

LESSON PLAN

Intro to Insurance

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INCLUDED IN THIS PACKAGE

- **LESSON PLAN** (2 pages)
- **ACTIVITY** (5 pages)
- **QUIZ** (1 page)
- **ACTIVITY ANSWER KEY** (3 pages)
- **QUIZ ANSWER KEY** (1 page)

COLLECT FROM YOUR LIBRARY

- **VIDEO 18** (*Intro to Insurance*)
- **PRESENTATION 18** (*Intro to Insurance*)
- **HANDOUT 18** (*Intro to Insurance*)

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LESSON PLAN

Intro to Insurance

GRADES

7 to 12

TIME

45 minutes



OVERVIEW

Insurance can seem complicated, but at its core it's about protecting yourself from unexpected financial loss. In this lesson, students will learn how insurance works, the purpose it serves and how costs are shared between individuals and insurers.

GOALS

- Help students understand how insurance protects against unexpected financial loss
- Familiarize students with real-world examples of insurance types and claims

OBJECTIVES

- Define insurance and explain how it protects against financial loss
- Identify common types of insurance
- Illustrate how premiums, deductibles and claims share costs between policyholders and insurance companies

ASSESSMENT

Use the activity in this lesson plan to assess students' grasp of the topic. An optional quiz is also provided (the quiz is not factored into the lesson's 45-minute runtime).

Did you know? This lesson plan explores concepts from Standard 6 (Managing Risk) from the Council for Economic Education's National Standards for Personal Financial Education.

MATERIALS

- VIDEO 18**—Intro to Insurance
- PRESENTATION 18**—Intro to Insurance
- HANDOUT 18**—Intro to Insurance
- ACTIVITY**—Insurance Claim Game and Answer Key
- QUIZ**—Intro to Insurance and Answer Key

PREPARATION

- Gather digital materials (video and presentation)
- Prepare the **ACTIVITY**: Print one copy of the Activity for each group and cut out the cards on pages 1–4. Print one copy of the Answer Key for the facilitator. Provide each group with one die and up to 60 tokens (e.g., beans, buttons or beads).
- (Optional) Prepare the **ACTIVITY** reflection questions for display (located on page 3 of the Activity Answer Key)
- Print **HANDOUT 18** for each student
- (Optional) Print **QUIZ** (Intro to Insurance) for each student



LESSON PLAN

Intro to Insurance

TIMELINE

5 minutes Introduce topic and show **VIDEO 18** (*Intro to Insurance*)

10 minutes Go over **PRESENTATION 18**

20 minutes Facilitate the group **ACTIVITY**

5 minutes Post-activity discussion

5 minutes Wrap up and distribute **HANDOUT 18**

(Optional) Assessment: **QUIZ** (*Intro to Insurance*)

- Continue play until all groups have played at least five rounds or roughly 15 minutes have passed

5. (Optional) Bring the class back together for a short discussion using the reflection questions in the Answer Key

6. Wrap up by sharing the following:

- Just like in the game, real insurance spreads costs and protects against major losses
- Premiums, deductibles and claims all work together to share costs between policyholders and insurance companies
- Understanding how insurance works helps you choose coverage that fits your needs and budget

7. Distribute **HANDOUT 18**

8. (Optional) Distribute **QUIZ** for individual assessment, or answer the questions together as a class; decide whether or not students can reference their notes/handouts during the quiz

INSTRUCTIONS

1. Introduce and determine students' familiarity with the topic by asking:
 - What is insurance?
 - Why do people buy insurance?
 - Can you think of examples of things people insure?
2. Show **VIDEO 18**
3. Go over **PRESENTATION 18** to reinforce the concepts presented in the video
4. Facilitate the **ACTIVITY**
 - Divide students into small groups of up to five players
 - Have each group choose one player to act as the Insurance Company; the rest will be Policyholders
 - Provide each group with a complete set of Activity cards, a die and 60 tokens
 - Use the Answer Key to guide setup and explain the rules
 - Allow groups to play several rounds, paying premiums, rolling for claims and handling deductibles

NOTES

A set of ten horizontal lines for taking notes, enclosed in a dotted orange border.



ACTIVITY

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INSURANCE CLAIM GAME - COVERAGE CARDS

Directions: Print and cut out the Coverage Cards. Each Policyholder draws one card at random to find out which insurance plan they'll use in the game.

Your policy:
BASIC PLAN

Premium:
1 token per round

Deductible:
1 token per claim

This plan offers balanced coverage at a steady cost each round.

