Auto Insurance 101 – Guided Notes

These guided notes should accompany the NAIC Auto Insurance 101 presentation available at https://www.insureuonline.org/auto_101/story_html5.html.

The Basics

Guiding principle: Pay a little now to avoid paying a lot later when something bad happens.

_____ Contract between purchaser and insurer.
_____ How much the purchaser pays insurer for covering risk
_____ Notification to the insurance company that you have suffered a loss
_____ Cost in dollars of covered property damage or injuries defined in your policy
_____ Maximum amount of protection in a policy for a specific type of coverage
_____ How much you pay before insurance reimbursement kicks in. They apply to two types of auto coverage, _____and _____. As deductible goes _____, premium goes _____.

Types of coverage

	Required (yes/no)	Covers damage to vehicle when you strike a vehicle, pole, etc.	Covers damage to vehicle other than a crash (fire, falling objects)	Covers injuries to others when you are at fault	Covers medical bills for you and your passenger	Covers damage to someone's property when you are at fault
Comprehensive						
Collision						
Bodily Injury						
Medical Payments						
Property Damage Liability						
Uninsured Motorist						
Underinsured Motorist						

Who is covered?

Auto insurance is attached to the vehicle. If the car is covered, insurance protects any of these three roles likely affected by an accident or incident:

Purchasing Insurance

A statement from the insurance company of the cost and coverage of the policy you negotiate is called a _____.

Ways to Purchase	How it works

List factors insurers review when setting your premium:

List ways you could reduce the premium: