

Auto insurance — Teacher guide

Tell your students they will learn about auto insurance.

Explain that learning about auto insurance is important because if they're driving, they need it or may already have it and not really understand the concept. Most states have mandatory auto insurance laws. Students need to know auto insurance is a good idea, not just because it is the law, but because of the protection it provides. Watch the video segment, assign the students to read the student guide, and then discuss the material. The following questions may be good starting points.

What is auto insurance?

Auto insurance protects you financially in case of an accident, damage to your car, damage to someone else's car or property, or injuries resulting from an auto accident. It is a legal agreement between you and your insurance company. You pay a premium, and the company provides coverage.

What coverages does auto insurance provide?

In most states auto insurance provides bodily injury liability, property damage liability, uninsured motorist bodily injury, underinsured motor vehicle bodily injury, medical payments, collision and comprehensive coverages. (Each of these is defined in the student guide.)

What is liability coverage?

Bodily Injury Liability and Property Damage Liability coverages pay for what you are financially responsible for after an accident. Whether it is an injury to another driver or passenger or the property damage caused by the accident, liability coverages pay these types of costs up to your policy's limits.

Why is liability so important?

Medical bills can be very expensive. And even if you can afford to pay the medical bills and property damage, a lawsuit and the cost of a lawyer can run into the tens of thousands of dollars and beyond.

Explain the difference between Uninsured Motorists and Underinsured Motorists Coverage.

Underinsured Motorists Coverage covers the gap between the amount of coverage "the other guy" has and the actual amount of damage, medical bills, etc. resulting from an accident, up to your **UIM** coverage limit.

In this case, the person at fault has insurance, just not enough insurance. **Uninsured Motorists** insurance covers you and your passengers if the person at fault does not have insurance at all.

What is the difference between Collision and Comprehensive coverages?

Comprehensive Coverage pays for physical damage to your car caused by situations other than a collision. For example, if your car is stolen, dented by a rock or a falling tree limb, demolished by an explosion, painted by vandals or flipped over by a tornado, the damage is covered by comprehensive. Collision covers damage to your car when you collide with another object.

Why will a driver under age 25 pay more insurance than a driver over 25?

Statistically, young drivers cause more accidents and more damage than drivers over 25. Also based on statistics, married people and women are responsible for fewer accidents than singles and men. Insurance companies use these statistics to determine how much of a risk you are. The greater the risk, the higher the insurance costs.

List some of the things that affect the cost of auto insurance.

Age, gender, marital status and number and types of auto accidents and traffic violations on a person's record all affect insurance rates. The type of car you drive is important in terms of insurance coverage. Sports cars, for example, cost more to insure. The amount and type of insurance and the deductible amount also make a difference in the cost of coverage.

What does 50/100/25 mean?

Numbers like 50/100/25 are the dollar limits (in thousands) for auto liability insurance coverage. The first number is the amount of Bodily Injury Liability Coverage you have for injuring or killing an individual in an accident. The second number is also for Bodily Injury Liability, but this number represents the total for all injuries or deaths in an accident. The third number is the limit of your Property Damage Liability Coverage.

Why are deductibles important?

Deductibles are the amounts you agree to pay for specific kinds of losses. The higher the amount you are willing to pay before the insurance company starts paying, the lower the premium will be. This is because you are agreeing to pay for and assume responsibility for a larger part of a loss and may be covering all the costs of smaller claims.

Web site suggestions for additional information:

- **hwysafety.org**
Insurance Institute for Highway Safety

- **nepa.org**
Information on teens and reckless driving and many statistics.

- **iii.org**
Insurance Information Institute

Activity 1: Fill out an accident report

When you get into an accident, many times police will ask you to fill out an accident report. This information is used by insurance companies as well as the police. This exercise teaches your students how one of these forms is filled out.

The students will hear the following scenario only once. Accidents happen quickly, and this will test their ability to listen for detail. (Just like they would have to remember the details of an actual accident.)

Give each student a copy of the “**accident report diagram**” you downloaded from the Lessons in Insurance and Credit site. (Adobe Acrobat Reader is needed to view this file.) They will fill this out from the accident scenario information.

