

Basic Insurance





What is insurance?

- **Protection from the unexpected**
- **Examples of the unexpected:**
 - Car accident
 - Health problems
 - House fire
 - Tornado or hurricane
 - Someone dies



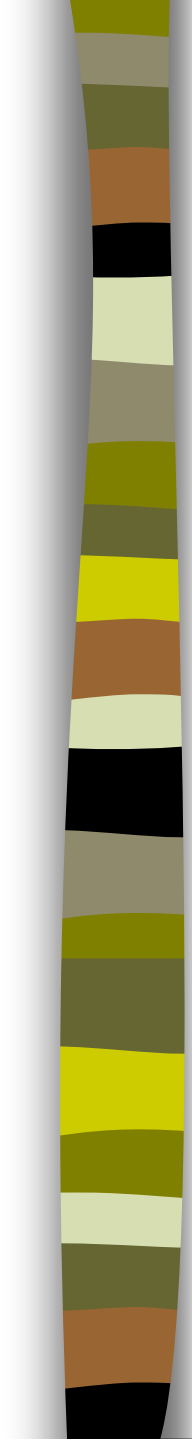
Types of insurance coverages

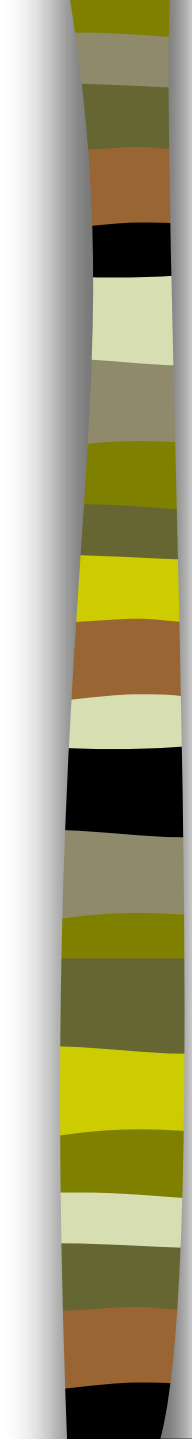
- Auto
- Medical/health
- Homeowners
- Property
- Farm
- Life
- Disability
- Renters
- Dental
- Vision
- Credit card
- Travel
- Business



Terms to know

- **Policyholder** – the person who owns the insurance
- **Insurance contract** – legal contract between the policyholder and the insurance company
 - Very long and wordy
 - Read carefully

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- **Insurance coverage** – the dollar amount of losses the company agrees to cover
 - **Exclusions** – items that are not covered
 - **Benefits** – money paid by the insurance company for losses
 - **Premium** – the cost of the insurance
 - Usually paid monthly or every 6 months

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- **Deductible** – the amount of money that the policyholder has to pay before the insurance company will pay for losses
 - Higher deductible – lower premium
 - Lower deductible – higher premium
 - **Claim** – oral or written notice to the company from the policyholder regarding a loss