

# Learning about the Good Student Discount

Students work with a partner to research information about teen drivers and the “Good Student” insurance discount.

## Learning goals

### Big idea

Being a responsible teen driver and a good student can earn a student discount on car insurance.

### Essential questions

- Why are teens considered high-risk drivers?
- How can being a good student earn an auto insurance discount?

### Objectives

- Analyze information about teen drivers
- Evaluate risk factors, premiums, and financial responsibility related to auto insurance for teens
- Learn how being a good student can help earn an auto insurance discount

### NOTE

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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:

-  Executive function
-  Financial knowledge and decision-making skills

Grade level: Middle school (6–8)

Age range: 11–14

Topic: Protect (Managing risk, Using insurance)

School subject: English or language arts

Teaching strategy: Competency-based learning

Bloom’s Taxonomy level: Understand, Evaluate

Activity duration: 45–60 minutes

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### National Standards for Personal Financial Education, 2021

Managing Risk: 4-1, 4-2, 4-4, 8-1, 8-2, 8-3, 8-4, 8-5, 12-4

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.

## What students will do

- Research information about teen driving on the Insurance Information Institute website.<sup>1</sup>
- Research information about how being a good student can earn an automobile insurance discount.

## Preparing for this activity

- While it's not necessary, completing the "Protecting yourself against risk" activity first may make this one more meaningful.
- Consider displaying the poster, "What is Insurance?" before doing this activity.
  - You can order the poster for free here: <https://pueblo.gpo.gov/CFPBPubs/CFPBPubs.php?PubID=13471>
- Print copies of all student materials for each group of students, or prepare for students to access them electronically.
- Become familiar with the Insurance Information Institute webpage on teen drivers at <https://www.iii.org/article/background-on-teen-drivers>.
- Secure access to the Internet and computers or tablets so students can conduct research.

## What you'll need

### THIS TEACHER GUIDE

- Learning about the Good Student Discount (guide)  
[cfpb\\_building\\_block\\_activities\\_learning-about-good-student-discount\\_guide.pdf](#)

### STUDENT MATERIALS

- Learning about the Good Student Discount (worksheet)  
[cfpb\\_building\\_block\\_activities\\_learning-about-good-student-discount\\_worksheet.pdf](#)
- What is insurance? (handout)  
[cfpb\\_building\\_block\\_activities\\_what-is-insurance\\_handout.pdf](#)
- The Insurance Information Institute webpage on teen drivers at <https://www.iii.org/article/background-on-teen-drivers>
- Computers or tablets with web access

1. The Consumer Financial Protection Bureau does not endorse this third party or guarantee the accuracy of this third-party information.

## Exploring key financial concepts

Most states require everyone who drives to have a car insurance policy. If your car is damaged in an accident, this type of insurance will help you pay for repairs or help replace your car. Car insurance can also pay for damage to someone else's car or property and cover medical expenses for you and others. The amount you pay for your insurance policy is called your premium. How much your premium costs generally depends on how much of a risk you're expected to be to an insurance company. A major accident could cause severe injuries to a lot of people and cause thousands of dollars in damage. Car insurance for teens can be very expensive. Learning about the Good Student Discount can help save money.

### TIP

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Not all insurance companies offer the Good Student Discount. Because products, terms, and laws related to auto insurance change, students should be encouraged to always look for the most up-to-date information.

## Teaching this activity

### Whole-class introduction

- Distribute the "What is insurance" handout and give the students time to read it. Ask students if they want to get a driver's license when they're old enough.
- For those students who want to get a driver's license, ask them to share what they know about car insurance.
- Distribute the "Learning about the Good Student Discount" worksheet.
- Divide students into groups of two or three.
- Tell students that they'll visit a website to learn about teen drivers.
- Be sure students understand key vocabulary:
  - **Claim:** The insured's request for payment due to loss incurred and covered under the policy agreement.
  - **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.
  - **Insurer:** A person or company offering insurance policies in return for premiums; person or organization that insures.

### TIP

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Visit CFPB's financial education glossary at [consumerfinance.gov/financial-education-glossary/](https://consumerfinance.gov/financial-education-glossary/).

- **Out-of-pocket cost:** The expenses and losses that are not reimbursed by insurance. This cost includes deductibles, copayments, and amounts paid for services or repairs that are excluded from coverage. It's the amount paid before insurance coverage kicks in.
- **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
- **Premium:** The amount of money that has to be paid for an insurance policy.
- **Risk:** Exposure to danger, harm, or loss.

## Group work

- Students will work in groups to research the Insurance Information Institute webpage on teen drivers at <https://www.iii.org/article/background-on-teen-drivers>.
- Using information from the webpage, students will complete the questions on the "Learning about the Good Student Discount" worksheet.
- Students will answer the reflection questions.

## Wrap-up

Bring the class back together and discuss the answers to questions 11-14. Those are specific to the state in which you live.

## Suggested next steps

Consider searching for other [CFPB activities](#) that address the topics of protection, including managing risk and using insurance. Suggested activities include ["Creating a poster about insurance"](#) and ["Playing an insurance game."](#)

## Measuring student learning

Students' answers on their worksheets and during discussion can give you a sense of their understanding.

This answer guide provides possible answers for the “Learning about the Good Student Discount” worksheet. **Keep in mind that students’ answers to reflection questions may vary, as there may not be only one right answer.** The important thing is for students to have reasonable justification for their answers.

### Answer guide

1. What is the leading cause of teen death?	<b>Motor vehicle accidents</b>
2. What increases the chance of teens having an accident?	<b>Night driving or having teen passengers</b>
3. What does GDL stand for?	<b>Graduated Drivers License</b>
4. What is the age drivers in most states must be to operate a car without supervision?	<b>16</b>
5. Name a major distraction that is a significant factor in accidents for drivers of all ages?	<b>Smartphone use/texting</b>
6. Rates for auto insurance is the highest for what age of drivers?	<b>Teenage drivers</b>
7. How much can adding a teenager to an insurance policy increase the premium?	<b>50 to 100 percent</b>
8. What is the grade point average that a student must have in order to qualify for the Good Student Discount?	<b>Grade point average of a B or higher</b>
9. What is a DriveCam?	<b>A camera that alerts parents when a teen driver makes a driving error</b>
10. Does the DriveCam help you to earn any other discounts on your insurance?	<b>Yes</b>
11. In your state, what is the minimum period that you must have your learner’s permit?	<b>Answers may vary</b>
12. In your state, is there a restriction on night driving?	<b>Answers may vary</b>
13. In your state, are there any passenger restrictions?	<b>Answers may vary</b>
14. In your state, are you allowed to operate a cell phone while driving?	<b>Answers may vary</b>