

# Risk Management and Insurance

**SUBJECT(S):** Personal Finance

**GRADE LEVEL(S):** 9, 10, 11, 12

## ≡ OVERVIEW:

You own things like that great smartphone attached to your hand. How do you protect your possessions from loss? How much risk are you willing to take, and would you like someone to share your risk? What are you willing to pay for this risk sharing? This is why you need to know about insurance.

## ≡ NBEA STANDARD(S):

- Personal Finance, VIII. Protecting Against Risk

## ≡ WHARTON GLOBAL YOUTH PROGRAM ARTICLE:

- [“Career Spotlight: Inside Actuarial Science”](#)

TOPIC/COMPETENCY: Risk Management and Insurance

CEE National Standard:

Standard 6 Protecting and Insuring – Benchmark 12-6

Jump\$tart National Standard:

Risk Management and Insurance Standard 1

Common Core State Standard:

CCSS.ELA-Literacy.RI.11-12.4

CCSS.ELA-Literacy.W.11-12.2.e

LESSON TITLE : Insurance/Risk Mitigation Principles

ESTIMATED TIME: 50 min

MATERIALS NEEDED: computer, paper and pencil, digital projector, copies of worksheets (linked below)

KEY VOCABULARY/TERMS: [Deductible](#), [Assets](#). risk, risk sharing, policy, policyholder, underwriter,

WHY THIS MATTERS TO YOU NOW: You own things like that great smartphone attached to your hand. How do you protect your possessions from loss? How much risk are you willing to take, and would you like someone to share your risk? What are you willing to pay for this risk sharing? This is why you need to know about insurance.

Activities:

- Motivational hook / activity –
  - Brainstorm a list of disasters/accidents/events that might occur in your life that would put you at financial risk
  - Watch <https://youtu.be/vtP-S9OS0o0> to understand that life has unexpected events and you need insurance to protect yourself.
- Comprehension –
  - Read Insurance 101 article. In groups create a visual of many ideas about insurance.
  - [Types of Insurance PowerPoint presentation.ppt – Google ...](#) – present this powerpoint to class.
- Practicing –
  - [The 411 on Risk and Insurance activity](#)
  - [What's risk got to do with it activity](#)
- Apply –
  - Complete the building wealth worksheet to demonstrate the financial component of insurance.
  - Interview your parent or guardian about what types of insurance they have and why they feel it is important to have insurance. Be prepared to chart your

results with the class and list reasons why insurance is important.

- Going Further / Homework – Design an insurance plan to cover student textbooks. What risks will you cover? If the book costs \$45 what will the insurance cost be per year based on the law of large numbers and an assumed loss of 1 book and damage to 5 books.

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