

CEE

Standard 6

PROTECTING & INSURING

GRADE 12
BENCHMARKS



education

THE BENCHMARKS FOR GRADE 12 EXPAND THE DISCUSSION OF INSURANCE CONTRACTS TO CONSIDER HOW CONTRACT FEATURES ENCOURAGE INDIVIDUALS TO TAKE STEPS TO REDUCE THE POTENTIAL SIZE OF A LOSS, TO ADDRESS MORE SPECIFIC FINANCIAL VULNERABILITIES WITH HEALTH, PROPERTY/ CASUALTY, DISABILITY, AND LIFE INSURANCE PRODUCTS, AND TO FOCUS ON A WIDER RANGE OF PERSONAL INFORMATION-SHARING ACTIVITIES AND HOW TO PROTECT AGAINST IDENTITY THEFT.

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1. When your parent's pay auto insurance premiums, they are:

- a. Paying for more expensive gas
- b. Paying for insurance companies to leave them alone
- c. Paying a large cost now to avoid a potentially large loss later
- d. Paying a small cost now to avoid a potentially large loss later

2. When you purchase a home, your mortgage lender may require you to purchase insurance.

- a. True
- b. False

3. If you fall ill or sustain injuries and are unable to work, which of the following types of insurance may provide funds to replace lost income?

- a. Renter's insurance
- b. Auto insurance
- c. Disability insurance
- d. Homeowner's insurance

4. All health policies cover 100 percent of preventive care costs.

- a. True
- b. False

5. Property and casualty insurance:

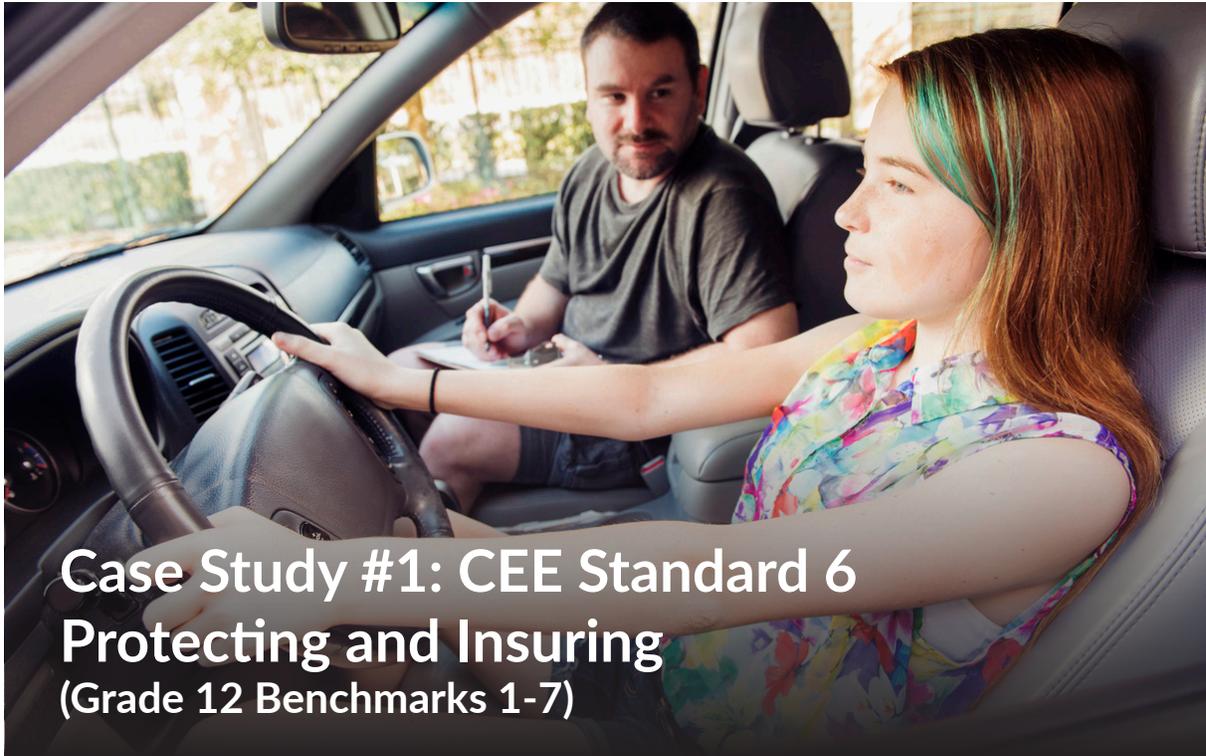
- a. Pays for damage to the insured's property
- b. Pays for losses to the insured's property
- c. Usually includes liability coverage for actions of the insured
- d. All of these

6. Life insurance proceeds are typically paid to:

- a. The policyholder's employer
- b. The policyholder's beneficiaries
- c. The policyholder's mortgage company
- d. The policyholder's bank

7. Federal and state regulations may provide relief if you're victimized by identity theft.

- a. True
- b. False



Case Study #1: CEE Standard 6 Protecting and Insuring (Grade 12 Benchmarks 1-7)

Scenario: Lupita recently started driving. Her parents sat down with her to discuss the importance of being safe behind the wheel and how it helps keep costs low. They also shared that the monthly car-insurance premium increased by \$140 when they added her to their policy.

Based on this information, answer the questions below.

1. Why do you think Lupita's parents were willing to pay the extra \$140 per month for full coverage instead of settling for a cheaper less-comprehensive policy?

2. What might happen to the premium if Lupita takes a safe-driving course?



3. The \$140 increase is double the amount it costs to insure both of her parents each month. Why do you think that is the case?

4. When Lupita's parents went rate shopping for her policy, they were told they had to carry a minimum dollar amount of coverage. Who determines this figure?

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