



Smooth Sailing: Exploring Insurance and Estate Planning

LESSON 17: TEACHER'S GUIDE

Life isn't always smooth sailing, and if you're not prepared for bumpy waters, it can take a toll on your finances and even those of your loved ones. In this lesson, students will explore the idea of risk, how to assess the risk in a given situation and how to protect themselves and their families through insurance and estate planning. By the end of the lesson, students will understand that while life always involves personal and financial risks, these risks can be minimized and their assets protected with the right level of preparation.

Topic: Insurance/Estate Planning

Time Required: 80 minutes

SUPPLIES:

- Notebooks
- Projector
- 3 images of high-risk situations
- Computers or tablets
- Internet access
- Student activity sheets (3)

PREPARATION:

- Copy the student activity sheets
- Collect images using <https://images.google.com>
- Cut apart scenarios on the **Insurance Matchmaker** activity sheet

STUDENT ACTIVITY SHEETS:

My Perfect Plan

Students will learn why insurance policies are needed.

Insurance Matchmaker

Students will match insurance needs with policies through role-playing.

Where There's a Will, There's a Way

Students will learn about and practice writing a will.

LEARNING OBJECTIVES:

Students will...

- Analyze risks and determine how to prevent them
- Discuss how insurance can protect against financial risk and compare different types of insurance
- Learn the role of estate planning in protecting assets and family

STANDARDS:

Jump\$tart Standards:

- Risk Standards 1, 2 and 3
- Financial Responsibility Standard 4
- Planning Standard 7

National Standards for Economics:

- Standard 2: Decision Making

Common Core ELA Anchor Standards:

- Writing: Research to Prepare and Build Knowledge
- Writing: Informative/Explanatory Texts
- Speaking and Listening: Comprehension and Collaboration
- Language: Vocabulary Acquisition and Use

Common Core Math Standards:

- Modeling

Essential Question*“How do I protect myself from financial risks?”***Investigate: Risks**

[Time Required: 20 minutes]

1. Begin by displaying three high-risk images such as bungee jumping, skydiving or climbing a mountain without a harness, and ask students to share their initial reactions. Were the images exciting? Would they participate in the activities? Why or why not?
2. Ask students what the images have in common and introduce the concept of **risk**. How do students define risk? What other risky activities can they think of? Their responses might include extreme sports, sneaking out at night, riding in the car without a seat belt, disobeying parents, stealing, etc.
3. Next, write two of the suggested risks on the board, and ask students how they could protect themselves from these risks. For example, if they suggested rock climbing, they could protect themselves by using safety gear.
4. Discuss how the above option is a way to protect physical wellbeing. How can we protect our financial wellbeing? Explain that in the same way that climbing gear provides safety, **insurance** keeps finances safe, even when the unexpected happens.
5. Help students understand that an **insurance policy** is a contract between the consumer and insurance company that outlines coverage plans. For example, you might have health insurance, but that doesn't mean every medical service is covered. The insurance policy explains what the insurance company will and will not pay for.
6. Next, write three common insurance terms and their definitions out of order on the board, so students can match the terms to the definitions:

Terms:

Definitions:

Premium:

The amount paid to the insurance provider every month in order to maintain an insurance plan.

Co-Pay:

Primarily for health insurance; the amount owed each time you visit the doctor.

Deductible:

Measured on a yearly basis; refers to the amount you must pay before your insurance provider begins to cover costs.

**TEACHER'S TIP****What is the Essential Question?**

The Essential Question is designed to “hook” the learner, promote inquiry and engagement with the lesson, and allow students to exercise problem-solving abilities. It addresses a larger concept, does not have a right or wrong answer, and requires higher-order thinking skills.



7. Divide the class into small groups and ask each group to match the term with its definition based on their existing knowledge of insurance. Invite volunteers to share answers and discuss the value of each term. Why are they important to consider when reviewing an insurance policy? What misconceptions did students have about the terms?
8. Help students understand that paying a small amount, or **premium**, each month can save thousands in the long run. For example, if you pay a **premium** of \$50 on auto insurance every month, chances are it will still be less than the total cost of repairs if you were in a collision.
9. Next, discuss why it's important to consider **deductibles** and **co-payments**. For example, if your car insurance deductible is \$1,000 and an accident causes \$17,000 of damage, \$1,000 must be paid before insurance will pay the rest. Similarly, your health visits may be mostly covered by insurance, but you may still have to pay a small fee, or co-pay.

