



OII LESSON PLAN

IMPORTANCE OF A HOUSEHOLD INVENTORY

Overview

Almost daily in our communities, fire, tornadoes, or other catastrophic events completely destroy homes and their contents. Your homeowners or renters insurance provide coverage for the contents, up to the limit you select with your policy. In the event of total loss, you will be expected to provide a list of all of your personal property that was damaged or destroyed, along with its estimated value. The replacement cost of the home is relatively easy for the insurance company to determine. However, determining the contents and their value presents a more difficult problem. If a loss occurred today, would you be able to compile such a list? Would you trust yourself to remember every item in your home, and the approximate value of each item? If you're like most people, it would be very difficult. That's why one of the most important documents aiding insurance companies in providing a fair settlement after the loss is the **household inventory**.

Objective

After completion of this lesson, students will be able to accurately complete, maintain, and interpret a household inventory.

- **Grade level:** 9 – 12
- **Time required:** 100 – 120 minutes (two class periods)
- **Materials needed:**
 - Household Inventory Form.

ONLINE INVENTORY TOOL:

The Insurance Information Institute has a web tool that makes conducting a home inventory a breeze. Now you can catalog your possessions online room by room. Once completed, you can add items and even photos. Maintaining a comprehensive inventory will come in handy should you need to file a claim or reevaluate the amount of insurance you carry. A great tool for renters too. Visit www.knowyourstuff.org to get started!

Earn 3 graduate credit hours
with OII's online
Insurance Basics for Teachers
course. Offered quarterly
through Wright State University.
Details at
www.wright.edu/cee/51606



Representing Ohio's property/casualty
insurance industry

Opening

The standard homeowners policy is designed and priced to cover Actual Cash Value (ACV) of your Personal Property—that is, the replacement cost less depreciation for age and use or condition. For example: Consider the sofa you purchased five years ago. It may have originally cost \$1,500, but the ACV may only be \$700 now due to depreciation. For the purpose of this lesson, assume parents have purchased the “personal property replacement cost endorsement” on their homeowners insurance policy. With this replacement endorsement, the insurance company will replace or pay for the actual replacement cost of the item. This lesson reinforces the need to create and maintain a household inventory by having students complete an inventory from memory and then complete an actual inventory, comparing the two.

Development

Discuss the importance of maintaining accurate and current inventory of all household belongings (furniture, clothes, electronics—TV’s, stereos, CDs, DVDs, computers—and other valuable items). Reinforce how important an inventory is in the event of a loss. Imagine a tornado destroying the home and all items inside are never to be seen again.

Provide each student a blank inventory form. Instruct students to complete this form from memory for their bedroom and another room in their house of their choice (like the family or living room—allow 20–30 minutes to complete). On the form, include their estimate of the value of their belongings in the two rooms inventoried. Collect their inventory forms.

Assign homework for student to complete a second household inventory (distribute forms) containing all items in the same two rooms. Have them gather resources that will assist them in determining replacement cost for these items (catalogs, newspaper advertisements, the Internet, television, recent receipts or other pricing resources) and bring them to the following class.

In class on day two, instruct them to complete the inventory (or break them into groups) and have them price their rooms based on the resources supplied by students (20–30 minutes). Once completed, return the in-class completed “memory” inventory forms and have them compare this against the new, detailed inventory. Students should compile a list of differences in the two inventories along with the value (cost) difference. Most will forget significant household items.

This exercise will reinforce the importance of maintaining a current household inventory. This exercise will also provide students “hands-on” experience similar to what they would be required by an insurance company if a major loss occurred and an inventory was not available.

Assessment

Evaluate the second, detailed inventory. *Note:* You might choose to have students provide a short summary regarding the reason(s) for maintaining an accurate up-to-date inventory. Urge students for their suggestions on other ways to create a household inventory (photos, narrated video visiting every room in the house, etc.).

