

Activity 1 - What is Insurance

Question	Definitions / answers
What is Insurance?	
Why do we have it?	
How does it work?	
Different types of insurance:	

Activity 2- Definitions

Define the following and consider their interactions:

Premium -

Excess -

Exclusions -

Interactions between them:

Activity 3- What factors affect insurance premiums?

For the following insurance policies list some factors that may affect the amount of the Premium

Life insurance -

Car insurance -

Home insurance -

Activity 4- How insurance is calculated

Discuss which of the following you think would have the lower premium?

Type of Insurance	Option 1	Option 2
Car Insurance	22 year old male with two years no claim history	26 year old female with one claim in the past seven years
Home Insurance	Insurance for a 2 bed house in area with low crime	Insurance for a 3 bed house in an area with high crime rates
Life Insurance	79 year old male with history of chronic diseases	60 year old male with mild asthma

Activity 5- Choosing Policies

Below are monthly rates for four different auto insurance companies. Review the information and answer the questions based on the information given.

Company	Premium	Excess	Limit	Exclusions
HotWheelies	£55 a month	£200	£2500	<i>Theft</i>
Belfort	£600 a year	£350	£5000	<i>None</i>
Kaleidoscope	£1250 over two years	£150	£1750	<i>Fire Damage</i>

1. Which policy has the cheapest premiums?
2. Which policy is the most expensive per month?
3. Which policy has the highest limit?
4. Dale purchases a policy with Kaleidoscope. He is involved in a crash and the damage to the car will cost £600 to repair. How much of the repair costs will Dale have to pay himself?
5. 10 years later Dale purchases a different policy with HotWheelies. The car is hit by a tree causing £600 of damage. How much will the insurance company have to pay out ?
6. Which Policy do you think is the best?