

# ASSESSMENT

## Auto Insurance

Name \_\_\_\_\_

Per. \_\_\_\_\_ Date: \_\_\_\_\_

Select the best answer:

**1. Over your life time, as a driver, it is estimated that you will**

- a. most likely never be in a car accident.
- b. be in one car accident.
- c. be in two car accidents.
- d. be in three to four car accidents.

**2. The main reason or reasons why a driver may need auto insurance**

- a. is for financial protection.
- b. because the lender requires it.
- c. because it may be required under state law.
- d. All of the above.

**3. Having auto insurance helps you protect**

- a. your life.
- b. you from going to jail.
- c. your assets (money and things you own).
- d. All of the above.

**4. Depending on the state, not having auto insurance can lead to**

- a. your license being suspended.
- b. having your vehicle registration suspended.
- c. receiving a ticket.
- d. All of the above.

**5. If you have car insurance, your insurance company will**

- a. cover no expenses or damages you caused.
- b. pay all or 100% of the damage you caused.
- c. pay the Liability Coverage Limit stated in your policy.
- d. All of the above.

**6. Collision coverage will replace your car and/or pays for the repairs to your car. This type of insurance**

- a. is required by most states.
- b. is required by car lenders/lessors.
- c. is required by the federal government.
- d. All of the above.

**7. What type of insurance will pay for your damages, if you are hit by a driver that doesn't have insurance?**

- a. Collision Coverage
- b. Liability Coverage
- c. Uninsured Motorist Coverage
- d. All of the above

**8. Insurance companies refer to the cost of your insurance policy as the**

- a. Limit.
- b. Premium.
- c. Deductible.
- d. None of the above.

**9. What factors influence the cost of your car insurance?**

- a. Deductibles
- b. Driving record, age, and gender
- c. Usage, type of car, and zip code
- d. All of the above.

**10. The higher your insurance deductible(s),**

- a. the higher your insurance policy will cost.
- b. the lower your insurance policy will cost.
- c. the lower your chances of having an accident.
- d. All of the above.

**True or False**

11) \_\_\_\_\_ The cost of a single accident can lead to financial ruin or bankruptcy if you don't have insurance.

12) \_\_\_\_\_ Not maintaining car insurance on a financed or leased vehicle could result in repossession (seizure) of the car by the bank.

13) \_\_\_\_\_ When you are at fault in a car accident, your liability insurance coverage will not cover your personal damages.

14) \_\_\_\_\_ If your car is older and not very valuable, it would be a good idea to purchase full collision coverage for it.

15) \_\_\_\_\_ Driving tickets, accidents and/or claims will not have an affect on the cost of your car insurance or premiums.

16) \_\_\_\_\_ In most states, drivers are required to carry a minimum amount of liability insurance.

17) \_\_\_\_\_ Younger drivers are less likely to be involved in car accidents, thus will pay a lower rate for insurance than older adults.

18) \_\_\_\_\_ The more you drive, the more you are exposed to the risk of an accident and higher your insurance rate.

19) \_\_\_\_\_ The amount of limit liability coverage you have depends on how much you want to purchase and your state's requirement.

**Deductible**  
**Liability Coverage**  
**Collision Coverage**

**Car Insurance**  
**Comprehensive Coverage**  
**Personal Injury Protection (PIP)**

- 20)** \_\_\_\_\_ is a contract (agreement) between you and an insurance company; you pay the insurance company to cover certain financial losses you may incur when you are involved in a car accident.
- 21)** \_\_\_\_\_ is a type of insurance that will replace your car and/or pays for the repairs to your car if you cause an accident.
- 22)** \_\_\_\_\_ is a pre-determined amount of money that you agree to pay before the insurance company will pay a claim.
- 23)** \_\_\_\_\_ is a type of insurance that pays a certain amount for damage to the people and property you caused; it doesn't cover your personal damages.
- 24)** \_\_\_\_\_ will cover the cost to your car if it is stolen, damaged by weather, or damaged by vandalism.
- 25)** \_\_\_\_\_ covers medical expenses you and your passenger may incur in an accident regardless of who is at fault and is also called "No-fault insurance."