Insurance Basics

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Finance Program Coordinator
What is insurance?

Payment for an unexpected loss of or damages to someone or something.

| Premium | Deductible | Claim |
Insurance Coverage

If something happened to your apartment or car, how would you pay to fix it?

Do you have enough coverage to protect yourself or your care at the hospital?

If you passed away would your family be able to survive?
HOMEOWNERS AND RENTERS INSURANCE
Homeowners Insurance

• Why do we need it?
  – This insurance provides financial protection against disasters.

• What does it cover?
  – Structure of your home.
  – Coverage of your personal belongings.
    • Conduct a home inventory.
  – Liability protection.
  – Additional temporary living expenses.
Renters Insurance

• Provides financial protection against the loss or destruction of your possessions when you rent a house or apartment.
• Premiums are relatively inexpensive.
• Liability protection.
• Covers additional living expenses.
Before Purchasing Homeowner/Renter Insurance

• Check your risk of encountering flood or earthquake damage.
• Buy enough insurance to replace all your personal possessions.
• Estimate how much it will cost to maintain the property.
• Call your insurance professional to get an estimate of your policy premium.
Different Types of Policies

• Homeowners Insurance.
  – HO-1: Basic policy.
  – HO-3: Most popular policy.
  – HO-5: Most coverage policy.

• Renters Insurance.
  – HO-4: Renter policy.

• Levels of Coverage.
  – Actual cash value.
  – Replacement cost.
  – Guaranteed or extended replacement cost.
Buying a Policy

• Considerations for choosing an insurance company.
  – Licensing
  – Price
  – Service
  – Comfort
How to Save Money on Insurance

• Shop around.
• Buy your home and auto policies from the same insurer.
• Review policy limits and the value of your possessions annually.
• Ask for discounts for home security devices or smoke detectors.
• Seek other discounts through your insurance company.
Insurance Mistakes to Avoid

• Insuring a home for its real estate value rather than for the cost of rebuilding.
• Selecting an insurance company by price alone.
• Dropping earthquake insurance.
• Neglecting to buy renters insurance.
LIFE INSURANCE
- Helps cover funeral costs if you die.
- Supports family if they depend on your income for survival.

Term
- For a set amount of time, when coverage ends you no longer pay premiums.
- Cost will be more the older you are.

Whole Life
- Cost stays the same during your life.
- Coverage lasts your whole life.
AUTO INSURANCE
Why Do You Need Auto Insurance?

• High cost of medical bills, auto repair damages.
• The lender says it is a requirement.
• Crashes do happen.
• It is the law.
Auto Insurance Coverage

**Liability**
- Required by law.
- Pays for the damage you cause to someone else’s car.
- Does not cover your car.

**Comprehensive/Collision**
- Insurance that pays for your car when you crash.
- Also covers you if someone steals something from your car.

**Add on coverage**
- Towing or road-side help
- Rental car
Required Auto Insurance in Utah

• Liability
  – Required amounts for Utah:
    • $25,000 per person for bodily injury
    • $65,000 per accident for bodily injury
    • $15,000 per accident for property
      » 25/65/15
    • This only covers the person you hit.

• Personal Injury Protection (PIP)
  • $3,000 in medical payments coverage for you.
  • Required as a no fault state.
More Types of Auto Insurance

Uninsured and Underinsured Motorist Coverage

Collision and Comprehensive
How is Your Insurance Cost Calculated?

• Driving Record
• C.L.U.E Report
  – History of the claims paid under your name.
• Credit History/Report
• Coverage History
  • Have you had any time when you did not have coverage?
How is Your Insurance Cost Calculated?

• Underwriting
• Rating
• Where you live
• Vehicle Usage
• Marital Status
• Deductibles
• Type of car (Truck, SUV)
• Coverage
Deciding How Much Coverage to Buy:

• Value of your vehicle
• Legal Requirements
• Lender Requirements
• Chance of a Loss
• Assets
Do You Have Enough Auto Coverage?

• The other person’s insurance may not be sufficient to take care of your injuries or needs in an accident.

• Think about lost wages, physical therapy, etc.

• Know what coverage you have.
How Can You Save on Car Insurance?