Your policy:
PLUS PLAN

Premium:
2 tokens per round

Deductible:
0 tokens per claim

This plan covers most costs, but comes with a higher price each round.

Your policy:
ESSENTIALS PLAN

Premium:
1 token per round

Deductible:
2 tokens per claim

This plan keeps costs low each round, but requires you to pay more when you make a claim.

Your policy:
LOYALTY PLAN

Premium:
2 tokens per round

Deductible:
1 token per claim

Get 1 token back at the end of any round you don't make a claim.



ACTIVITY

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INSURANCE CLAIM GAME - CLAIM CARDS

Directions: Print and cut out the Claim Cards. Shuffle them together into one deck. When a Policyholder rolls a claim number (5 or 6), they draw the top card and follow its instructions.

<p>NEW CLAIM</p> <p>Cracked Phone Screen: Your phone slips from your hand and the screen shatters, leaving it unusable.</p> <p>Cost: 2 tokens</p>	<p>NEW CLAIM</p> <p>Fender Bender: A minor parking lot collision leaves a dent in your bumper that needs repair.</p> <p>Cost: 5 tokens</p>
<p>NEW CLAIM</p> <p>Stolen Bike: You return from class to find your bike missing from the rack.</p> <p>Cost: 4 tokens</p>	<p>NEW CLAIM</p> <p>Sprained Ankle: You twist your ankle while playing sports and need medical treatment.</p> <p>Cost: 3 tokens</p>
<p>NEW CLAIM</p> <p>Broken Window: A stray baseball from the park next door shatters your window.</p> <p>Cost: 3 tokens</p>	<p>NEW CLAIM</p> <p>Power Surge: A lightning strike causes a surge that damages your gaming console.</p> <p>Cost: 3 tokens</p>
<p>NEW CLAIM</p> <p>Travel Delay: Your flight is canceled due to bad weather, and you must pay extra to rebook.</p> <p>Cost: 3 tokens</p>	<p>NEW CLAIM</p> <p>Package Theft: A package is stolen from your doorstep before you get home.</p> <p>Cost: 4 tokens</p>



ACTIVITY

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INSURANCE CLAIM GAME - CLAIM CARDS

Directions: Print and cut out the Claim Cards. Shuffle them together into one deck. When a Policyholder rolls a claim number (5 or 6), they draw the top card and follow its instructions.

<p>NEW CLAIM</p> <p>Pet Illness: Your dog eats something it shouldn't and needs an unexpected vet visit.</p> <p>Cost: 3 tokens</p>	<p>NEW CLAIM</p> <p>Fridge Failure: A sudden mechanical issue ruins your fridge and the week's groceries.</p> <p>Cost: 3 tokens</p>
<p>MAJOR CLAIM</p> <p>House Fire: A kitchen fire fills your home with smoke, requiring major cleanup and repairs.</p> <p>Cost: 7 tokens</p>	<p>MAJOR CLAIM</p> <p>Car Breakdown: Your car's transmission fails unexpectedly and needs expensive repairs.</p> <p>Cost: 6 tokens</p>
<p>MAJOR CLAIM</p> <p>Plumbing Leak: A burst pipe floods your basement, causing major water damage.</p> <p>Cost: 6 tokens</p>	<p>GROUP EVENT</p> <p>Storm Damage: A powerful storm sweeps through town. Each Policyholder must pay their deductible now.</p> <p>Effect: All Policyholders pay deductibles</p>
<p>GROUP EVENT</p> <p>Community Rebate: It's been a low-claim year in your area. Each Policyholder gains 1 token.</p> <p>Effect: All Policyholders +1 token</p>	<p>GROUP EVENT</p> <p>Product Recall: A safety issue is found in a popular product. Each Policyholder pays 1 token for repairs.</p> <p>Effect: All Policyholders -1 token</p>



ACTIVITY

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INSURANCE CLAIM GAME - POLICY CHANGE CARDS

Directions: Print and cut out the Policy Change Cards. Shuffle them into the Claim deck before play. Apply the card's effect when drawn and keep it nearby as a reminder if needed.

