

## **I'm Not Flipping Burgers When I'm 70**

### **Chapter 4 – Auto Insurance Review Questions**

- 1) Why is it good for the consumer that auto insurance is also an extremely competitive business.
- 2) Understanding the basics of what type of insurance is required for you to drive a car depends on what?
- 3) What does liability insurance cover?
- 4) Who is the liability protection for?
- 5) How is liability insurance often displayed in a policy declaration?
- 6) What areas does liability insurance cover?
- 7) Is liability coverage mandatory?
- 8) How much liability coverage is necessary?
- 9) No fault insurance generally covers what?
- 10) Is collision insurance required by state insurance laws?
- 11) Collision typically covers what? Name five items.
- 12) Is comprehensive insurance required?
- 13) Who do medical payments cover?
- 14) If you an umbrella policy for 200,000 and a driver is sued for \$500,000, but had \$400,000 in total coverage, how much does the umbrella cover?
- 15) What is a good reason to have an umbrella policy?
- 16) A policyholder owes \$32,000 on a car and it is worth \$28,000. Then in an unfortunate event, it was stolen. When reading the policy, it says that only \$22,000 is covered. How much does the gap insurance cover?
- 17) What group of people typically pay more for auto insurance?
- 18) What can have a huge impact on auto insurance rates?
- 19) What factor can play the largest part in pricing a policy?
- 20) What are two factors in reducing the premium?
- 21) What does raising deductibles do to the premium?
- 22) Why do teenagers pay more for auto insurance?