Chapter 8 Additional Activities


2. Add to the list of factors that impact the cost of insurance and determine what would represent a higher or lower risk.

3. This chapter will allow you and the students to do some actual shopping via the Internet. There are many sources for automobile insurance quotes and students will probably be surprised at the range of prices for similar products.

4. Alternative to # 3: Using the rating software, log into www.investprogram.org under ‘Resources’ then ‘Office Simulation’ materials to access software. Have the students enter different types of cars and trucks to see the impact this has on insurance prices. Also, driving records can be varied to fully understand what it will cost in additional insurance premiums when the student receives a ticket or gets into an accident.

5. Look up various insurance companies’ underwriting results and determine how much they returned to policyholders in the form of claims payments (loss ratio) and how much they spent on their operations (expense ratio). Was the company making an underwriting profit or loss?