, pictures or videos of the contents of their homes. Most people would be unable to remember all the possessions they've accumulated over the years if they were destroyed by a fire. Having an up-to-date home inventory will help students get an insurance claim settled faster, verify losses for an income tax return and help them purchase the correct amount of insurance.

INSTRUCTIONAL OBJECTIVES

In this assignment students will:

- List personal possessions in a household inventory log
- Calculate the value of their possessions
- Determine if they have enough insurance to cover a total loss
- Examine policy limits and determine if they need to add a rider

CENTRAL PROBLEM OR QUESTION

Do I have enough insurance to replace my possessions?

ASSIGNMENT RESOURCES

Students can use the handouts provided or any other insurance industry standard tool.

ASSIGNMENT LENGTH

One week

NOTES

- I typically offer this as an alternative assignment for students who feel strongly about not completing one of the previous projects.
- Students who live with parents can catalog their bedrooms.
- Students will need to determine replacement values for the items on their lists.
- Students who live at home really like this project. They can talk with parents about what items they can take with them when they move out. They can also discuss how much items will cost if they need to buy them when they live on their own.
- I warn students who choose to do this project instead of others that this project tends to take a lot longer than other projects.

PROJECT 11 ASSESSMENT

INSURANCE INVENTORY RUBRIC

This project has a total value of 20 points.

The student did not follow directions. (minus 2)	
The student completed the home inventory completely. (plus 20) The student completed most of the home inventory (3/4 or more). (plus 15) The student completed some of the home inventory (3/4 – 1/2). (plus 10) The student completed very little of the home inventory (1/2 or less). (plus 5) The student did not attempt. (0 points)	
Total	

PROJECT 11 OVERVIEW: INSURANCE INVENTORY

DO I HAVE ENOUGH INSURANCE?

Before a catastrophe strikes and you're faced with a loss, make a home inventory: lists, pictures or videos of the contents of your home. After all, would you be able to remember all the possessions you've accumulated over the years if they were destroyed by a fire? Having an up-to-date home inventory will help you get your insurance claim settled faster, verify losses for your income tax return and help you purchase the correct amount of insurance.

According to a 2012 survey from the [National Association of Insurance Commissioners](http://www.naic.org) (NAIC; www.naic.org), **more than half of Americans don't have a home inventory of their possessions**, putting them at risk for inadequate home insurance coverage, should severe weather strike.

Survey results show 59 percent of consumers have not made a list or inventory of their possessions. Of those individuals with a home inventory, 48 percent do not have receipts; 27 percent do not have photos of their property; and 28 percent do not have a back-up copy of the inventory outside the home.

Additionally, 59 percent of people with inventories have not updated their inventories in more than a year, meaning new purchases and gifts may not be covered.¹

In this assignment you will:

- List personal possessions in a household inventory log
- Calculate the value of your possessions
- Determine if you have enough insurance to cover a total loss
- Examine policy limits and determine if you need to add a rider

TAKING INVENTORY

Start by making a list of your possessions (see Student Handout 11B), describing each item, and noting where you bought it and its make and model. Clip to your list any sales receipts, purchase contracts, and appraisals that you have.

For clothing, count the items you own by category—pants, coats, shoes, for example—making notes about those that are especially valuable.

For major appliances and electronic equipment, record their serial numbers, which are usually found on the back or bottom.

¹ Information provided by http://www.rmiia.org/Homeowners/Walking_Through_Your_Policy/Home_Inventory.asp

PROJECT 11 OVERVIEW (CONTINUED)

Don't be overwhelmed! If you are just setting up a household, starting an inventory list can be relatively simple. If you've been living in the same house for many years, however, the task of creating a list can be daunting. Still, it's better to have an incomplete inventory than nothing at all. Start with recent purchases and then try to remember what you can about older possessions.

