**Student Guide: How do you choose a good auto insurance company?**

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A Lesson in:

* Consumer Risk
* Preference to Accept Risk
* Insurance

**Before the Reading:**

1. **Number crunch.** Did you know that auto insurance premiums vary for different groupw of people? Insurance companies rely on data and statistics to decide how risky you are based on traits such as your education, zip code, gender, home ownership, in some cases your medical history and of course, your driving record. *Why do you think that these attributes are important to car insurance companies?*

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1. **Age and Gender.**  According to the [Insurance Information Institute](https://www.iii.org/), Did you know that teen male drivers will more likely pay more for insurance than more experienced drivers? Why do you think insurance companies charge more for young male drivers?

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1. **Comparison** Auto insurance companies use data to make decisions about your rates. You should also use data to make decisions about the insurance company you choose. In fact, some of the best advice is to comparison shop when looking to buy insurance. *What are some features that you should look at to help narrow down your options when it comes to buying car insurance from an insurance agent?*

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1. ​**Investigate.** So, what should you look for in an insurance company? *Team up in a small group of three or four and brainstorm what important traits are necessary to look for in an insurance company.*

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| Things to consider: |

1. **Figure it out.** How can auto insurance help you? Use the internet to discover the value of insurance. *Use investopedia or another trusted website to complete the grid below.* <https://www.investopedia.com/terms/a/auto-insurance.asp>

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| **Explain:** |  |
| Property coverage |  |
| Liability coverage |  |
| Medical coverage |  |
| Deductible |  |
|  *Low deductible* |  | Advantage:Disadvantage: |
|  *High deductible*  |  | Advantage:Disadvantage: |
| Policy term |  |
| Personal Injury Protection (PIP) |  |
| Uninsured Motorist Coverage |  |

1. **Predict.** *What is the most appropriate choice for you as a teen? What about your parents? Grandparents?*

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|  | *How did you make these decisions about coverage?* |

1. **Report.** What does the government have to say about automobile insurance? Is there help for picking the right insurance company?

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**During the Reading with Newspapers in Education:**

1. **Read the attached article about gender and car insurance rates.** *What do you think?*

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1. **Protect yourself.** *What can you do to not be as risky to your insurance company? How soon can you implement these choices into your lifestyle?*

**Extension:**  Draw a cartoon strip with at least 5 bubbles. Write about car insurance and illuminate what is important to the consumer.