

# Car Insurance

List 5 Friends

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

4. \_\_\_\_\_
5. \_\_\_\_\_



Will be  
ticketed for  
speeding

Will be  
ticketed for  
driving  
under the  
influence of  
Alcohol

Will be  
involved in  
accidents  
where there  
will be  
damage to a  
vehicle

Will be  
injured in a  
motor  
vehicle  
accident

Will be killed  
in an  
automobile  
accident

## How might the victim die?

- He or She would most likely be the driver. If not, the victim will probably be a passenger in a car by a young driver.
- He or she will, in all likelihood, not be wearing a seatbelt.
- The death would probably occur between 9 pm and 5 am
- And, the odds are that the victim will have been drinking alcohol.

Now look at page 2; based on "The Story of 100 Teenage Drivers" , and your personal knowledge of the persons listed, list two who have the greatest potential to become one of these statistics.

List the behaviors or attitudes of those people which led you to choose those TWO people.

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_
6. \_\_\_\_\_
7. \_\_\_\_\_
8. \_\_\_\_\_
9. \_\_\_\_\_
10. \_\_\_\_\_

Let's assume you are 19 years old and drive a 1991 Chevrolet Blazer. You have no accidents or tickets. You live in a rural area of the state. You are in charge of putting together a group of people that will insure each other in case of an accident. Remember, the premiums you and the others will pay are based on the future losses of the members of the group.

Consider these statistics as you recruit your group:

Ticket and their relationships to accidents.

The driver with tickets is more likely to have an accident in the next year. Interestingly, the chance that he or she will have an accident increases as the number of tickets increases.

**Number of tickets**

**Chance of Accident**

1	1.6 times more likely
2	2.2 times more likely
3	2.5 times more likely
4	3.1 times more likely
5	3.5 times more likely

This is why insurance companies charge more to insure drivers with tickets than they charge who have none.

## Vehicles

The cost of repairing and replacing vehicles varies widely.

- Your Blazer costs \$14,500 to replace
- A 1995 Lincoln Continental costs \$22,000 to replace
- A 1996 Pontiac Trans Am costs \$17,500 to replace

Expensive cars more to repair and replace. Some types of cars are involved in accidents more often than others. The facts show that cars that are customized or painted in a “show off” manner are involved in accidents more than others, probably because the people driving are more aggressive. One of the major reasons for insurance is the repair and replacement of cars, so the type of car you drive affects the rate you pay for insurance.

**Would you rather pay:**

\$ \_\_\_\_\_ or \$ \_\_\_\_\_

When you take control, your insurance may cost a lot less

Best rate for your driver group..... \$ \_\_\_\_\_

Surcharge driver rate (tickets or accidents) ..... \$ \_\_\_\_\_

## Automotive Insurance Coverage Defined

<u>Types of Insurance</u>	<u>Pays For</u>	<u>Payments Include</u>	<u>Notes</u>
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Bodily Injury Liability

Property Damage Liability

Uninsured Motorist

Collision

Comprehensive

Medical Payments

Towing

Name \_\_\_\_\_ Date \_\_\_\_\_

## **Insurance Assignment**

1. Will you have to pay your own insurance? How much will it cost?
2. What is the minimum insurance required by the state of Utah?
3. What is Liability Insurance?
4. What is the difference between Comprehensive and Collision Insurance?
5. Explain each of the following:
  - a. Bodily Injury
  - b. Property Damage
  - c. Liability
  - d. No Fault Insurance
  - e. Future Proof
6. What is something you can do to reduce your insurance costs?

1. You are parked in the Smith's parking lot... You come outside and you find your right front bumper caved in. There is no note. Which insurance might pay?
2. You're the passenger in your friend's car and get hit in an intersection. You dislocate your shoulder and break your arm. It was your friend's fault. Which insurance will cover you? Your friend's car? Other car?
3. A lightning storm knocks a branch off a tree. It falls on your car and does extensive damage. Which insurance might pay?
4. You drive into the high school parking lot during the winter and lose control of your car. You slide into a parked car. Which insurance might fix your car? Which would fix the car you ran into?
5. A drunk driver runs a stop sign and hits you broadside. You find out he is without insurance. Which insurance could fix your car? His car? Your injuries? His injuries?
6. You slide off the road in a canyon during the winter. You try, but there is no way to get back on the road. Which insurance might pay?
7. You fall asleep while driving home after prom. You, your date, and another couple are in the car. You go off the road, through a fence, and roll your car. All four of you are sent to the Emergency Room. Which insurance will cover you? Your passengers? Your car? The fence?
8. In a church parking lot, you start backing out and back into another car that is also backing out. There is a question as to who is at fault. Which insurance might cover you? The other car? If you have an injury?
9. You walk to your car after school, and someone has keyed it!!! Which insurance might pay?
10. You run a stop light hitting a car with a driver and three other passengers. Your car and the other car are both totaled. You and the four other occupants are hospitalized. Afterwards, the car you hit knocks over a telephone pole. Which insurance covers you? your car? His car? Their injuries? The telephone pole?