Big ticket items: Valuable items like jewelry, art work, and collectibles may have increased in value since you received them. Check with your insurance agent to make sure that you have adequate insurance for these items. They may need to be insured separately.

Take a picture: Besides the list, you can take pictures of rooms and important individual items. On the back of the photos note what is shown, where you bought each item, and the make or model. Don't forget things that are in closets or drawers.

Create a video: Walk through your house or apartment describing the contents.

Use a personal computer: Use your computer to make your inventory list. Personal finance software packages often include a homeowner's room-by-room inventory program.

Storing the list, photos and tapes: Regardless of how you do it, keep your inventory, along with receipts in a safe deposit box or at a friend's or relative's home. That way, you'll have something to give your insurance representative if your home is damaged. When you make a significant purchase, add the information to your inventory while the details are fresh in your mind.

CREATING YOUR INVENTORY

You can list your items by category or by room. For many items like books, CDs, bed sheets, or pots and pans, you can make a general estimate of how many you have. For expensive items, note the make and model, the store where the item was purchased, and the approximate date.

SAMPLE LIST: LIVING ROOM INVENTORY

Item	Description	When/Where Purchased	Make/Model	Serial #	Approximate Replacement Value
TV	27" Color	ABC Electronics, 2005	Panasonic	1234567	\$400
Rug	Antique Turkish 6' x 8'	Anniversary gift 2001			\$1000
Computer	Toshiba laptop	ABC Electronics, 2004	Toshiba	654321	\$500

PROJECT 11 ACTIVITY

HOME INVENTORY LIST

General Household Equipment & Electronics	Description	When/Where Bought	Make/Model	Serial Number	Approximate Replacement Value
	Televisions				
	DVR/DVD Players				
	DVDs				
	Camcorder/Cameras				
	CD players				
	Stereo Equipment				
	CDs/Tapes/Records				
	Sewing Machine				
	Cameras				
	Telephones				
	Telephone Equipment (answering machines, etc.)				
	Washer/Dryer				
	Air Conditioners				
	Heaters				
	Fans				
	Vacuum Cleaners				
	Exercise Equipment				
	Humidifiers				
	Misc. Items				
Living Room/Den	Description	When/Where Bought	Make/Model	Serial Number	Approximate Replacement Value
	Carpet/Rugs				
	Sofas				
	Cushions				
	Chairs				
	Coffee Tables				
	End Tables				
	Desks				
	Bookcases				
	Books				

PROJECT 11 ACTIVITY: HOME INVENTORY LIST (CONTINUED)

Living Room/Den (cont.)	Description	When/Where Bought	Make/Model	Serial Number	Approximate Replacement Value
	Clocks				
	Entertainment Center				
	Wall Units				
	Piano				
	Other Musical Instruments				
	Mirrors				
	Vases				
	Fireplace Equipment				
	Collections (Coins, Stamps, etc.)				
	Planters				
	Lamps/Light Fixtures				
	Pictures/Other Wall Hangings				
	Window Coverings				
	Misc. Items				
Dining Room	Description	When/Where Bought	Make/Model	Serial Number	Approximate Replacement Value
	Carpet/Rugs				
	Window Coverings				
	Buffet				
	Table				
	Chairs				
	China Cabinet				
	China				
	Silverware				
	Crystal				
	Table Linens				
	Tea/Coffee Set				
	Serving Table/Cart				
	Clocks				
	Lamps/Light Fixtures				

PROJECT 11 ACTIVITY: HOME INVENTORY LIST (CONTINUED)

Dining Room (cont.)	Description	When/Where Bought	Make/Model	Serial Number	Approximate Replacement Value
	Pictures/Other Wall Hangings				
	Misc. Items				
Bedroom	Description	When/Where Bought	Make/Model	Serial Number	Approximate Replacement Value
	Carpet/Rugs				
	Window Coverings				
	Headboards				
	Beds/Mattresses				
	Linens				
	Pillows				
	Dressers				
	Chests				
	Dressing Tables				
	Night Tables				
	Bookcases				
	Books				
	Chairs				
	Desks				
	Mirrors				
	Clocks				
	Lamps/Light Fixtures				
	Pictures/Other Wall Hangings				
	Misc. Items				
Clothing	Description	When/Where Bought	Make/Model	Serial Number	Approximate Replacement Value
	Shoes				

PROJECT 11 ACTIVITY: HOME INVENTORY LIST (CONTINUED)

Clothing (cont.)	Description	When/Where Bought	Make/Model	Serial Number	Approximate Replacement Value
	Coats				
	Furs				
	Suits				
	Dresses				
	Sport Apparel				
	Shirts				
	Skirts				
	Jewelry				
	Misc. Items				
Kitchen	Description	When/Where Bought	Make/Model	Serial Number	Approximate Replacement Value
	Window coverings				
	Table				
	Chairs				
	Refrigerator				
	Freezer				
	Stove				
	Microwave Oven				
	Convection Oven				
	Dishwasher				
	Coffee Maker				
	Other Small Appliances				
	Pots & Pans				
	Bowls				
	Dishes				
	Glasses				
	Kitchen Tools				
	Utensils				
	Clocks				
	Step Stool				
	Food/Supplies				

PROJECT 11 ACTIVITY: HOME INVENTORY LIST (CONTINUED)

Kitchen (cont.)	Description	When/Where Bought	Make/Model	Serial Number	Approximate Replacement Value
	Pictures/Other Wall Hangings				
	Light Fixtures				
	Misc. Items				
Bathroom	Description	When/Where Bought	Make/Model	Serial Number	Approximate Replacement Value
	Window Coverings				
	Hair Dryers				
	Other Electrical Appliances				
	Scales				
	Shower Curtain				
	Towels/Bath Mat				
	Pictures/Other Wall Hangings				
	Misc. Items				
Home Office/Study	Description	When/Where Bought	Make/Model	Serial Number	Approximate Replacement Value
	Window Coverings				
	Carpet/Rugs				
	Desks				
	Chairs				
	Clocks				
	Sofas				
	Computers				
	Computer Equipment				
	Fax Machine				
	Scanner				
	Printer				

PROJECT 11 ACTIVITY: HOME INVENTORY LIST (CONTINUED)

Home Office/Study (cont.)	Description	When/Where Bought	Make/Model	Serial Number	Approximate Replacement Value
	Tape Recorder				
	Stocks/Bonds/Securities				
	Manuscripts				
	Bookcases				
	Books				
	Tables				
	Business Supplies				
	Fireplace Equipment				
	Pictures/Other Wall Hangings				
	Lamps/Light Fixtures				
	Misc. Items				
Garage/Basement/Shed /Attic	Description	When/Where Bought	Make Model	Serial Number	Approximate Replacement Value
	Furniture				
	Luggage/Trunks				
	Sport Equipment				
	Toys/Outdoor Games				
	Bicycles				
	Small Boats				
	Trailers				
	Dehumidifier				
	Lawn Mower				
	Snow Blower				
	Shovels				
	Sprinklers/Hoses				
	Wheelbarrows				
	Garden Tools/Supplies				
	Ladders/Step Stools				
	Work Bench				
	Carpentry Tools/Supplies				
	Collections				

PROJECT 11 ACTIVITY: HOME INVENTORY LIST (CONTINUED)

Garage/Basement/Shed /Attic (cont.)	Description	When/Where Bought	Make Model	Serial Number	Approximate Replacement Value
	Holiday Decorations				
	Misc. Items				
Porch/Patio	Description	When/Where Bought	Make/Model	Serial Number	Approximate Replacement Value
	Chairs				
	Tables				
	Umbrellas				
	Rugs/Mats				
	Lamps/Light Fixtures				
	Outdoor Cooking Equipment				
	Planters				
	Jacuzzi				
	Misc. Items				