

CASH COURSE WORKSHEET

Insurance Basics Quiz



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1. 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

2. 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

3. 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.

4. 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.

5. 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

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Answer Key

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

Column A

- e. Premium** _____ Fee associated with purchasing insurance
- a. Claim** _____ A report of loss filed with the insurance company
- c. Deductible** _____ Money paid before insurance begins coverage of losses
- d. Policyholder** _____ A person who owns an insurance policy
- b. Coverage** _____ The amount or percentage of cost your insurance covers

Column B

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

2. What is the purpose of insurance?

b. To cover risks and reduce financial burden

3. Which of the following is a TRUE statement about deductibles?

c. They are paid by you before the insurance company pays.

4. Which of these is most likely to increase your premium costs?

a. Filing multiple claims with different insurance companies.

5. Why is it important to save money to cover your deductible in case you need to file a claim?

d. You can opt for a higher deductible.