Consumer Math

## Study Guide for Chapter 12 quizzes and test

Give extra practice sheet

Know these things:

* ***From memory***, the term for a person who receives proceeds from a life insurance policy (p. 446)
* ***From memory***, what the Broker’s Rule of Thumb is and how to calc coverage needed from age and salary given (p. 450, including Ex. 6)
* ***From memory***, the uses for the cash value from a whole-life policy (p. 458)
* ***From memory***, what two things a *universal-life* policy combines (as opposed to a *whole-life* policy, which combines *term life insurance* and a *savings component* [the savings component is not a significant portion of the premiums paid, especially later in life]) (p. 462)
* How to find the annual premium for term life insurance (p. 453)
* How to find the total paid for term life for a specified number of years (Ex. 2, p. 454)
* How to compare the cost of annual renewable and 10-year renewable term life insurance (like #17 on p. 456)
* How to find the annual premium for whole-life insurance (p. 459)
* How to find the investment portion of universal-life insurance (Ex. 2, p. 464)
* How to find amount of universal-life insurance that can be purchased for a specific dollar amount(Ex. 5, p. 465)
* How to find cash value of whole-life insurance policy after a certain number of years (like Ex. 5, p. 460)
  + Remember ***not*** to include policy fees for cash value within whole-life
  + Saving formula is given
* How to find total medical expenses and the amount paid by the insurance company vs. the amount paid by the individual (pp. 470-472)
* How to compare the amount paid by an individual with two different kinds of health coverage (#16-17, p. 472)
* How to find AIME and PIA for an earner, including adjusted PIA for early or late retirement
  + Remember that PIA is *always* to the nearest whole dollar, whether you are reminded or not
  + Remember to round to the nearest *tenth* percent for increase or decrease (if needed)

***IN ADDITION***, for the ***test***, know these things:

* Terms and definitions from the extra practice sheet (matching)
* Be able to list the three types of life insurance
  + Be able to identify one kind by its description
* Be able to do a problem like Ex. 4 on p. 465 (saving formula given)