<p>POLICY CHANGE</p> <p>Rate Review: Your insurer raises your premium by 1 token per round starting next round.</p> <p><i>Effect: Premium +1 every round</i></p>	<p>POLICY CHANGE</p> <p>Good Record Discount: Your insurer lowers your premium by 1 token per round starting next round.</p> <p><i>Effect: Premium -1 every round</i></p>
<p>POLICY CHANGE</p> <p>Loyalty Bonus: You earn a reward for being claim-free this term. Skip paying your premium next round.</p> <p><i>Effect: Skip next premium</i></p>	<p>POLICY CHANGE</p> <p>Accident Forgiveness: Your insurer waives your next deductible payment.</p> <p><i>Effect: Skip next deductible</i></p>
<p>POLICY CHANGE</p> <p>Too Many Claims: Your insurer notices a pattern and raises your deductible to cover the extra risk.</p> <p><i>Effect: Deductible +1 every round</i></p>	<p>POLICY CHANGE</p> <p>Insurance Bundle: You add new coverage to your plan. Draw two Claim Cards and choose one to apply.</p> <p><i>Effect: Draw 2 claims, choose 1</i></p>
<p>POLICY CHANGE</p> <p>Late Payment: Your premium payment was late, so your deductible temporarily increases.</p> <p><i>Effect: Double deductible next claim</i></p>	<p>POLICY CHANGE</p> <p>Safety Upgrade: Your new safety gear pays off. You avoid what would have been your next accident.</p> <p><i>Effect: Skip next claim</i></p>



ACTIVITY

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INSURANCE CLAIM GAME – QUICK REFERENCE

Directions: Use this page as a quick guide while you play. If you are unsure about a rule, your instructor can help.

Each Round...

1

Collect Premiums

The Insurance Company collects premiums and adds them to the pool.

2

Roll the Die

Each Policyholder rolls once per round.

- Roll 1–4: Nothing happens this time.
- Roll 5 or 6: Draw a Claim Card and read it aloud.

3

Resolve the Card

Each card type has a different effect.

- **Claim/Major Claim:** Affects one player.
- **Group Event:** Affects multiple players.
- **Policy Change:** Adjusts your premium, deductible or coverage. Apply the effect, then draw again.

4

Pay Deductibles (if needed)

If you have a claim, pay your deductible to the Insurance Company. The Insurance Company pays you the remaining amount from the pool to help you cover the loss.

- **Example:** A claim costs 3 tokens and your deductible is 1. You pay 1 token, and the Insurance Company pays 2.

5

End the Round

When everyone has rolled and resolved their cards, the round ends.



QUIZ

Intro to Insurance

NAME: _____

TOTAL
/ 10 pts

FILL IN THE BLANKS

Directions: Fill in the blanks using either PREMIUM, DEDUCTIBLE or CLAIM.

1. A _____ is the request you make to your insurance company after a loss.
2. A _____ is the amount you pay regularly to keep your insurance policy active.
3. A _____ is the portion you pay before your insurance covers the rest.

/3 pts

SHORT ANSWER

Directions: Answer the following question in a few words.

4. List three types of insurance people often have.

/3 pts

TRUE OR FALSE

Directions: CIRCLE either true or false.

5. TRUE or FALSE Insurance is a way to protect yourself from unexpected financial loss.
6. TRUE or FALSE Everyone pays the same amount for the same type of insurance.
7. TRUE or FALSE Insurance companies pool the premiums of many people to pay for the claims of a few.
8. TRUE or FALSE Insurance companies make money by collecting more in premiums than they pay out in claims.

/4 pts

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ACTIVITY ANSWER KEY

Intro to Insurance

INSURANCE CLAIM GAME

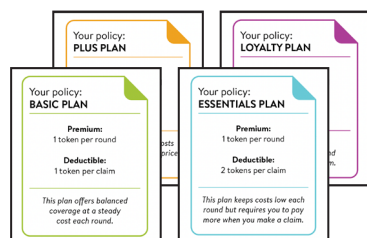
This simulation game helps students explore how insurance pools risk and shares costs. Players roll the die, draw claim cards and see how their policy type affects what they pay and what's covered.

SETUP

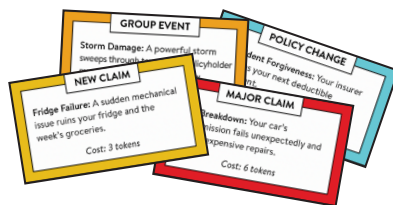
Divide students into groups of up to 5 players.

Each group will need:

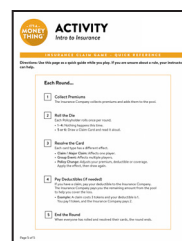
- A set of Coverage Cards (Activity page 1)
- A shuffled deck of Claim Cards and Policy Change Cards (Activity pages 2–4)
- Quick Reference guide (Activity page 5)
- One six-sided die
- Currency tokens (e.g., beans, buttons, beads): 20 tokens for the Insurance Company and 10 tokens for each Policyholder



Coverage Cards



Claim Card deck



Quick Reference



Tokens



Die

Each group chooses one player to act as the **Insurance Company**. All other players are **Policyholders**.

