

Chapters 13 and 14 Review Questions

1. What is the primary purpose of insurance?
2. What is a risk? What is a peril? What is a hazard?
3. What is the contract that you buy from the insurance company called? What is the cost of this?
4. What are some methods of managing the risks in your life? Provide an example of each.
5. What does a typical home-owners insurance policy cover?
6. What type of insurance would you get on a specific, valuable item that you own?
7. Do you need insurance if you are renting an apartment? What type of insurance is this?
8. What affects the cost of insurance on your home?
9. What coverages are required by Michigan for your car insurance?
10. What are some of the optional coverages that you can get?
11. What affects the cost of your car insurance?
12. How can you reduce the cost of your car insurance?