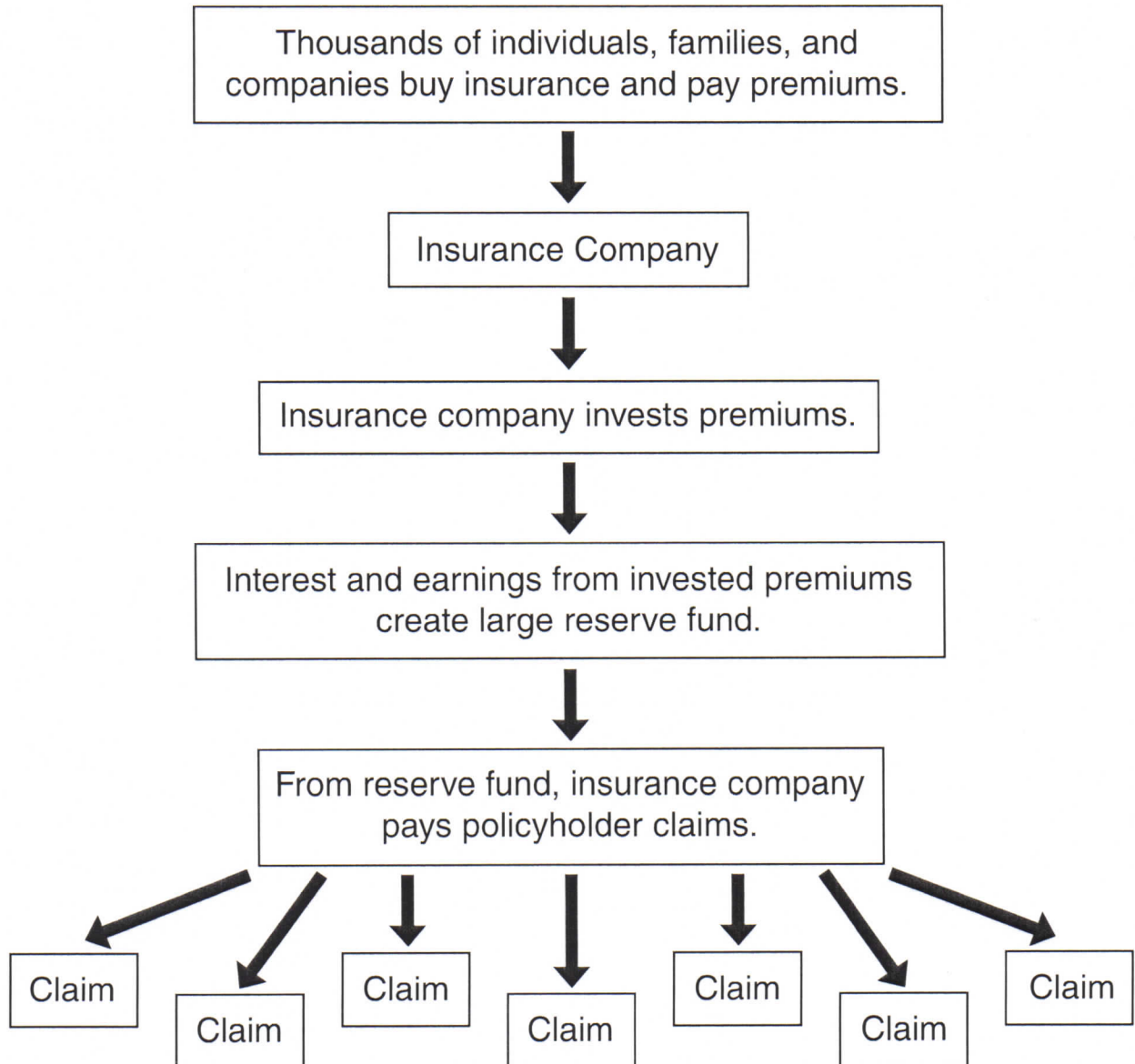


Understanding Insurance



Health Insurance Terms

Name _____ Date _____ Period _____

Briefly define the following terms related to health insurance. Use the Internet to find definitions outside the scope of the textbook.

