Risk and Insurance

Quiz answers (same five questions before and after)

1. **A premium is:**
   A. What you pay to keep coverage, whether you use it or not HealthCare.gov and the NAIC both define it that way.
2. **You have met your deductible. Your coinsurance is 20% and the allowed cost of a visit is $100. You pay:**
   A. $20 HealthCare.gov's own example: 20% of $100.
3. **New York's minimum property damage liability for a car is:**
   A. $10,000 per accident The minimum is written 25/50/10. The NAIC says minimums are too low for a serious accident.
4. **If a parent's health plan covers dependents, you can usually stay on it until:**
   C. 26 New York's Age 29 option can extend group coverage further, for a separate premium.
5. **Disability insurance pays:**
   B. Part of your income if an injury or illness stops you from working The NAIC says a typical policy pays about 60% of what you earned before.

Worksheet answers

1. In your own words, define premium, deductible, copay and coinsurance.
   Premium: what you pay to keep coverage, whether you use it or not. Deductible: what you pay yourself before the plan pays. Copay: a fixed amount per service after the deductible. Coinsurance: a percentage of the cost you pay after the deductible.
2. A plan has a $3,000 deductible and 20% coinsurance. What do you pay for $12,000 of covered care? For $5,000?
   $12,000: $3,000 + 20% of $9,000 = $4,800. $5,000: $3,000 + 20% of $2,000 = $3,400. (Both are under the plan's out-of-pocket maximum.)
3. What do the numbers in New York's 25/50/10 minimum mean? What else does New York require?
   $25,000 for injury to one person, $50,000 for two or more, $10,000 for property damage per accident. Also $50,000 of no-fault per person and uninsured motorists coverage.
4. Give a phone example of each way to handle a risk: avoid, reduce, keep, transfer.
   Examples: avoid (leave it in the locker during games), reduce (a case and screen protector), keep (pay repairs from savings), transfer (a protection plan).
5. Using the lesson's made-up phone plan ($8 a month, $99 deductible): what do you pay in a year with no damage, and in a year you lose the phone? What if you have no plan?
   Plan: $96 with no damage, $195 if lost. No plan: $0 with no damage, $600 to replace.
6. Your landlord insures the building. Does that cover your things? Name two things renters insurance covers.
   No. Renters insurance covers your belongings (damaged, destroyed or stolen) and your liability if someone is hurt in your home.

The warm-up and Film Room answer keys are on nychonor.org/academy-teachers#module-07.

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