The Insurance Company starts with **20 tokens in the Insurance Pool**—a shared fund used to pay claims.

Each Policyholder starts with **10 tokens** of personal funds.

Each Policyholder draws a **Coverage Card** at random. This card shows how much they pay each round (their premium) and how much they'll owe if they have a claim (their deductible).

Shuffle the Claim Card deck and place it face down.

ACTIVITY ANSWER KEY

Intro to Insurance

INSURANCE CLAIM GAME

HOW TO PLAY

Each round represents one month of coverage. Policyholders pay premiums monthly and may face unexpected events during that time.

For every round:

1. Collect Premiums

The player who is the Insurance Company begins each round by collecting premiums from all Policyholders and adding the premiums to the Insurance Pool. A premium is a payment that keeps your insurance coverage active.

2. Roll the Die

Each Policyholder rolls once per round.

- **Roll 1–4:** No claim this round; your turn ends.
- **Roll 5 or 6:** You've had an unexpected event! Draw the top Claim Card and read it aloud.

3. Resolve the Card

- If it's a **Claim, Major Claim** or **Group Event**, follow the card's instructions to transfer tokens between Policyholders and the Insurance Company.
- If it's a **Policy Change**, apply the effect shown on the card, then draw again until you reveal another card type.

4. Apply Costs and Coverage

When settling a claim, the Policyholder pays their deductible first—the amount they're responsible for. The Insurance Company pays the remaining cost.

- Example: If a Policyholder draws a claim costing 3 tokens and their deductible is 1 token, the Policyholder pays 1 token and receives 2 tokens from the Insurance Company to cover the rest.

5. End the Round

Once all Policyholders have rolled, the round ends and a new one begins.

Note: Some cards have effects that last for one or more rounds. These may change premiums, deductibles or coverage. Keep these cards visible as a reminder until the effect ends.

ACTIVITY ANSWER KEY

Intro to Insurance

INSURANCE CLAIM GAME

GAME END

Continue playing until one of the following occurs:

- All players have completed 5 rounds
- The Insurance Pool runs out of tokens
- One or more players can no longer pay their premiums or deductibles

This game doesn't have a single winner. The goal is to play, learn and see how basic insurance concepts work in practice.

REFLECTION QUESTIONS

Use these questions to guide discussion after the game. Remind students that the game is a model—it doesn't show everything about real insurance, but it helps explain some of the ideas behind it.

Gameplay Experience

- Did everyone make it to Round 5? Did anyone run out of money during the game? What caused it?
- What happened to the Insurance Pool as the game went on?
- How did your insurance policy change your experience of the game?
- What did it feel like to be the Insurance Company compared with being a Policyholder?
- Did luck or strategy seem to matter more in the outcomes you saw?

Real-World Connections

- In real life, how do insurance companies keep their pools from running out of money?
- Would one insurance company really cover all the types of claims you saw in the game? Why or why not?
- What factors might make your premium go up or down over time?
- Why might someone choose a higher deductible in exchange for a smaller premium?
- In what ways does this game show how risk is shared? In what ways does it simplify or leave things out?



QUIZ ANSWER KEY

Intro to Insurance

FILL IN THE BLANKS

Directions: Fill in the blanks using either PREMIUM, DEDUCTIBLE or CLAIM.

1. A CLAIM is the request you make to your insurance company after a loss.
2. A PREMIUM is the amount you pay regularly to keep your insurance policy active.
3. A DEDUCTIBLE is the portion you pay before your insurance covers the rest.

/3 pts

SHORT ANSWER

Directions: Answer the following question in a few words.

4. List three types of insurance people often have.
EXAMPLES: AUTO/CAR, HOME/RENTER'S, HEALTH, LIFE, PET, TRAVEL, FLOOD, EARTHQUAKE, DISABILITY, OR ANY OTHER VALID EXAMPLE FROM THE LESSON.

/3 pts

TRUE OR FALSE

Directions: CIRCLE either true or false.

5. TRUE or FALSE Insurance is a way to protect yourself from unexpected financial loss.
6. TRUE or FALSE Everyone pays the same amount for the same type of insurance.
7. TRUE or FALSE Insurance companies pool the premiums of many people to pay for the claims of a few.
8. TRUE or FALSE Insurance companies make money by collecting more in premiums than they pay out in claims.

/4 pts