1. Consumer-driven health care: _____

2. Employer mandate: _____

3. Exclusion: _____

4. Explanation of benefits: _____

5. Fee-for-service: _____

6. Health Maintenance Organization (HMO): _____

7. The HIPAA law: _____

8. Managed care: _____

9. Medicaid: _____

Name _____

10. Medicare: _____

11. Preexisting condition: _____

12. Preferred Provider Organization (PPO): _____

13. Preventive care: _____

14. Primary care physician: _____

15. Third-party payer: _____

16. Universal coverage: _____

17. Point-of-service (POS) plans: _____

18. Medigap insurance: _____

Life Plans

Name _____ Date _____ Period _____

Read the following case study. Answer the discussion questions as they appear throughout the story.

Evan and Marianne are recently married. Evan works as an auto mechanic and helps manage a local service station. He hopes to become part owner of the station in a few years. Marianne works as a beautician.

Evan and Marianne rent a small apartment. They both take public transportation to work. They hope to buy a home and start a family as soon as they can afford to do so.

What types of insurance coverage should Evan and Marianne have at this stage in their lives? Why?

Several years later, Evan and Marianne buy a small home. Evan achieves his goal of part-ownership in the service station. Soon after, their first child is born. Three years later, they have twins. Marianne is no longer working. They also recently purchased a new car.

What recommendations would you make concerning their insurance program at this stage in their lives? Why? _____

(Continued)

Name _____

Many years later, Evan and Marianne's oldest child goes away to college. The twins will soon get their driver's licenses. Marianne went back to work several years ago. They also recently put an addition on their home.

What changes should Evan and Marianne make to their insurance policies? Why? _____

Evan and Marianne's eldest child recently started a full-time job and moved into an apartment with friends. The twins are almost done with college. In a few years, Evan and Marianne plan to sell their home, buy a condo, and retire.

How might Evan and Marianne need to revise their insurance program to provide for retirement needs?

Growing Savings with Interest

Name _____ Date _____ Period _____

Contact a local financial institution or go online to find current interest rates offered on savings and money market deposit accounts. Then answer the following questions.

Regular Savings Account

Financial institution: _____

Interest rate: _____

Use the Rule of 72 to calculate the number of years it will take to double a deposit in this account.

Refer to Figure 11-4 in the text to estimate the future value of the following deposits in the account.

A. \$333 deposited for 1 year _____

Total interest earned _____

B. \$500 deposited for 5 years _____

Total interest earned _____

C. \$6,250 deposited for 25 years _____

Total interest earned _____

Money Market Deposit Account

Financial institution: _____

Interest rate: _____

Use the Rule of 72 to calculate the number of years it will take to double a deposit in this account.

Refer to Figure 11-4 in the text to estimate the future value of the following deposits in the account.

A. \$1,500 deposited for 3 years _____

Total interest earned _____

B. \$7,750 deposited for 40 years _____

Total interest earned _____

C. \$12,975 deposited for 30 years _____

Total interest earned _____

U.S. Savings Bonds

Name _____ Date _____ Period _____

Go to www.treasurydirect.gov to research U.S. savings bonds and complete the following chart.

	I Bonds	EE Bonds
Current rate	Fixed: Inflation:	
Method used to determine rate		
Purchase Price	Electronic: Paper:	Electronic: Paper:
Purchase denominations	Electronic: Paper:	Electronic: Paper:
Maximum purchase per calendar year		
Penalty for early redemption		
Who can buy		
Where to buy		

Stock Activity

Name _____ Date _____ Period _____

Go online to choose a stock and follow its progress. You might also choose a stock on the New York or American Stock Exchange or the NASDAQ. Follow your stock for four weeks and fill in the chart each week with information about your stock. Answer the questions and define the terms listed below the chart.

