

Chapter 33 Vehicle Insurance

1. What does liability insurance cover?
2. What do the figures 100/300 mean?
3. What is the maximum amount an insurance company will cover in damages to a vehicle?
4. What types of losses will comprehensive insurance cover?
5. What is the difference between a financial responsibility law and a compulsory insurance law?
6. What can happen if you can't show proof of financial responsibility or insurance?
7. How does a deductible affect the cost of a premium?
8. Why do drivers under the age of 25 and over the age of 70 pay more in premiums?
9. How can younger drivers qualify for a lower premium?

Vocabulary

Match each word to its definition.

- Insurance
- Policy
- Deductible
- Liability insurance
- Compulsory insurance law
- Depreciation
- Financial responsibility law premium
- No-fault insurance
- Claim
- Actual cash value

Term	Definition
	Paid protection against losses due to injury or property damage
	A contract between an insurance company and a policyholder.
	A law that requires drivers to have a minimum amount of car insurance.
	The amount of damages that an insurance policyholder must pay before the insurance company pays.
	The amount of money charged by an insurance company for protection for a given time period.
	Requires proof that drivers can pay for damages in an accident.
	Protection against claims of injury or property damage.
	Decline in value of a vehicle because of age, and wear and tear.
	A law that requires drivers involved in accidents to collect damages from their own insurance companies no matter who is at fault.
	A request for payment from an insurer for any damages covered by an insurance policy.
	How much the used item is worth.