



Lesson 11: Risky Business

INSURE YOURSELF

Name: _____

Directions: Fill in blanks.

My Group's Purchase:

Value of Purchase:

Brainstorm the risks associated with this purchase. What could happen to this purchase?

Consider the two insurance options. Which option will your group buy? Why?

PUT YOUR INSURANCE TO THE TEST:

Scenario Description:

Cost without insurance:

Cost with insurance:

Did your group make the right choice? Explain.



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PURCHASING A VEHICLE

Use with *Making Insurance Decisions* activity. One copy per group.

Our purchase: Doesn't everyone love the smell of a new vehicle? You've been driving for several years without a single accident, but your state requires that at the very least you buy liability insurance. That means that, if you get into an accident, your insurance will pay the costs of repair and injury for the other person if it was your fault. Now you have a choice: what else do you want to cover?



Vehicle Cost: \$18,000

Option 1: Collision Coverage

Buying collision coverage is protection for when your vehicle is involved in a crash with another vehicle or a stationary object.

Most accidents fall under this kind of insurance policy. Damage includes your vehicle crashing into another vehicle, another vehicle colliding with yours, or ramming into a streetlight, pole, or some other stationary object.

If you use collision coverage, you pay a \$750 deductible to repair your vehicle, and the insurance company pays the rest.

Monthly cost: \$100

Option 2: Collision and Comprehensive Coverage

Collision coverage offers the same protections as Option 1. Comprehensive coverage includes most damage other than collisions. Generally speaking, comprehensive coverage includes any accidents where you as the driver do not have control of your vehicle. This might include natural disasters, vandalism or theft, or falling objects.

If you use collision coverage, you pay a \$750 deductible to repair your vehicle, and the insurance company pays the rest.

If you use comprehensive coverage, you pay a \$750 deductible to repair your vehicle, and the insurance company pays the rest.

Monthly cost: \$120



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INSURANCE SCENARIOS

Use with *Making Insurance Decisions* activity. One copy per group.

Scenario 1

You open up your latest bank statement to discover that there are several transactions on it that you did not authorize.

You decide to make a call to the customer service branch of your bank.

Scenario 2

Oh no! You've been in an accident! Luckily, no one was hurt, but your vehicle is pretty messed up. You were in the busy grocery store parking lot trying to pull out so that you could head home and make a delicious dinner. You were thinking so much about dinner that you didn't even notice that another vehicle was pulling out at the same time. On impact, your bumper fell off the back of the vehicle.

The repair person quoted the cost of repairs at \$800.

Scenario 3

Oh no! Your vehicle window is smashed and there's glass everywhere! You'd heard about a recent spate of burglaries in the neighborhood, but you never thought it would happen to you. It probably didn't help that you left your electronic music player out on the vehicle seat. After you called the police to report the burglary, you took the vehicle to the repair shop.

The repair person quoted the cost of repairs at \$350.

Scenario 4

Ho hum. No big news here. No flooding, no accidents, no burglaries, nothing. You don't owe anything on anything! But you are wondering whether it's worth all that money to keep paying for your vehicle insurance.

What do you think?