Name of stock: _____

Abbreviation: _____

Source used: _____

Why did you choose this stock? _____

	52 Weeks		Div	Yld%	PE	Vol 100s	Hi	Lo	Last	Chg
	Hi	Lo								
Week 1										
Week 2										
Week 3										
Week 4										

1. Predict how your stock will do over the next four weeks. _____

2. Define the following terms in your own words. _____

Stock: _____

52-week high and low: _____

Dividend (Div): _____

Yield (Yld%): _____

(Continued)

Name _____

Price/earnings ratio (PE): _____

Vol 100s: _____

Change (Chg): _____

3. Summarize the activity of your stock over the past four weeks. Discuss national and world events that might have contributed to changes in your stock. Also discuss whether your stock reacted as you predicted. _____

4. Pretend you are a broker. Would you recommend this stock to your client? Why or why not?

Understanding a Lease

Name _____ Date _____ Period _____

Assume that you have signed the lease. Review the lease for answers to the questions that follow.

NO. L-17 JUNE 20XX		IF UNHEATED CHECK HERE _____ (SEE PARAGRAPH 11)
CAUTION: Consult a lawyer before using or acting under this form. Neither the publisher nor the seller of this form makes any warranty with respect thereto, including any warranty of merchantability or fitness for a particular purpose.		
APARTMENT LEASE UNFURNISHED		
DATE OF LEASE	TERM OF LEASE	MONTHLY RENT
	BEGINNING	ENDING
* IF NONE, WRITE "NONE". Paragraph 2 of this Lease then INAPPLICABLE.		
LESSEE NAME * APT. NO. * ADDRESS OF PREMISES *	LESSOR NAME * BUSINESS ADDRESS *	
In consideration of the mutual covenants and agreements herein stated, Lessor hereby leases to Lessee and Lessee hereby leases from Lessor for a private dwelling the apartment designated above (the "Premises"), together with the appurtenances thereto, for the above Term.		
ADDITIONAL COVENANTS AND AGREEMENTS (if any)		
LEASE COVENANTS AND AGREEMENTS		
RENT	1. Lessee shall pay Lessor or Lessor's agent as rent for the Premises the sum stated above, monthly in advance, until termination of this lease, at Lessor's address stated above or such other address as Lessor may designate in writing.	
SECURITY DEPOSIT	2. Lessee has deposited with Lessor the Security Deposit stated above for the performance of all covenants and agreements of Lessee hereunder. Lessor may apply all or any portion thereof in payment of any amounts due Lessor from Lessee, and upon Lessor's demand Lessee shall in such case during the term of the lease promptly deposit with Lessor such additional amounts as may then be required to bring the Security Deposit up to the full amount stated above. Upon termination of the lease and full performance of all matters and payment of all amounts due by Lessee, so much of the Security Deposit as remains unapplied shall be returned to Lessee. This deposit does not bear interest unless and except as required by law. Where all or a portion of the Security Deposit is applied by Lessor as compensation for property damage, Lessor when and as required by law shall provide to Lessee an itemized statement of such damage and of the estimated or actual cost of repairing same. If the building in which Premises are located (the "Building") is sold or otherwise transferred, Lessor may transfer or assign the Security Deposit to the purchaser or transferee of the Building, who shall thereupon be liable to Lessee for all of Lessor's obligations hereunder, and Lessee shall look thereafter solely to such purchaser or transferee for return of the Security Deposit and for other matters (including any interest or accounting) relating thereto.	
