

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.

KEY INFORMATION

Building block:

 Financial habits and norms

Grade level: High school (9-12)

Age range: 13-19

Topic: Protect (Managing risk)

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

Teaching strategy: Project-based learning

Bloom's Taxonomy level: Create

Activity duration: 15-20 minutes

STANDARDS

Council for Economic Education
Standard VI. Protecting and insuring

Jump\$tart Coalition
Risk management and insurance -
Standards 1 and 3

Preparing for this activity

- Print copies of all student materials for each student, or prepare for students to access them electronically.
- While it's not essential, having students complete activities such as "[Reading about insurance](#)," "[Understanding how insurance works](#)," or "[Exploring types of insurance](#)" before doing this one may make it a more meaningful experience.
- Gather supplies for students to use to create their poster, including paper, colored pencils, and markers. Alternatively, designs can be created digitally.

What you'll need

THIS TEACHER GUIDE

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

STUDENT MATERIALS

- **Illustrating insurance concepts (worksheet)**
[cfpb_building_block_activities_illustrating-insurance-concepts_worksheet.pdf](#)
- **What is insurance? (handout)**
[cfpb_building_block_activities_what-is-insurance_handout.pdf](#)
- **Art supplies or computers/tablets for digital design**

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 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.

Teaching this activity

Whole-class introduction

- Be sure students understand key vocabulary:
 - **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 an 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 husband may buy and be the holder of a life insurance policy on his wife. 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/.

- Distribute the “Illustrating insurance concepts” worksheet to students, or direct students to access it digitally.
- Explain that students will create an informational poster explaining some basic concepts about how insurance works and how it can lower their financial risk.
- Pass out art supplies or have computers or tablets set up for digital design work.

Individual work

- Review the “Illustrating insurance concepts” worksheet with students to be sure they understand their task.
- Student 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.
- Give students 10-15 minutes to design and draw their posters.

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.

Suggested next steps

Consider searching for other [CFPB activities](#) that address the topics of protection and managing risk.

NOTE

This activity assumes students have some previous knowledge about insurance and can get started immediately on creating their posters. If they are new to the topic, you may want to distribute the “What is insurance?” handout, or direct students to access it digitally, so they have some background information to work from. This may take more than the 15-20 minutes estimated for this activity.

Measuring student learning

Students' worksheets and posters will help you gauge their understanding of how insurance helps reduce financial risk.

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

Keep in mind that students' answers may vary, as there may not be only one right answer. The important thing is for students to have reasonable justification for their answers.

INSURANCE CONCEPTS POSTER SCORING RUBRIC

Poster criteria	Points possible	Student's score
Clarity of the poster's message and purpose	40 points	
Inclusion of at least three key vocabulary words	30 points	
Use of images that help reinforce the understanding of insurance concepts	30 points	