

Chapter 34: Vehicle and Property Insurance

I-Summary: This chapter discusses vehicle and property insurance. Drivers can reduce the risk of financial losses resulting from accidents by purchasing vehicle insurance. Vehicle insurance offers seven types of protection: bodily injury, property damage liability, collision, medical payments, comprehensive, uninsured/underinsured motorist, and miscellaneous coverage. All states require drivers to prove their financial responsibility to pay for any damages or injury as a result of an accident they caused. Vehicle insurance is the best way to prove this responsibility. You can also reduce the risk of financial loss to your real or personal property due to damage or destruction by purchasing insurance. Property insurance protects against loss of property, liability for injuries that occur on the property, and additional living expenses in case a home is damaged or destroyed. Many insurance companies offer a combination policy with essential protection called a homeowners policy. This policy covers damage to real and personal property, additional living expense, and liability protection.

I-Quiz

Quiz yourself to check your understanding. For each question, you will hear four answer choices. After you hear all four answer choices, choose your answer during the pause. Then you will hear the correct answer. Let's begin.

Question 1

Which term refers to the buyer of an insurance policy?

- a. insurer
- b. policyholder
- c. issuer
- d. protector

Question 2

Which is NOT a type of vehicle insurance?

- a. bodily injury coverage
- b. property damage coverage
- c. medical payments coverage
- d. living expenses coverage

Question 3

What is another name for medical payment coverage?

- a. property damage liability protection
- b. collision insurance protection
- c. personal injury protection
- d. uninsured/underinsured motorist protection

Question 4

Which type of insurance provides coverage if you are injured by a hit-and-run driver?

- a. property damage liability protection
- b. collision insurance protection
- c. personal injury protection
- d. uninsured/underinsured motorist protection

Question 5

Which term refers to property that is attached to land, such as a house?

- a. real property
- b. personal property
- c. insured property
- d. uninsured property

Answer Key

1. The correct answer is B, policyholder. The policyholder is the person who purchases insurance from the insurer.

- 2.** The correct answer is D, living expenses coverage. Living expenses coverage is provided for in homeowners insurance, not vehicle insurance.
- 3.** The correct answer is C, personal injury protection. Personal injury protection covers injuries to drivers and anyone else in their vehicle to pay medical bills.
- 4.** The correct answer is D, uninsured/underinsured motorist protection. Uninsured/underinsured motorist protection covers you if you are hit by a vehicle while walking or if you are in an accident caused by a hit-and-run driver.
- 5.** The correct answer is A, real property. Real property is property attached to land such as a house, business, garage, or other building.