**Insurance Unit Review Guide**

**Directions**: Below is a list of topics that will be covered on this Friday’s test. The test will have a similar make up of the credit unit test, being composed of a variety of multiple-choice, true/false, fill-in-the blank, matching, short answer, and calculation questions. Note THIS IS NOT AN ASSIGNMENT! IT IS SIMPLY AN OUTLINE OF TOPICS AND WHAT YOU DO WITH IT IS YOUR PREOGATIVE!

**BASIC INSURANCE CONCEPTS**

Be able to define and identify examples of the following:

* Risk
* Peril
* Hazard
* Negligence
* The 4 Risk Management Strategies

Premium vs. Deductible – Differences and how they affect each other

Policyholder vs. Beneficiary

Disability vs. Long Term Care – How are they similar? How are they different?

The different sources of insurance

What is an insurance policy and why is it important?

Why different insurance policies exist (i.e. why do people have different coverages)

How to plan an insurance program

Define insurance and why is it important

**HOMEOWNERS INSURANCE**

What is a household inventory, why is it important, and what are ways to create/have one?

Renters Insurance – How is it different than homeowners insurance (other than it’s for people who rent instead of own!). Why is it useful?

Know the 5 basic areas of coverage offered in homeowners insurance and things risks/benefits provided from each.

The factors that influence the cost of home owners insurance - Know examples of both factors that increase cost and factors that decrease cost!

**AUTOMOBILE INSURANCE**

Know the four types of coverage associated with auto insurance and what each covers.

The factors that influence the cost of automobile insurance – Know examples of both factors that increase cost and factors that decrease cost!

Explain what “no-fault” insurance means

Know the factors that put teenage drivers at risk

Define distracted driving and be able to list examples

Know the steps to take after an auto accident

Know key pieces of information to record/exchange with the other motorist following an accident

**CALCULATIONS**

Understand how to read liability limits (i.e. 25/50/10)

Be able to calculate out of pocket expenses for:

* Liability Limits
* Co-Insurance

Be able to calculate insurance costs on a monthly/yearly basis