CONDITION OF PREMISES; REDELIVERY TO LESSOR	3. Lessee has examined and knows the condition of Premises and has received the same in good order and repair except as herein otherwise specified, and no representations as to the condition or repair thereof have been made by Lessor or his agent prior to, or at the execution of this lease, that are not herein expressed or endorsed hereon; and upon the termination of this lease in any way, Lessee will immediately yield up Premises to Lessor in as good condition as when the same were entered upon by Lessee, ordinary wear and tear only excepted, and shall then return all keys to Lessor.	
LIMITATION OF LIABILITY	4. Except as provided by state statute, Lessor shall not be liable for any damage occasioned by failure to keep Premises in repair, and shall not be liable for any damage done or occasioned by or from plumbing, gas, water, steam or other pipes, or sewerage, or the bursting, leaking or running of any cistern, tank, wash-stand, water-closet, or waste-pipe, in, above, upon or about the Building or Premises, nor for damage occasioned by water, snow or ice being upon or coming through the roof, skylight, trap-door or otherwise, nor for damages to Lessee or others claiming through Lessee for any loss or damage of or to property wherever located in or about the Building or Premises, nor for any damage arising from acts or neglect of co-tenants or other occupants of the Building, or of any owners or occupants of adjacent or contiguous property.	
USE; SUBLET; ASSIGNMENT	5. Lessee will not allow Premises to be used for any purpose that will increase the rate of insurance thereon, nor for any purpose other than that hereinbefore specified, nor to be occupied in whole or in part by any other persons, and will not sublet the same, nor any part thereof, nor assign this lease, without in each case the written consent of the Lessor first had, and will not permit any transfer, by operation of law, of the interest in Premises acquired through this lease, and will not permit Premises to be used for any unlawful purpose or purpose that will injure the reputation of the same or of the Building or disturb the tenants of the Building or the neighborhood.	
USE AND REPAIR	6. Lessee will take good care of the apartment demised and the fixtures therein, and will commit and suffer no waste therein, no changes or alterations of the Premises shall be made, nor partitions erected, nor walls papered, nor locks on doors installed or changed, without the consent in writing of Lessor; Lessee will make all repairs required to the walls, ceilings, paint, plastering, plumbing work, pipes and fixtures belonging to Premises, whenever damage or injury to the same shall have resulted from misuse or neglect; no furniture filled or to be filled wholly or partially with liquids shall be placed in the Premises without the consent in writing of Lessor; the Premises shall not be used as a "boarding" or "lodging" house, nor for a school, nor to give instructions in music, dancing or singing, and none of the rooms shall be offered for lease by placing notices on any door, window or wall of the Building, nor by advertising the same directly or indirectly, in any newspaper or otherwise, nor shall any signs be exhibited on or at any windows or exterior portions of the Premises or of the Building without the consent in writing of Lessor; there shall be no lounging, sitting upon, or unnecessary tarrying in or upon the front steps, the sidewalk, railing, stairways, halls, landing or other public	

