

Insurance Pre Test

- 1. True or False – Within a person’s first three years of driving, there is a 50% chance a person will be involved in an automobile accident.**

False – There is a 70% chance a person will be involved in an automobile accident within the first three years of driving.

- 2. True or False – Auto insurance is required by law to drive an automobile.**

True – Liability is the minimum amount of insurance required by law to be driving an automobile.

- 3. True or False – Insurance plays a small role in most individual’s financial plan.**

False – Insurance plays a large role in most individual’s financial management plan. Almost 1 in 12 dollars in the U.S. economy is spent on insurance.

- 4. True or False – Most individuals or families can afford health care and medical expenses.**

False – Health care costs are extremely high and it can be hard for the average person to afford health care. Large medical expenses could wipe out an individual’s savings.

- 5. True or False – Most Americans have employer-based health insurance.**

True – 61% of Americans have employer-based health insurance.

- 6. True of False – Life insurance is necessary for everyone.**

False – Life insurance is necessary for anyone who has someone depending on them financially.

- 7. True or False – Disability insurance is necessary only for people with disabilities.**

False – Disability insurance is necessary for anyone with a job. 1 out of 10 people will become disabled before age 65.

- 8. True of False – When renting an apartment, the renter should purchase renter’s insurance because the owner’s insurance will not cover the renter’s possessions.**

True – The owner’s insurance will cover the building’s structure, but not the contents in all of the rented apartments.