1. All homeowners are required to have homeowners insurance. False.

You can legally own a home without homeowners insurance. However, if you finance your home with a mortgage, your lender most likely will require home insurance coverage to protect your home in case of damage caused by unforeseen circumstances, such a fire or natural disaster.

If you live in an area that is prone to flooding or earthquakes, your lender may also require you to purchase flood insurance or earthquake insurance.

After you pay off your mortgage, you aren't required to have home insurance. However, you should keep your home insurance policy in force to avoid risking what you've invested in your home.

2. When driving a family member's car you are covered by their insurance? False.

Don't automatically assume that since your family member's car insurance policy "follows the car", you will automatically have coverage. Usually, the owner of the insurance is required to list the drivers of the car. If you are not listed, the car insurance may extend coverage to you for as long as:

- You don't live in the same house as the insured policy holder
- You are not named on the car title
- You don't have usual access to the car, meaning you only drive the car occasionally. If you plan to drive the car regularly, you need to be listed. Otherwise, the insurance company may have cause to deny the claim due to failure to comply with these guidelines. This particular guideline is to prevent young members (24 or younger) of the family from automatically being covered under the policy without underwriting.
- The policyholder allowed you to use the car. The insurance will not cover someone who decided to take the car for a ride without permission.

Ask first, before you drive. If you don't have coverage, you are driving without insurance, a violation that can cause you to lose your license and even result in jail time and heavy penalties.

3. Upon graduation, college students are required to get their own health insurance. False.

Under federal law, all children can remain covered under their parents' health insurance until their 26th birthday, regardless of whether they graduated from college, are still studying, are currently working, or are single or married. Adult children will also be dropped from their parents' health insurance once they obtain health insurance through their employer or the individual health insurance market.

4. A home inventory can expedite your claim. True.

When you purchase a home and a homeowners' insurance policy, you should create an up-to-date home inventory to expedite a claim settlement and ensure you have an accurate assessment of everything you own. Having a completed home inventory will better equip your insurance company to process your claim. An accurate home inventory will also enable you to easily verify losses for your income tax return.

5. Which of the following factors can affect your homeowners' insurance premium? All of the above.

- Home features and characteristics — Your home's age, type of structure, wiring, roof, garage, etc., can affect your premium. Older homes often cost more to insure and those costs can differ depending on whether your home is brick, frame, stone, or has synthetic siding.
- Location —Your home insurance rate can be affected if your home is in close proximity to a fire station; is exposed to extreme weather, such as hurricanes, tornadoes or earthquakes; or is in a neighborhood more prone to theft.
- Protective devices — Burglar alarm systems, smoke detectors, fire extinguishers, sprinkler systems and deadbolt locks can lower your premium.
- Personal factors — What you do can also affect your premium. Smoking could increase your premium while having a good credit history may lower it.
- Claims history — If you have a history of filing insurance claims, you may pay a higher premium.