(Continued)

	<p>places of the Building by Lessee, members of the family or others persons connected with the occupancy of Premises; no provisions, milk, ice, marketing, groceries, furniture, packages or merchandise shall be taken into the Premises through the front door of the Building except where there is no rear or service entrance; cooking shall be done only in the kitchen and in no event on porches or other exterior appurtenances; Lessee, and those occupying under Lessee, shall not interfere with the heating apparatus, or with the lights, electricity, gas, water or other utilities of the Building which are not within the apartment hereby demised, nor with the control of any of the public portions of the Building; use of any master television antenna hookup shall be strictly in accordance with regulations of Lessor or Lessor's agent; Lessee and those occupying under Lessee shall comply with and conform to all reasonable rules and regulations that Lessor or Lessor's agent may make for the protection of the Building or the general welfare and the comfort of the occupants thereof, and shall also comply with and conform to all applicable laws and governmental rules and regulations affecting the Premises and the use and occupancy thereof.</p>
ACCESS	<p>7. Lessee will allow Lessor free access to the Premises at all reasonable hours for the purpose of examining or exhibiting the same or to make any needful repairs which Lessor may deem fit to make for the benefit of or related to any part of the Building, also Lessee will allow Lessor to have placed upon the Premises, at all times, notice of "For Sale" and "To Rent," and will not interfere with the same.</p>
RIGHT TO RELET	<p>8. If Lessee shall abandon or vacate the Premises, the same may be re-let by Lessor for such rent and upon such terms as Lessor may see fit, subject to Illinois statute, and if a sufficient sum shall not thus be realized, after paying the expenses of such reletting and collecting, to satisfy the rent hereby reserved, Lessee agrees to satisfy and pay all deficiency.</p>
HOLDING OVER	<p>9. If the Lessee retains possession of the Premises or any part thereof after the termination of the term by lapse of time or otherwise, then the Lessor may at Lessor's option within thirty days after the termination of the term serve written notice upon Lessee that such holding over constitutes either (a) renewal of this lease for one year, and from year to year thereafter, at double the rental specified under Section 1 for such period, or (b) creation of a month to month tenancy, upon the terms of this lease except at double the monthly rental specified under Section 1, or (c) creation of a tenancy at sufferance, at a rental of _____ dollars per day for the time Lessee remains in possession. If no such written notice is served then a tenancy at sufferance with rental as stated at (c) shall have been created, and in such case if specific per diem rental shall not have been inserted herein at (c), such per diem rental shall be one-fifteenth of the monthly rental specified under Section 1 of this lease. Lessee shall also pay to Lessor all damages sustained by Lessor resulting from retention of possession by Lessee.</p>
RESTRICTIONS ON USE	<p>10. Lessee will not permit anything to be thrown out of the windows, or down the courts or light shafts in the Building; nothing shall be hung from the outside of the windows or placed on the outside window sills of any window in the Building; no parrot, dog or other animal shall be kept within or about the Premises, the front halls and stairways and the back porches shall not be used for the storage of carriages, furniture or other articles.</p>
WATER AND HEAT	<p>11. The provisions of subsection (a) only hereof shall be applicable and shall form a part of this lease unless this lease is made on an unheated basis and that fact is so indicated on the first page of this lease, in which case the provisions of subsection (b) only hereof shall be applicable and form a part of this lease.</p> <p>(a) Lessor will supply hot and cold water to the Premises for the use of Lessee at all faucets and fixtures provided by Lessor therefor. Lessor will also supply heat, by means of the heating system and fixtures provided by Lessor, in reasonable amounts and at reasonable hours, when necessary, from October 1 to April 30, or otherwise as required by applicable municipal ordinance. Lessor shall not be liable or responsible to Lessee for failure to furnish water or heat when such failure shall result from causes beyond Lessor's control, nor during periods when the water and heating systems in the Building or any portion thereof are under repair.</p> <p>(b) Lessor will supply cold water to the Premises for the use of Lessee at all faucets and fixtures provided by Lessor therefor. Lessor shall not be liable or responsible to Lessee for failure to furnish water when such failure shall result from causes beyond Lessor's control, nor during periods when the water system in the Building or any portion thereof is under repair. All water heating and all heating of the Premises shall be at the sole expense of Lessee. Any equipment provided by Lessee therefor shall comply with applicable municipal ordinances.</p>
STORE ROOM	<p>12. Lessor shall not be liable for any loss or damage of or to any property placed in any store room or any storage place in the Building, such store room or storage place being furnished gratuitously and not as part of the obligations of this lease.</p>
