

# Learning about insurance

Students play a game where they do an action to match common types of insurance with the risks they cover.

## Learning goals

### Big idea

We all face risks in life, and insurance is one way to help reduce financial costs when these challenging life events happen.

### Essential questions

- How does insurance protect people?
- What are some types of insurance?

### Objectives

- Understand the benefits of having insurance
- Identify the purposes of different types of insurance

### What students will do

- Learn about some common types of insurance.
- Play a game where they match common types of insurance with the risks they cover.

### 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:**

 Executive function

 Financial knowledge and decision-making skills

**Grade level:** Elementary school (2-3), (4-5)

**Age range:** 7-9, 9-11

**Topic:** Protect (Managing risk, Using insurance)

**School subject:** English or language arts, Fine arts and performing arts, Physical education or health

**Teaching strategy:** Cooperative learning, Gamification

**Bloom's Taxonomy level:** Understand, Analyze, 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, 8-5

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 ways to protect what's important to us" activity first may make this one more meaningful.
- Print a copy of the "Insurance scenarios and answer guide" at the end of this guide to read to students.

### What you'll need

#### THIS TEACHER GUIDE

- Learning about insurance (guide)  
[cfpb\\_building\\_block\\_activities\\_learning-about-insurance\\_guide.pdf](cfpb_building_block_activities_learning-about-insurance_guide.pdf)
- Insurance scenarios and answer guide (in this guide)

## Exploring key financial concepts

A risk is something that can cause danger, harm, or loss. We face risks every day. Getting sick, having a car accident, or having a storm damage your house are examples of risks. We can't tell ahead of time when things like this will happen. And when they do happen, paying for them could cost a lot of money. Often, people can't afford to pay the full cost of these unexpected events. To protect themselves from risks, people often buy insurance. Insurance is an agreement in which a person makes payments to a company and the company promises to pay money if the person is injured or dies or if something valuable that the person owns – like a house, car, or expensive jewelry – is damaged, lost, or stolen. Different types of insurance are used for different types of risks. Some common types of insurance include health insurance for people's health, auto insurance for cars, and homeowner's or renter's insurance for houses or apartments and the things in them. Having insurance can help people manage their money.

#### TIP

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

## Teaching this activity

### Whole-class introduction

- Ask students if they know what insurance is or does.

- Read the “Exploring key financial concepts” section to the class to explain insurance.
- Tell students that some common types of insurance are auto insurance, health insurance, homeowner’s insurance, and renter’s insurance.
- Explain those types of insurance:
  - **Auto insurance:** Protects a person against financial loss if a vehicle is in an accident, damaged, or stolen.
  - **Health insurance:** Covers the cost of medical expenses due to illness, injuries, and health conditions.
  - **Homeowner’s insurance:** Covers a home and the things in it in case of damage or theft; helps pay for repairs and replacement.
  - **Renter’s insurance:** Covers the cost of replacing things that are stolen, damaged, or ruined in a house or apartment that is being rented.
- Be sure students understand key vocabulary:
  - **Insurance:** An agreement in which a person makes payments to a company and the company promises to pay money if the person is injured or dies or if something valuable that the person owns – like a house, car, or expensive jewelry – is damaged, lost, or stolen.
  - **Protect:** To make sure that somebody or something isn’t harmed, injured, damaged, or lost.
  - **Risk:** Exposure to danger, harm, or loss.

#### TIP

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

## Group work

- Tell students that they’ll play a game involving the four types of insurance you discussed.
- Group students in pairs.
- Explain that you’ll read a short paragraph describing a situation where someone would need auto, health, homeowner’s, or renter’s insurance.
- Students will talk briefly with their partner to decide which type of insurance is needed.
- Tell students that when you say “Action,” they’ll stand and give their answer by doing an action:
  - If they think the answer is auto insurance, they’ll pretend they’re holding a steering wheel.

- If they think the answer is health insurance, they'll give themselves a hug.
- If they think the answer is homeowner's or renter's insurance, they'll make a pretend roof over their heads.
- You may consider modeling the actions to make sure students understand.

The actions can look like the ones shown below.

Action for auto insurance	Action for health insurance	Action for homeowner's or renter's insurance
		

- Remind students to answer with an action, not with words.
- Use the "Insurance scenarios and answer guide" to share the answers with students.

## Wrap-up

- Bring students back together and ask them:
  - What types of insurance do you think you'd need when you grow up?
  - Why did you choose those types of insurance?

## Suggested next steps

Consider searching for other CFPB activities that address the topic of protection, including managing risk and using insurance. Suggested activities include "Comparing places to save money" and "Play-acting ways to protect." For grades 2-3, another suggested activity is "Bouncing ball protection game."

# Measuring student learning

Students' answers during the game can give you a sense of their understanding.

The "Insurance scenarios and answer guide" provides possible answers for the game. **Keep in mind that students' answers may vary.** The important thing is for students to have reasonable justification for their answers.

## Insurance scenarios and answer guide

- Read the scenarios to the students.
- Give them time to discuss an answer with their partner.
- Say "Action!" when you want them to stand and show their answer with an action.
- Remind students to answer with an action, not with words.

Scenario	Answer
1. A car was broken into. What type of insurance could help the owner repair or replace the car?	<b>Automobile insurance</b>
2. Someone had a small fire in their kitchen in the house they own. What type of insurance could help them repair their house and replace things if they were damaged in this situation?	<b>Homeowner's insurance</b>
3. Someone visits the doctor twice a year for checkups. What type of insurance can help reduce their expenses?	<b>Health insurance</b>
4. Someone rented an apartment and moved in their furniture, electronics, and jewelry. What type of insurance will help them repair or replace their things if they're damaged by water or fire in the apartment building?	<b>Renter's insurance</b>
5. Someone got hurt while hiking. What type of insurance could help them pay the medical bills?	<b>Health insurance</b>
6. During a storm, a large tree fell on the shed in someone's yard. What type of insurance could help them rebuild or replace the shed?	<b>Homeowner's insurance</b>

Scenario	Answer
7. Someone needs to have their tonsils taken out. What type of insurance could help them pay the medical bills?	<b>Health insurance</b>
8. A car hit the back of a truck. (Fortunately, no one was hurt!) What type of insurance will help repair the truck?	<b>Automobile insurance</b>