Procedure/Lecture Outline

1) Guide students through the Power Point presentation (link)
   a. Given 3 Cars, students will estimate the manufacturer’s suggested retail price
   b. Go through the three car types and have students guess to see who can come closest to the actual MSRP
   c. Tell students now that they have a car are they ready to drive?
   d. Have students list what they need to have before they can put their car on the road
   e. Students should be guided to three answers
      i. License
      ii. Registration
      iii. Insurance
   f. Ask students why they need automobile insurance
      i. It’s the law!
      ii. There are risks you can’t afford to take
      iii. What happens if…
         1. You’re involved in a crash that causes property damage?
         2. You hurt yourself or someone else?
         3. Your car is damaged when you’re not driving it? (by weather, vandalism or a hit-and-run)
         4. Your car is stolen?
         5. Your car breaks down and needs to be towed?
   g. Introduce the three basic types of automobile coverages
      i. Third-party
      ii. First-party
      iii. First-party property
   h. What are third-party coverages?
      i. Bodily Injury Liability
         1. People costs (medical expenses, lost wages, pain and suffering)
      ii. Property Damage Liability
         1. Things (other cars and property)
      iii. Both are types of coverage required by law in most states
   i. What are first-party injury coverages?
      i. Medical Payments (MedPay)
         1. Covers medical and funeral expenses resulting from accidents with your vehicle
      ii. Personal Injury Protection (PIP)
         1. Extends MedPay to include lost wages
      iii. Uninsured Motorists
         1. Covers expenses if that at fault driver does not have coverage
      iv. Underinsured Motorists
         1. Covers expenses when the at fault driver does not have enough coverage
Automobile Insurance: The Basics

Procedure/Lecture Outline

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j. What are first-party property coverages?
   i. Comprehensive
      1. Compensates you for physical damage to your car, including theft, vandalism, natural disasters
   ii. Collision
      1. Pays for damage to your vehicle in case of collision
   iii. Both Coverages require you to pay a deductible
k. Introduce the topic of what is a Deductible
   i. This is the amount per accident that you pay out of pocket before insurance starts to pay
   ii. Common deductible amounts are usually $250, $500, and $1000
   iii. The higher the deductible amount you pay the lower your premiums are
l. Students will be asked to answer three questions
   i. What are third-party coverages?
   ii. What are first-party injury coverages?
   iii. What are first-party property coverages?
m. Students will be introduced to their assignment