

Loss Protection

Student Activity: Insurance

Insurance helps protect people against the risk of loss, such as damages from a house fire or car accident. Insurance policies have a deductible, which is the amount of money to be paid out of pocket before the insurance provider covers a loss. For example, if you have a medical procedure that costs \$5,000 and you have a \$500 deductible, you are responsible for the first \$500, and your insurance will pay the remaining \$4,500. When choosing your deductible, you have to decide how much risk you are willing to accept or how much you can afford to pay out of pocket in the event of a loss. Naturally, a lower-deductible plan costs more than a high-deductible plan.

Objective

Identify key terms associated with insurance.

Activity

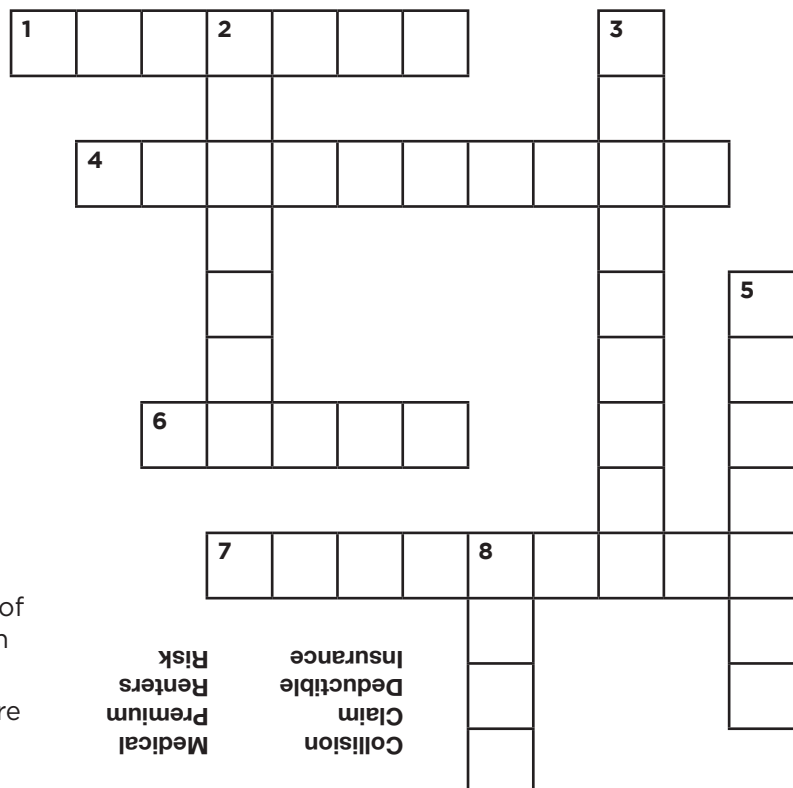
Complete the crossword puzzle to identify key insurance terms.

Across

1. Money paid to the insurance company for an insurance policy
4. Money paid out of pocket before insurance coverage
6. A request to an insurance company for coverage or compensation
7. A way to reduce risk in the event of a loss

Down

2. Pays for health-related costs
3. Pays for damage if your car collides with something
5. Insurance that replaces personal belongings in case of theft, fire or water damage in an apartment
8. A situation involving exposure to danger or loss



Reflection:

What factors should one consider when choosing the deductible on a car insurance plan?