Types of Insurance Note Taking Guide

<table>
<thead>
<tr>
<th>Total Points Earned</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Points Possible</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Direction: Use the prompts provided to take notes during the lesson.

What is risk? Chance of loss from an event that can't be controlled.

Risk is managed by using...

What is emergency savings? An emergency fund that pays for 6 months of fees.

What is insurance? A financial product that is bought by people who face similar risks.

THE INSURANCE PROCESS

What is an insurance policy? A contract between insurance company and insured (you).

What is coverage? The amount of protection given.

Who is a policyholder? The person who pays for resulting loss.

What is a premium? The money you pay to purchase policy.

What is one benefit of insurance? If something happens, you don't need to pay thousands of dollars.
Once an insurance policy is in place, a **claim** can be made if an accident occurs. What is a **claim**? Request asking for payment of policy.

**What is a deductible?**
Out of pocket money you must pay in order for insurance company to cover the rest.

**What is co-insurance?**
Pay a fixed percentage.

**Why do insurance policies include deductibles and co-insurance?**
To find ways to pay insurance.

**SOURCES OF INSURANCE**

Insurance can be provided to an individual from any of these three sources:

1. **Individual**
   - Employer provided insurance is an employee benefit. What is an employee benefit?
   - Employer may provide health, disability, and occasionally health insurance.

2. **Employer**
   - Employee benefits are a form of in-kind income. What is in-kind income?
   - When the employer pays a large portion of the premium.

3. **Government**
   - What are government programs designed to do?
   - Protect citizens from economic hardships.
## TYPES OF INSURANCE

Complete the table below by filling in the blank information:

<table>
<thead>
<tr>
<th>Type of Insurance</th>
<th>Definition</th>
<th>Provided by individual, employer and/or government?</th>
<th>Additional Information and Definitions</th>
</tr>
</thead>
</table>
| Health            | Provides money for health care for injuries, etc.    | All options                             | • May cover doctors’ visits, hospital bills, vision care, dental care, etc.  
|                   |                                                      |                                       | • If dollars are limited, health insurance is extremely important          |
| Disability        | Payment to replace earnings during times when workers cannot work due to illness or injury | All options                             | Higher the disability payments, the more premium you pay                  |
| Long-term care    | Provides payment for extensive care due to old age or illness | Individual                             | Needed when person is not sick enough to stay in hospital, but can’t live independently |
| Property          | Provides payment if property is damaged.            | Individual                             | Have many options                                                         |
| Liability         | Provides payment to others if household of a insured person injures them | Individual                             | • Pays for injuries or losses to other people  
|                   |                                                      |                                       | • May include automobile, homeowners, and renters                          |
| Life              | Provides payment to beneficiaries                  | Employers and/or individuals           | Very important to individuals who had dependents.                          |