

 **BUILDING BLOCKS STUDENT WORKSHEET**

# Reading about insurance

Accidents, illnesses, and other unexpected situations can happen at any time and can sometimes result in major expenses.

To protect against such risks and their financial consequences, people often choose to purchase insurance policies. It's helpful to understand how insurance works and why it's important.

## Instructions

1. Read the "What is insurance?" handout.
2. Answer the reading response questions.
3. Answer the "Digging deeper" questions.

## Reading response questions

### Define the following terms:

Deductible:

Insurance:

Insured:

Insurer:

Policy:

Policyholder:

Premium:

Risk:

### Fill in the blanks using the above terms:

Each year, you must pay the \_\_\_\_\_ on your car insurance policy to keep it active. If you're in an accident, you must first pay your \_\_\_\_\_ and then the insurance company will often cover the remainder of the costs related to repairing your car.

The company offering the insurance policy is called the \_\_\_\_\_ and the person who is covered by the policy is the \_\_\_\_\_ .

### Digging deeper

Why is insurance an important way to help people manage risk?

What are some reasons someone might not have insurance?