• Change the deductibles on your collision and comprehensive coverage.
• Drive a car that is not too expensive to fix.
• Pay semi-annually or once a year.
• Keep a good driving record.
• Good Student Discounts.
• Other Discounts.
Paying for Auto Insurance

• Online
• By Mail
• By Phone

• Frequency
  • Monthly
  • Every 6 months
  • Once a year
**Keep Proof of Insurance in Your Car**

By law, must have proof of insurance in the vehicle.

May be a lag before your new insurance is recorded on InsureRite – they can impound the car if you do not have proof of your insurance.

To get your car back you must attend a hearing.
- May have to pay impound fees, storage fees, - have to have proof from Insurance Company.
Penalties for Failure to Insure Car

- Suspension of vehicle registration through court conviction or a Department of Public Safety hearing.
- Class B misdemeanor. Fines range from $400-$1,000.
- Department of Public Safety is required to suspend license.
Fees for no insurance...

<table>
<thead>
<tr>
<th>Type of Impound</th>
<th>Cost of Impound</th>
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</thead>
<tbody>
<tr>
<td>Improper registration fee</td>
<td>$46.00</td>
</tr>
<tr>
<td>DUI impound fee</td>
<td>$350.00</td>
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<tr>
<td>No Insurance reinstatement fee</td>
<td>$100.00</td>
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</table>

*Be careful who you let drive your car--The registered owner must pay the fee to have the car released from impound even if they didn’t drive the car when it was impounded.
## Vehicle Inspections

<table>
<thead>
<tr>
<th>Vehicle Model Year</th>
<th>Safety Inspection</th>
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<tbody>
<tr>
<td>2016 - 2013</td>
<td>Not required</td>
</tr>
<tr>
<td>2012</td>
<td>Required in 2016</td>
</tr>
<tr>
<td>2011 - 2009</td>
<td>Not required</td>
</tr>
<tr>
<td>2008</td>
<td>Required in 2016</td>
</tr>
<tr>
<td>2007</td>
<td>Not required</td>
</tr>
<tr>
<td>2006 and older</td>
<td>Required in 2016</td>
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</table>
## 2016 Emission Inspection Requirements

<table>
<thead>
<tr>
<th>Vehicle Model Year</th>
<th>Emission Inspection</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>Not required</td>
</tr>
<tr>
<td>2015</td>
<td>Not required</td>
</tr>
<tr>
<td>2014</td>
<td>Required in 2016</td>
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<tr>
<td>2013</td>
<td>Not required</td>
</tr>
<tr>
<td>2012</td>
<td>Required in 2016</td>
</tr>
<tr>
<td>2011</td>
<td>Not required</td>
</tr>
<tr>
<td>2010 to 1968</td>
<td>Required in 2016</td>
</tr>
<tr>
<td>1967 and older</td>
<td>Not required</td>
</tr>
</tbody>
</table>
Some Insurance Companies
Insurance Card
Insurance Card

INSURED DOE, JOHN Q & JANE Z

POLICY NUMBER 999 8920-E01-15A  EFFECTIVE  11/01/2007 TO 05/01/2008
YR 1996 MAKE DODGE
MODEL RAM 2500  VIN AP7KF26C4TS707793
AGENT Agent A. Agent
PHONE (XXX) XXX-XXXX

BODILY INJURY / PROPERTY DAMAGE
MEDICAL PAYMENTS
COMPREHENSIVE
COLLISION
EMERGENCY ROAD SERVICE
HEALTH INSURANCE
What is Health Insurance?

• Covers health care or medical expenses when you are sick or injured.
• Deductible.
• Premium.
• Out of pocket maximum.
Health Insurance Coverage

- Some employers offer health insurance. It is worth the extra cost.
- Lack of health insurance can be very stressful for families who need to cover medical costs.
  - Doctor and hospital visits can be very high.
  - The cost of one emergency can be much more than paying the monthly cost (premiums).
Where do you Enroll?

- Employer
- Directly with the insurance company
- Licensed Agent
- [https://www.healthcare.gov](https://www.healthcare.gov)
- Life change events allow you to enroll or add family members on to your policy.
  - Birth, divorce, adoption, marriage, job change, job loss.
- COBRA coverage
Thank you!

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