

The "Analyzing Auto Insurance Scenarios" teacher guide from the Consumer Financial Protection Bureau is designed for high school students (ages 16-19) to explore the financial implications of auto insurance coverage through real-world scenarios. The activity aims to enhance students' executive function, financial knowledge, and decision-making skills, focusing on managing risk and using insurance. Students will learn about various types of auto insurance, including collision, comprehensive, medical payments, bodily injury, property damage, and uninsured/underinsured driver coverage. They will work in groups to select three types of coverage for a character named Isaac and analyze how these choices affect financial responsibility in different accident scenarios.

The guide emphasizes that auto insurance protects against financial loss from accidents, vehicle damage, or theft, and that most states mandate a minimum level of coverage. The out-of-pocket costs depend on the selected coverage, deductibles, and policy limits. Students will engage in cooperative learning, simulating real-life decision-making by calculating potential liabilities based on the coverage they choose for Isaac. Key vocabulary terms such as beneficiary, claim, deductible, insurer, and premium are defined to ensure understanding.

The activity duration is approximately 45-60 minutes, and it aligns with the National Standards for Personal Financial Education. Teachers are encouraged to consider students' accommodations to facilitate meaningful participation. The guide also suggests preparatory activities and provides materials for students to access electronically or in print. After completing the scenarios, students will reflect on their learning and share their findings, reinforcing the importance of selecting appropriate insurance coverage to mitigate financial risks associated with auto ownership and driving.