

**Matching**

Match the definition in Column A with the term in Column B.

Column A

- _____ Fee associated with purchasing insurance.
- _____ A report of loss filed with the insurance company.
- _____ Money paid before insurance begins coverage of losses.
- _____ A person who owns an insurance policy.
- _____ The amount or percentage of cost your insurance covers.

Column B

- a. Claim
- b. Coverage
- c. Deductible
- d. Policyholder
- e. Premium

Multiple Choice

- 1. What is the purpose of insurance?**
 - a. To make money for the insuree
 - b. To cover risks and reduce financial burden
 - c. To predict future disasters
 - d. To fix broken objects
- 2. Which of the following is a TRUE statement about deductibles?**
 - a. They are paid annually to the insurance company.
 - b. They are paid by others who have assumed your risk.
 - c. They are paid by you before the insurance company pays.
 - d. They are paid by the insurance company before you pay.
- 3. Which of these is most likely to increase your premium costs?**
 - a. Filing multiple claims with different insurance companies.
 - b. Filing a large claim after an accident totaled your car.
 - c. Filing a claim when you were hurt at work.
 - d. Filing zero claims at all.
- 4. Why is it important to save money to cover your deductible in case you need to file a claim?**
 - a. The insurance company may deny your claim.
 - b. The insurance company may refund your money.
 - c. You can purchase multiple insurance policies to cover your loss.
 - d. You can opt for a higher deductible.

Application

You've bought a used car and need insurance for accidents and damages. You drive to work and sometimes on long trips, seeking coverage for collision, liability, and optionally roadside assistance, all within a budget. Review the chart of offers below and choose the best policy for your needs, explaining your choice.



Offer	Collision Coverage	Liability Coverage	Roadside Assistance	Deductible	Premium (Monthly)
A	Yes	Yes	No	\$500	\$80
B	Yes	No	Yes	\$1000	\$70
C	No	Yes	Yes	\$250	\$50
D	Yes	Yes	Yes	\$750	\$100

Insurance Basics | Answer Key

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Responses will vary. Check for understanding.