Name: _____   Date: _____   Class: _____

Reading about insurance

Accidents, illnesses, and other unexpected situations can happen at any time and can sometimes result in major expenses.

To protect against such risks and their financial consequences, people often choose to purchase insurance policies. People also get insurance to help pay for routine things, such as annual medical checkups and dental visits. It's helpful to understand how insurance works and why it's important.

Instructions

1 Read the "What is insurance?" handout.

2 Answer the reading response questions.

3 Answer the "Digging deeper" questions on your own.

Reading response questions

Define the following terms:

Beneficiary:

Copayment:

Deductible:

Insurance:

Insured:

Insurer:

Policy:

Policyholder:

Premium:

Risk:

Fill in the blanks using the above terms:

Each year, you must pay the _____ on your car insurance policy to
keep it active. If you're in an accident, you must first pay your _____
and then the insurance company will often cover the remainder of the costs related
to repairing your car.

The company offering the insurance policy is called the _____ and
the person who is covered by the policy is the _____ .

Digging deeper

Why is insurance an important way to help people manage risk?

What are some reasons someone might not have insurance?