



# QUIZ

*Intro to Insurance*

NAME: \_\_\_\_\_

TOTAL  
/ 3 pts

## MULTIPLE CHOICE

Directions: **CIRCLE** the best possible answer to each question.

1. What is insurance?
  - a. An indicator that rises and falls due to financial market conditions
  - b. Money, property or a legal document held in the possession of a third party until a specific condition has been fulfilled
  - c. A contract that offers full or partial financial compensation for loss or damage caused by an uncontrollable event
  
2. Does everyone pay the same amount for the same insurance coverage?
  - a. Yes
  - b. No
  
3. How do insurance providers make money?
  - a. By pooling the risk of a large number of policyholders
  - b. By applying statistics to understand the amount of risk their policyholders represent, and then adjusting their premiums accordingly
  - c. By setting premiums that allow the system to function and generate a profit
  - d. All of the above