

Just in Case Cases

Case 1: You purchased the car with the bank's loan and with the insurance requirement. We hoped it would never happen, but after you had owned the car for 2 years, you totaled the car and were killed in the wreck.

How would the finances play out for your heirs?

Amount still owed on car:

assume \$6,000

Loan insurance pays \$ 6000 to
bank

Car insurance pays \$ 6000 to
bank

\$ left over family should get 6000 paid from bank

Case 2: Same as above **except** you took NO insurance other than car insurance.

Amount still owed on car:

assume 6000

Loan insurance pays \$ 0 to

Car insurance pays \$ worth of car to bank

\$ left over 0

Case 3: Same as Case 1, **except** you took out \$100,000 worth of life insurance for \$12.50 per month.

Amount still owed on car:

 \$ 6000

Loan insurance pays \$ 6000 to bank

Car insurance pays \$ worth to bank

\$ left over Life ins. Pays heirs \$100,000

Some ?????? to think upon:

Which option is best for your situation? Is it the same for every person?

What would be deciding factors? Would it make a difference if you had a family?

Who owns your car, really, as long as you have the loan?

Write at least one more question to consider.