DEFAULT BY LESSEE	<p>13. If default be made in the payment of the above rent, or any part thereof, or in any of the covenants herein contained to be kept by the Lessee, Lessor may at any time thereafter at his election declare said term ended and reenter the Premises or any part thereof, with or (to the extent permitted by law) without notice or process of law, and remove Lessee or any persons occupying the same, without prejudice to any remedies which might otherwise be used for arrears of rent, and Lessor shall have at all times the right to distrain for rent due, and shall have a valid and first lien upon all personal property which Lessee now owns, or may hereafter acquire or have an interest in, which is by law subject to such distraint, as security for payment of the rent herein reserved.</p>
NO RENT DEDUCTION OR SET OFF	<p>14. Lessee's covenant to pay rent is and shall be independent of each and every other covenant of this lease. Lessee agrees that any claim by Lessee against Lessor shall not be deducted from rent nor set off against any claim for rent in any action.</p>
RENT AFTER NOTICE OR SUIT	<p>15. It is further agreed, by the parties hereto, that after the service of notice or the commencement of a suit or after final judgment for possession of the Premises, Lessor may receive and collect any rent due, and the payment of said rent shall not waive or affect said notice, said suit, or said judgment.</p>
PAYMENT OF COSTS	<p>16. Lessee will pay and discharge all reasonable costs, attorney's fees and expenses that shall be made and incurred by Lessor in enforcing the covenants and agreements of this lease.</p>
RIGHTS CUMULATIVE	<p>17. The rights and remedies of Lessor under this lease are cumulative. The exercise or use of any one or more thereof shall not bar Lessor from exercise or use of any other right or remedy provided herein or otherwise provided by law, nor shall exercise nor use of any right or remedy by Lessor waive any other right or remedy.</p>
FIRE AND CASUALTY	<p>18. In case the Premises shall be rendered untenable during the term of this lease by fire or other casualty, Lessor at his option may terminate the lease or repair the Premises within 60 days thereafter. If Lessor elects to repair, this lease shall remain in effect provided such repairs are completed within said time. If Lessor shall not have repaired the Premises within said time, then at the end of such time the term hereby created shall terminate. If this lease is terminated by reason of fire or casualty as herein specified, rent shall be apportioned and paid to the day of such fire or other casualty.</p>
SUBORDINATION	<p>19. This lease is subordinate to all mortgages which may now or hereafter affect the real property of which Premises form a part.</p>
PLURALS; SUCCESSORS	<p>20. The words "Lessor" and "Lessee" wherever herein occurring and used shall be construed to mean "Lessors" and "Lessees" in case more than one person constitutes either party to this lease; and all the covenants and agreements herein contained shall be binding upon, and inure to, their respective successors, heirs, executors, administrators and assigns and be exercised by his or their attorney or agent.</p>
SEVERABILITY	<p>21. Wherever possible each provision of this lease shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this lease shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this lease.</p>
COMPLIANCE WITH LAWS, STATUTES AND ORDINANCES	<p>22. The parties to this lease acknowledge that the terms of this lease may be inconsistent with the laws, statutes or ordinances of the jurisdiction in which the Premises are located, and where inconsistent, those terms may be superseded by the provisions of such laws, statutes or ordinances. To the extent the provisions of such laws, statutes or ordinances supersede the terms of this lease, such provisions are hereby incorporated into the terms of this lease by this reference, and the parties to this lease agree to refer to such provisions and to be bound thereby. With respect to Premises located in the City of Chicago, the parties agree to refer to and, to the extent provided above, be bound by the provisions of the City of Chicago Residential Landlord and Tenant Ordinance, Chapter 193.1, Municipal Code of Chicago, as amended from time to time. A summary of such Ordinance is attached to this lease.</p>

Name _____

1. What is the possible consequence if you damage the landlord's property? _____

2. If the landlord withholds your security deposit because of damage to the apartment, what is the landlord required to provide you? _____

3. If you decide to move when your lease expires, in what condition must you leave the apartment?

4. A pipe leaks and damages your furniture. Is the landlord responsible? _____
5. After two months, you find paying the rent and other expenses harder than you expected. Can you get a roommate to move in and share the expenses with you? _____
6. Can you paint the walls? _____
7. Can you install bookcases in the living room? _____
8. Are you allowed to have a waterbed? _____
9. Can you give guitar lessons in your apartment? _____
10. Can you use a barbecue grill on the balcony? _____
11. Are you allowed to keep a dog or cat? _____
12. When and under what circumstances must you allow your landlord free access to your apartment? _____

13. What are the possible consequences if you move out before the lease expires? _____

14. What are the possible consequences if you fail to pay your rent? _____

15. What are the possible consequences if you fail to comply with the terms of the lease? _____

