When life is good and everything is going your way, the last thing you want to think about is what could happen if it were to come crashing down. Ironically, that's exactly the time to start putting your worst case scenario defenses into place. One of the most important pillars of that protective shield is going to be a carefully considered insurance coverage plan.

Learn more about shopping for insurance by watching [this video](#) and then expand your knowledge by completing this worksheet by yourself or with an adult!

**Try It Yourself!**

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

<table>
<thead>
<tr>
<th>Liability coverage limits</th>
<th>ABC auto insurance Monthly insurance payment</th>
<th>Drive right auto insurance Monthly insurance payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>50/100/25</td>
<td>$95.00</td>
<td>$70.00</td>
</tr>
<tr>
<td>100/200/50</td>
<td>$180.00</td>
<td>$140.00</td>
</tr>
<tr>
<td>150/300/75</td>
<td>$250.00</td>
<td>$190.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liability coverage limits</th>
<th>National auto insurance Monthly insurance payment</th>
<th>Statewide auto insurance Monthly insurance payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>50/100/25</td>
<td>$125.00</td>
<td>$85.00</td>
</tr>
<tr>
<td>100/200/50</td>
<td>$243.00</td>
<td>$155.00</td>
</tr>
<tr>
<td>150/300/75</td>
<td>$320.00</td>
<td>$200.00</td>
</tr>
</tbody>
</table>
1. Which type of policy offers the most coverage for property damage?

2. How much will someone pay each year for a liability coverage policy of 150/300/75 from Drive Right Auto Insurance?

3. Which provider of 50/100/25 liability coverage has the most expensive monthly cost?

4. If you would like to receive the most possible coverage at the lowest cost, which option would you select?

5. Describe a scenario in which a person would select 50/100/25 coverage instead of 100/200/50 coverage.

Vocabulary:
- **Claim**: A request for payment of a loss covered by an insurance policy
- **Coverage**: The types of losses and maximum payments specified in an insurance policy
- **Deductible**: The amount of money an insured person pays before the insurance company makes payments for a loss
- **Insurance**: A contract in which a company guarantees to pay for the value of property if it is lost or damaged or to pay a specified amount for a person’s injury or death in return for a monthly or yearly fee
- **Liability**: A person’s legal responsibility for damage or injury caused to someone else
- **Premium**: The amount paid for an insurance contract
- **Risk**: The possibility of loss or injury
- **Comprehensive**: This coverage is a type of insurance that protects your car from things other than an accident, like falling objects and vandalism.
- **Collision**: This coverage covers damage to your own vehicle due to an accident with another car or object.

Please select the correct answer(s) for each of the following questions.
1. Insurance protects us from:
   a. interest
   b. claims
   c. loss
   d. premiums
2. Which type of auto insurance coverage pays for damage to another person's property when you cause an accident?
   a. comprehensive
   b. liability
   c. accident
   d. collision

3. You and your cousin are the same age but live in two different states. Which of the following statements is most likely to be TRUE?
   a. The amount of money you each pay for car insurance is similar.
   b. You will pay more for insurance because he is older than you.
   c. You might each be required to have different levels of auto insurance.
   d. The amount of liability insurance you are required to have will be the same.

4. Your friend started paying for his own health insurance. You notice that he also started smoking recently. How does this affect his health insurance policy?
   a. His health insurance premiums may rise.
   b. He will not be able to renew his health insurance.
   c. He will have a higher deductible.
   d. He will need to sign up for a second health insurance policy.
Answer key
1. Which type of policy offers the most coverage for property damage? **150/300/75.**
2. How much will someone pay each year for a liability coverage policy of 150/300/75 from Statewide Insurance? **$2,400 ($200 per month x 12 months).**
3. Which provider of 50/100/25 liability coverage has the most expensive monthly cost? **National Auto Insurance.**
4. If you would like to receive the most possible coverage at the lowest cost, which option would you select? **150/300/75 from Drive Right Auto Insurance.**
5. Describe a scenario in which a person would select 50/100/25 coverage instead of 100/200/50 coverage. **Answers will vary but students should convey the idea that the person wants more coverage and can afford to pay more each month.**

Answer key
1. C – loss
2. B – liability
3. C – You might each be required to have different levels of auto insurance.
4. A – His health insurance premiums may rise.