

Illustrating insurance concepts

Students illustrate their understanding of insurance by creating a poster depicting key insurance concepts.

Learning goals

Big idea

Insurance helps protect people from financial risks.

Essential questions

- How does insurance protect you from paying high costs if something goes wrong?
- How do insurance policies work?

Objectives

- Identify some common types of insurance
- Describe how insurance works

What students will do


- Review information about insurance to understand how it can help people manage risk.
- Make a poster illustrating their understanding of insurance concepts.

NOTE

Please remember to consider your students' accommodations and special needs to ensure that all students are able to participate in a meaningful way.

KEY INFORMATION

Building block:

 Financial knowledge and decision-making skills

Grade level: High school (9-12)

Age range: 13-19

Topic: Protect (Managing risk, Using insurance)

School subject: CTE (Career and technical education), Fine arts and performing arts, Physical education or health

Teaching strategy: Project-based learning

Bloom's Taxonomy level: Create

Activity duration: 45-60 minutes

National Standards for Personal Financial Education, 2021

Managing risk: 12-1, 12-2, 12-3, 12-5, 12-6, 12-7, 12-8

These standards are cumulative, and topics are not repeated in each grade level. This activity may include information students need to understand before exploring this topic in more detail.

Preparing for this activity

- While it's not necessary, completing the "[Exploring types of insurance](#)" activity or the "[Reading about insurance](#)" activity first may make this one more meaningful. You also can share the "What is insurance" poster with your students. Download or order free copies at <https://pueblo.gpo.gov/CFPBPubs/CFPBPubs.php?PubID=13471>.
- Print copies of all student materials for each student, or prepare for students to access them electronically.
- Gather supplies for students to use to create their posters, including paper or poster board, colored pencils, and markers, or computers or tablets with design software.

What you'll need

THIS TEACHER GUIDE

- [Illustrating insurance concepts \(guide\)](#)
[cfpb_building_block_activities_illustrating-insurance-concepts_guide.pdf](#)

STUDENT MATERIALS

- [What is insurance? \(handout\) \(optional\)](#)
[cfpb_building_block_activities_what-is-insurance_handout.pdf](#)
- Art supplies and paper/poster board or computers/tablets with design software

Exploring key financial concepts

A risk is something that exposes us to danger, harm, or loss. We face risks every day, and often these risks can have a financial impact on our lives. Getting sick, breaking a leg, having a car accident, or experiencing a house fire are examples of risks that may happen to any of us. If we had to pay full costs for doctor's visits, surgeries, and automobile repairs ourselves, it could cause a substantial financial burden in our lives.

To protect against the financial consequences associated with these risks, people often choose or are required to purchase insurance policies. Insurance policies reduce a person's financial risk in areas such as health (medical insurance), eyesight (vision insurance), automobiles (auto insurance), property (homeowner's or renter's

TIP

Because insurance products, terms, and laws change, students should be encouraged to always look for the most up-to-date information.

insurance), and death (life insurance). Consumers pay a fee for these policies, called a premium, which is typically much less than the costs associated with this risk without insurance. The consumer who buys the insurance policy is called a policyholder. The policyholder might pay the premium all at once or through a payment plan that divides the total cost into payments that are made monthly, quarterly, or some other agreed payment schedule.

Premiums aren't the only costs to consumers with insurance. Two other common costs are deductibles and copayments. A deductible is the amount of expenses the insured must pay before the insurance company will contribute toward the covered item. For example, the amount you pay for covered health care services before your insurance plan starts to pay is your deductible. A copayment (or copay) is a fixed amount (\$20, for example) you pay for a covered health care service in addition to the amount your insurer pays.

Note: It's also helpful to know that people get insurance not only to help with risks from unexpected events but also to help pay for routine things, such as annual medical checkups and dental visits. In addition, insurance companies negotiate discounts with health care providers, so their customers pay those discounted rates.

Teaching this activity

Whole-class introduction

- Ask students if they or someone they know has insurance for something and had to use it.
- If they have, ask volunteers to share what happened.
 - Examples may include a broken cell phone screen, a car accident, or flood damage to a home.
- Read the "Exploring key financial concepts" section to students.
- Be sure students understand key vocabulary:
 - **Beneficiary:** Someone or something named to receive proceeds or benefits. In the insurance context, it's the person, charity, trust, or estate designated by the policyholder to receive the policy's benefits or payments.
 - **Copayment (or copay):** A fixed amount (\$20, for example) you pay for a covered health care service in addition to the amount your insurer pays.
 - **Deductible:** The amount of expenses the insured must pay before the insurance company will contribute toward the covered item. For example, the amount you pay for covered health care services before your insurance plan starts to pay is your deductible.

- **Insurance:** The practice or arrangement in which a company or government agency provides a guarantee of compensation for specified loss, damage, illness, or death in return for payment of a premium.
- **Insured:** The person, group, or organization whose life or property is covered by an insurance policy.
- **Insurer:** A person or company offering insurance policies in return for premiums; person or organization that insures.
- **Policy:** In the insurance context, it is a written contract between the insured and the insurer.
- **Policyholder:** The individual or firm that acquires and wants protection from the risk and generally in whose name an insurance policy is written. The holder is not necessarily the insured. For instance, life insurance policies might be bought by employers of key employees, or a person may buy and be the holder of a life insurance policy on their spouse. In such cases, the buyer is the policyholder.
- **Premium:** The amount of money that has to be paid for an insurance policy.
- **Risk:** Exposure to danger, harm, or loss.

TIP

Visit CFPB's financial education glossary at consumerfinance.gov/financial-education-glossary/.

Individual work

- Distribute the “What is insurance?” handout to students, or direct students to access it electronically.
- Explain that students will create a poster explaining some basic concepts about how insurance works and how it can lower their financial risk.
 - Students can refer to the handout as needed.
- Pass out art supplies and paper or computers/tablets with design software.
- Tell students that their posters should include the following:
 - A message about why insurance is important.
 - At least three key words about insurance.
 - An image (or images) that represents a key concept about insurance.

Wrap-up

If time allows, have students put up their posters around the room and invite them to participate in a gallery walk to view one another's artwork:

- Have students begin at their own poster.
- Tell them to move to the next poster on the right.
- Count to 10 and then have students move to the next poster on the right.
- Repeat until students are back at their own poster.

Suggested next steps

Consider searching for other [CFPB activities](#) that address the topic of protection, including managing risk and using insurance. Suggested activities include "[Creating an insurance commercial](#)", "[Understanding how insurance works: A case study about Lucy](#)", or "[Understanding how insurance works: A case study about Omar](#)".

Measuring student learning

Students' posters can give you a sense of their understanding. **Keep in mind that students' posters may vary, as there may not be only one right approach.** The important thing is for students to have reasonable justification for their approach.

If you choose to use the scoring rubric below to grade this activity, be sure to share it with all students so they know what criteria matter most and they can plan accordingly.

SCORING RUBRIC

Header	Possible points	Points earned
Clarity of the poster's message and purpose	40	
Inclusion of at least three key vocabulary words	30	
Use of images that help reinforce the understanding of insurance concepts	30	
Total points	100	