Accident Scenario:

On a wet, rainy night, you are driving east down Oak Street. You haven't driven this street before. Your wipers are on. Your lights are on. But you can't see too well in the heavy rain. You approach the intersection of Oak and Ninth streets. You have no stop signs or traffic signals on Oak Street. You have the right of way. A car heading north on Ninth Street runs the stop sign. You lock up your brakes, skidding on the wet pavement and slamming into the driver's side of the car on Ninth Street. The car behind you hits your car's back end. Both streets are two way, two-lane streets with a speed limit posted at 30 mph. The road is level with no defects.

Fill out the accident report. Go over the results in class.

Activity 2: How do I know what car to buy?

This project can be adapted to a number of courses — consumer education, math, language arts, family and consumer science, etc.

Project description: This project uses research from written, technological and people sources and requires the student to compile the information to make an informed decision.

To begin:

1. Ask the class to brainstorm all the important factors they need to consider when they buy a car. After the list is compiled, place it into categories. For example: cost, condition, fuel efficiency, body style, reliability, etc.
2. Get input from students who already own a car.
3. In teams or individually, the students must research these categories to buy a car.

Suggested Web sites:

- **consumerreports.com**
- **ehow.com**

Search "How to buy a car" for helpful tips.

- **nolo.com**

Calculate what car you can afford. Students might also interview a reputable car dealer or car mechanic for additional information. Students should also search newspaper ads for new or used cars that might meet their criteria.

4. Following the initial research, have students create a list of possible vehicle choices.
5. Insurance plays an important role in vehicle cost. Have students prepare a list of questions for an insurance agent. Invite your Horace Mann insurance agent to class and have students ask him/her questions to find out the appropriate coverage for the vehicles they've chosen. They can prepare questions from the information they've read in the student guide.

Suggested Web sites:

- **horacemann.com**
- **ehow.com**

Search “auto insurance.” Select “How to select car insurance” and “How to reduce car insurance premiums.”

6. When all their research is finished, the students should select the car they would buy.

7. Finish the project by assigning one or all of the following:

- Each student will create a PowerPoint or other multimedia presentation demonstrating their findings.
- Write a report listing the process they used and the results of their findings.
- Create a vehicle comparison chart using the information they found when researching. They can compare all the factors they used in their search.
- Make a five-minute presentation to the class justifying their choice and explaining how well the vehicle meets the criteria they selected.

Activity 3: Photo poem

Through the following activity, students will become aware of how tragedy can affect family and friends.

Bringing a tragedy to life

1. Review various poetry forms like Haiku, free verse, rhyming, etc. Find examples or ask students to bring examples to class to share. Poetry generally uses fewer words to describe an idea or setting. After students have shared what they've found, select descriptive passages from the poems — words that create a picture or words they can visualize. If necessary, give them other examples of highly descriptive writing.
2. Bring in newspapers or magazines and search for photos or articles of car accidents, house fires, robberies, or stories of teens or other family members who have been killed or injured in an accident. If students are having difficulty finding information, conduct an Internet search. Discuss the article/photos students have brought in.
3. Using a selected photo or article, assign each student (and teacher) to write a photo poem.
 - Make the subject of the poem specific. Select one detail from the scene to focus on. It can be a detail you imagine, like the reason behind the accident, fire or death.
 - Use specific, descriptive language.
 - Focus on a few minutes of the scene and write it in present tense.
 - Use any poetry form, but keep it reasonably short — 3-21 lines.

When students have finished their poems, share them with the rest of the class with a poetry reading day. Attach the poem with the photo or article and display them on the wall or bulletin board.

Activity 4: Safety tips poster

Assign students to conduct research on driving safety. They can obtain information from the local police department, sheriff's office, driver's license facility or the Internet.

Web sites

nhtsa.dot.gov/

This site includes information on all vehicles, alcohol, speeding and youth statistics.

teendriving.com

This site was created by a then-teenaged driver, Ryan Buckholtz and his mother, Eileen Buckholtz. He has written it from a teen's perspective, and it lists many tips for safe driving.

hwysafety.org

This site lists stories of beginning teenage drivers, statistics, vehicle ratings, etc.

Following their research, ask each student to create a colorful poster including information from their research.