

Consumer Protection

How can citizens take steps to protect themselves financially? How does the government try to protect citizens?

What is...?

What is **insurance**?

What is an **insurance agent**?

What is an insurance **claim**?

What is a **deductible**?

Insurance Definitions

- **Insurance**: A practice by which a company provides a guarantee of compensation for specified loss, damage, illness, or death in return for payment.
- **Insurance Agent**: Person who sells and manages insurance policies
- **Claim**: A demand made by the insured, or the insured's beneficiary, for payment of the benefits as provided by the policy.
- **Deductible**: Amount of money that the insured pays before the insurance kicks in.

Types Insurance

- **Health Insurance:** Provides money for medical care; including doctor and hospital visits, prescription drugs, rehabilitation, etc.
- **Life Insurance:** Pays money to a beneficiary (often a family member) upon the death of the insured.
 - Life Insurance is designed to help families pay for death expenses (funerals, etc.) and other expenses after the loss of income previously provided by the deceased.

Types Insurance

- **Automotive Insurance:** Provides money in the event of a car accident. Pays for medical expenses of anyone injured in a crash, and may pay for repairs.
- In NC, all licensed drivers must have insurance that covers at least \$30,000 for a single person's injuries, \$60,000 for multiple persons' injuries, and \$25,000 for property damage.
- ****Homeowner/Renter Insurance:** Provides money for personal property and structural damage in the event of damage or theft.

Consumer Protection

- The national and state governments provide many services to protect consumers from unsafe and fraudulent business practices.
- **The Federal Trade Commission (FTC)** is the main government agency tasked with regulating businesses in order to protect consumers.
- The FTC was created in 1914 to prevent businesses from limiting competition. Since then, the FTC has expanded its role to also directly protecting consumers by prosecuting businesses for unfair or deceptive practices.

Consumer Protection

- The **FTC's Bureau of Consumer Protection** provides information and other resources specifically to consumers.
- The FTC-BCP assists consumers with identity theft issues, getting credit and loans, equal opportunities in jobs and education, and many others.
- If a violation is reported, the BCP will work with consumers to prosecute offenders and get a resolution for victims.

Consumer Protection

- **Consumer Product Safety Commission (CPSC):** Tasked with creating and enforcing policies for safe products other than food, pharmaceuticals, alcohol, and guns.
- The CPSC can issue a recall (all products returned and removed from store shelves) for products deemed to be unsafe for consumers.
- **The Food and Drug Administration (FDA):** Provides the same regulations as the CPSC but for food, pharmaceuticals, and cosmetics.
- The FDA also funds testing of new drugs before they are allowed to be sold.

Consumer Protection

- **Federal Communications Commission (FCC):** determines content that can be shown/aired on TV and radio. Prevents businesses from intentionally lying in advertisements.
- **Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF):** Specifically in charge of regulating the sale and safety of these products.
- **NC Department of Justice:** State agency in charge of protecting consumers and regulating businesses in NC.