Additional Resource

- OII’s consumer materials and brochures
<http://ohioinsurance.org/consumers/consumers.asp>
- OII’s online **Renters Insurance** edu-game
http://ohioinsurance.org/teachers/renters_edu_game.asp
- Other insurance resources
http://ohioinsurance.org/consumers/related_org.asp;
http://ohioinsurance.org/consumers/oh_government.asp

Personal Property Inventory Form

ARTICLES	BEDROOM & BATH		BEDROOM & BATH		ARTICLES	CLOTHING MENS'		CLOTHING WOMENS'	
	No.	Present Value	No.	Present Value		No.	Present Value	No.	Present Value
Drapes/Curtains/Blinds					Suits & Sportcoats				
Rugs & Carpets					Dresses & Blouses				
Beds & Mattresses					Coats & Jackets				
Dressers-Vanity					Raincoats & Boots				
Chests					Skirts, Shorts				
Chairs & Benches					Slacks & Jeans				
Lamps					Sportswear				
Tables & Desks					Hats, Caps				
Mirrors					Gloves, Mittens, Scarves				
Pictures					Shoes & Slippers				
Blankets & Bedding					Purses, Billfolds & Belts				
Sheets & Pillow Cases					Hosiery, Socks, Ties				
Nursery Equipment					Handkerchiefs, Underwear				
Towels & Bath Mats					Sleepwear & Robes				
Prescription Drugs					Luggage				
TOTAL					TOTAL				

ARTICLES	BEDROOM & BATH		BEDROOM & BATH		ARTICLES	CLOTHING BOYS'		CLOTHING GIRLS'	
	No.	Present Value	No.	Present Value		No.	Present Value	No.	Present Value
Drapes/Curtains/Blinds					Suits & Sportcoats				
Rugs & Carpets					Dresses & Blouses				
Beds & Mattresses					Coats & Jackets				
Dressers-Vanity					Raincoats & Boots				
Chests					Skirts, Shorts				
Chairs & Benches					Slacks & Jeans				
Lamps					Sportswear				
Tables & Desks					Hats, Caps				
Mirrors					Gloves, Mittens, Scarves				
Pictures					Shoes, Slippers				
Blankets & Bedding					Purses, Billfolds & Belts				
Sheets & Pillow Cases					Hosiery, Socks, Ties				
Nursery Equipment					Handkerchiefs, Underwear				
Towels & Bath Mats					Sleepwear & Robes				
Prescription Drugs					Luggage				
TOTAL					TOTAL				

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Personal Property Inventory Form

ARTICLES	LIVING ROOM		DINING ROOM	
	No.	Present Value	No.	Present Value
Sofas-Love Seats				
Recliners				
Straight Chairs				
End Tables				
Coffee Tables				
Dining Tables				
Desks				
Table & Desk Access.				
Lamps				
Pictures				
Book Shelves				
Clocks				
Mirrors				
Pillows, Cushions				
Fireplace Fixtures				
Stools-Benches				
Buffet/China Cabinet				
Drapes/Curtains/Blinds				
Rugs-Carpets				
Silverware*				
Pianos, Musical Instr.*				
TVs/VCRs/DVDs				
Video Camera & Equipment				
Home Computers				
Stereo Equipment				
CDs, Tapes, Records				
Videos, DVDs				
Playstation/Nintendo				
Cell phone/Pager				
TOTAL				

ARTICLES	KITCHEN	
	No.	Present Value
Stoves (not built-in)		
Refrigerators/Freezers		
Microwave		
Dishwasher		
Tables-Chairs		
Clocks		
Drapes/Curtains/Blinds		
Cookware & Cutlery		
Kitchen Utensils		
Food Products		
Brushes-Mops-Brooms		
Cleaning Materials		
Coffee Makers & Toasters		
Food Mixers, Blenders, Processors		
Electric Pots & Pans		
George Foreman Grill		
Waffle Iron		
TOTAL		
ARTICLES	UTILITY	
	No.	Present Value
Washers		
Dryers		
Ironing Boards-Irons		
Sewing Machines		
Air Conditioners		
Humidifiers		
Dehumidifiers		
Vacuum Cleaners		
Heaters & Fans		
Hairdryers/Curling Irons		
TOTAL		

*Special limits or deductibles may apply to these items. You should discuss specific insurance with your agent.