

Business and Personal Finance © 2012

Chapter 22: Home and Motor Vehicle Insurance

Check Your Answers: Section Assessment

Section 3

Review Key Concepts

1. Motor vehicle insurance covers bodily injury and property damage.
2. Rental reimbursement coverage, wage-loss insurance, and emergency road service coverage are other types of motor vehicle insurance.
3. Three main factors include the vehicle type, the rating territory, and driver classification.

Higher Order Thinking

4. Sports cars are more frequently stolen than sedans and the sports cars may often have more expensive replacement parts or complicated repairs.

English Language Arts

5. **Don't Drink and Drive** PSAs will vary but ideas might include using a designated driver, signing no-drinking pledges, or renting a limo for important occasions.

Mathematics

6. **Motor Vehicle Insurance** Medical coverage = second number in terms 100/300/50 = \$300,000; Property coverage = third number in terms 100/300/50 = \$50,000; Total medical damages = \$150,000 + \$75,000 + \$175,000 = \$400,000; Total out of pocket expense = \$400,000 - \$300,000 = \$100,000; Since Gabe's property coverage is greater than the damages incurred, he is covered for the \$15,500.