

Steps in Calculating Insurance Example

- **Step One:** Determine the _____ incurred from the event.
- **Step Two:** Know your _____. Subtract this from the total cost.
- **Step Three:** Determine if your policy involves _____. If so, what _____ are you responsible for?
- **Step Four:** Add deductible and any co-insurance payments to determine total cost to policyholder.
- **Example:** Your house incurred damage from a fire accident, resulting in \$30,000 worth of repairs needed. You are responsible for a \$1,000 deductible and 15% of all costs after the deductible.
 - $\$30,000 - \underline{\hspace{2cm}} = \$\underline{\hspace{2cm}}$
 - 15% of \$29,000 (_____) = \$4,350
 - $\$1,000 + \$4,350 = \underline{\hspace{2cm}}$ total cost to policyholder
- \$5,350 sure is a lot of money but it sure is cheaper and easier to recover from than _____!
- Know that all _____ are unique and will have differing costs. This is a basic outline of how _____ can cost the policyholder.