

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

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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