Student Preparation: Types of Insurance

[Time Required: 20 minutes]

10. Next, explain to students that there are many different types of insurance that protect us in different situations; including life, car, homeowners, travelers, personal property and health insurance. Depending on our needs, we seek different insurance types for protection.
11. Distribute the activity sheet **My Perfect Plan** and review the definitions of the types of insurance as a class. Help students understand that various types of insurance protect us from a variety of financial events. For example, life insurance protects us financially in the case of death, while car insurance protects us if we are involved in a car accident. Ask students which types of insurance they will encounter in their life and when.
12. Divide the class into small groups and assign each group one type of insurance from the activity sheet. Tell students they will now conduct online research to compare insurance policies. Give them 15 minutes to complete the research and activity.
13. Invite volunteers to share their research. What insurance policies did they find? How did they compare plans? How did the deductible, co-pay and premium differ among policies? Help students understand that selecting the right policy can protect them from financial risks, so it's important to consider what a policy covers and the associated costs.



TEACHER'S TIP

Extension Activity:

Ask students to brainstorm things they want to accomplish that might be considered a "risk." Do they want to climb Mount Everest or go white water rafting? Ask them to create a collage representing their risky dreams, and encourage them to be creative. Next, ask students to create a list of ways they can protect themselves in order to make their dreams a reality. What kind of insurance would they get and why? How can they participate in risky activities while also mitigating risk?

Challenge 1: Perfect Match

[Time Required: 15 minutes]

14. Distribute a scenario or insurance policy to each student from the **Insurance Matchmaker** activity, and invite students to mingle around the room in search of their ideal matches. For example, if a student's card contains a scenario, he or she will look for the best insurance policy for that scenario, and if a student's card contains an insurance policy, he or she will look for someone who would want to "buy" that policy.
15. Give students two minutes to read their scenario or policy and think about what type of insurance or buyer they are looking for. For example, someone "selling" car insurance wouldn't be a match for a student seeking healthcare coverage.
16. Tell students they will have five minutes to walk around the room asking questions of others to find their best matches. When they think they have found a match, they should sit down in pairs and discuss why their scenario and policy work together.
17. Invite a volunteer from each group to read their scenario, and ask each pair in the group to explain what policy they discovered and why they selected that option. Help students understand that priorities, needs and lifestyle should be considered when purchasing any type of insurance.

Challenge 2: Making a Will

[Time Required: 25 minutes]

18. Begin by asking students "What happens to money and property after you or a family member dies?" Explain that in order to know where our money goes when we're gone, we need to have an **estate plan** that details what we would like done with our money. Ask students if they have ever heard this term before and if so, in what context? Explain that **estate planning** is a process that helps plan for the distribution of belongings and finances in the event of death. An important part of estate planning is creating a living will.
19. Next, divide the class into groups of four and distribute part one of the activity sheet **Where There's a Will, There's a Way**. Explain that students will research online to discover the components of a will.
20. Give the groups 10 minutes to conduct research and then invite each group to share their discoveries. What are the important components of a will? Did every group agree? Why do they think each component is important? What would happen if you didn't have a will?



TEACHER'S TIP

Time Saver:

To have students complete this activity in less time, assign each scenario to just one student. He or she can read that scenario to the class and students can determine, as a group, which scenarios are matches.

21. Next, give students 10 minutes to complete part two of ***Where There's a Will, There's a Way***. Ask them to compare and contrast the wills they create with a partner by discussing similarities and differences in the division of assets.
22. Invite volunteers to share their wills with the class and discuss why creating a will is an important part of financial planning.

Reflection

[Time Required: 5 minutes]

Ask students to write in their notebooks about the importance of managing risk and how they will manage risks in their future. What are the steps they will take to fulfill life goals while minimizing financial risk? How will they ensure their assets and family are protected no matter what life brings their way?



TEACHER'S TIP

What is Reflection?

The Reflection part of the class gives students the opportunity to reflect on the bigger-picture meaning of the exercise, and to assimilate and personalize some of the concepts and ideas learned about in the class.



Where There's a Will, There's a Way

LESSON 17: ANSWER KEY 1

Part One

Answers will vary, but should include the items below.

The important aspects of a will are:

- The naming of an executor, or someone who will ensure that your assets are distributed in line with your wishes.
- An explanation of how you would like your estate distributed, including property, stocks, bonds, savings, sentimental items and other assets.
- A statement that the document is a will.
- Your signature, made in the presence of at least two witnesses.
- Identification of guardians for your children, dependents or pets.
- Definition of how you would like your social media accounts handled, and passwords for those accounts.
- Identification of who you would like to manage any property you leave to minor children.

Part Two

Answers will vary.