

LESSON PLAN – THE BASICS OF INSURANCE

1 EDUCATIONAL STANDARD

NRS 389.074(1)(g)

1. The board of trustees of each school district and the governing body of each charter school shall ensure that instruction in financial literacy is provided to pupils enrolled in grades 3 to 12, inclusive, in each public school within the school district or in the charter school, as applicable. The instruction must include, without limitation:

- (g) The skills necessary to understand the basic principles of insurance, including, without limitation:
 - (1) Understanding the function of various insurance policies; and
 - (2) Determining the quality of an insurance provider.
- (h) The skills necessary to plan for higher education and career choices, including, without limitation:

Nevada Academic Content Standards for Social Studies

SS.9-12.FL.10. Analyze the purpose and specifics of various insurance plans as well as compare quality of insurance providers.

2 OBJECTIVES

1. *Understand insurance is the transfer of risk*
2. *Describe reasons to study insurance*
3. *Examine the insurance cycle and related careers*
4. *Recognize potential risk exposures and consequences of underinsurance.*
5. *Identify criteria for choosing an insurer*
6. *Discuss insurance usage within students' households*

3 RESOURCES

https://www.insureuonline.org/quiz_youngsingles.htm This 10-question quiz with answers covers risk factors that affect auto, renter and homeowner premiums. It is included as an introductory activity but can be used as a group discussion or evaluation.

Ads, mascots, logos, jingles, slogans—These have not been included in this resource package. These are readily available from online sources, and you can choose content that is appropriate to your students.

(2) PowerPoint—The Basics of Insurance—This 15-slide PowerPoint includes presenter notes and animations that provides foundational information on how insurance works, a discussion of perils/risks, and criteria for choosing an insurer. (PowerPoint)

(2a) PowerPoint—The Basics of Insurance (PDF) —The presentation has been saved as a PDF in case there are technical issues with the PowerPoint. (PDF)

(3) Terms List—The Basics of Insurance (PDF)—A terms list is included with each lesson plan for study and review purposes.

4 LEARNING PLAN

INTRO ACTIVITY – 3 OPTIONS

Choose an introductory activity.

1. Insurance familiarity—As a class exercise, take the InsureU Young Singles 10-question quiz found at https://www.insureuonline.org/quiz_youngsingles.htm . (Answers are given after each question.) This could be done as two teams. Use as the basis of discussion or “pre-test”. It is anticipated that terms will be unfamiliar.
2. Beyond the ads—Select several funny insurance ads from online sources to introduce the general topic. Show 2-3 ads. Discuss what these ads are marketing (insurance) and what content they convey (usually competitive price and quick purchase). Do the ads help viewers understand what is being sold? Can students think of more examples of insurer ads? Why is this style of advertising so common? Have students learned anything about insurance through these ads? What do students know about insurance?
3. Recognizable mascots, logos, jingles, and slogans—Choose 5 images of insurer logos or mascots. (Jingles or slogans could also be used.) As a class exercise, show the images and identify the company associated with each image, jingle or slogan. Discuss the brand recognition of the insurers. Discuss the hook versus the content as well as the advertising budgets involved. Are the ads successful? What did the students learn about insurance from these advertising methods? How can students learn about insurance?

PRESENTATION – CONTENT

To cover content, use the PowerPoint “The Basics of Insurance” with presenter notes. A script has been included in the notes of the presentation; however, if there are technical issues with seeing the notes, a PDF summary has been included in the zip file.

PRACTICE/ASSIGNMENT/EVALUATION (2 OPTIONS)

Choose an introductory activity.

1. Interview—Ask students to interview their parents/guardians using the following questions.
 - a. *What types of insurance protect our household? (Under family’s control—exclude workplace i.e. workers’ comp)*
 - b. *How much does our household spend on insurance per year? (Tier \$1000 to \$5000, more than \$5000 OR estimate as percent of income?)*
 - c. *How does having insurance make you feel?*
 - d. *What are some things you considered when choosing to have this insurance?*
 - e. *What made you choose these insurers?*

2. As a class activity, select a product line and an insurer and go through some of the criteria to choose an insurer.
 - a. *Check with the Nevada Division of Insurance that the insurer is licensed to do business in Nevada. A lookup tool is available at <http://di.nv.gov/ins/f?p=licensing:search>. (An insurer is a “Company” for this software.)*
 - b. See if complaints have been filed against the insurer. (See the complaints suggestion in the Enrichment section below.)
 - c. You could check that an agent is licensed to sell you the product.
<http://di.nv.gov/ins/f?p=licensing:search> (“Agent”) You will also be able to see which qualifications or line types the agent is permitted to handle. (Auto is part of the “Property” qualification.)

CLOSURE

Beyond the ads—Show 1-3 funny ads, similar to the opening activity suggested above. What do the students notice this time? Do they see the content any differently?

5 ENRICHMENT

The activities presented below can be used as discussion points, individual or group projects or in place of suggested introductory activities.

1. Ben Franklin was referring to fire safety when he wrote, “An ounce of prevention is worth a pound of cure.” Research Ben Franklin, the Philadelphia Contributionship and its early underwriting and investment practices.
2. Examine how the development of insurance corresponded with the development of legal, accounting and commercial systems as well as the London stock exchange.
3. The Consumer Information Source of the National Association of Insurance Commissioners (NAIC) has lookup tools for complaints against insurers at <https://eapps.naic.org/cis/>. An explanation of how to use these tools is provided by NerdWallet at <https://www.nerdwallet.com/blog/insurance/find-complaints-insurance-companies/>. Note that the names of the insurers must be specific, as insurers who are part of the same group or holding company may have similar names. The number of complaints is often proportional to the size of the insurer and number of policies written. Ask students to look up their insurance carriers and describe the complaints that have been filed.
4. Using the slide called “How Insurance Works” from The Basics PowerPoint, generate a list of possible careers in the insurance industry. There are many planning, project management, analyst, financial management, compliance, data management and information technology roles in addition to the more visible agent role.