

# Unit 08: Risk Management as Part of the Financial Planning Process

Content Area: **Business**  
Course(s): **Investing**  
Time Period: **4 weeks**  
Length: **Weeks**  
Status: **Published**

## Unit Overview

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Students will analyze risk management as part of the financial planning process.

## Transfer

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Students will be able to independently use their learning to better set and achieve their own short- and long-term financial goals.

## Meaning

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## Understandings

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Students will understand...

- Personal and financial risks faced by all people.
- Methods by which risk can be handled and discuss the appropriate use for each method.
- Basic insurance concepts and terminology.
- The cost of insurance and cost reduction methods.
- Features of an Automobile insurance policy.
- Features of a Health insurance policy.
- Features of a Homeowners/Renters insurance policy.
- Features of Life insurance policies.

## **Essential Questions**

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Students will keep considering...

- What role can risk management play in protecting your personal and financial goals and assets?
- What are the personal and financial risks faced by all people?
- What are the methods by which risk can be handled and discuss the appropriate use for each method?
- How can I apply basic insurance concepts and terminology?
- What is the cost of insurance and cost reduction methods?
- Can I explain features of an Automobile insurance policy?
- What are the most important features of a Health insurance policy?
- Can I explain the features of a Homeowners/Renters insurance policy?
- What are the features of Life insurance policies?

## **Application of Knowledge and Skill**

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### **Students will know...**

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Students will know...

- Personal and financial risks faced by all people.
- Methods by which risk can be handled and discuss the appropriate use for each method.
- Basic insurance concepts and terminology.
- The cost of insurance and cost reduction methods.
- Features of an Automobile insurance policy.
- Features of a Health insurance policy.
- Features of a Homeowners/Renters insurance policy.
- Features of Life insurance policies.

## **Students will be skilled at...**

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Students will be skilled at...

- Identifying the personal and financial risks faced by all people.
- Assessing methods by which risk can be handled and discuss the appropriate use for each method.
- Applying basic insurance concepts and terminology.
- Analyzing the cost of insurance and cost reduction methods.
- Analyzing features of an Automobile insurance policy.
- Analyzing features of a Health insurance policy.
- Analyzing features of a Homeowners/Renters insurance policy.
- Analyzing features of Life insurance policies.

## **Academic Vocabulary**

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Investing terms and concepts related to risk management as part of the financial planning process i.e., auto insurance, health insurance, homeowners/renters insurance, life insurance, premium, policy, etc.

## **Learning Goal 1**

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SWBAT: Analyze risk management as part of the financial planning process.

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|-----------------|--|
| PFL.9.1.12.A.3  | Analyze the relationship between various careers and personal earning goals.                               |
| PFL.9.1.12.A.9  | Analyze how personal and cultural values impact spending and other financial decisions.                    |
| PFL.9.1.12.B.1  | Prioritize financial decisions by systematically considering alternatives and possible consequences.       |
| PFL.9.1.12.B.6  | Design and utilize a simulated budget to monitor progress of financial plans.                              |
| PFL.9.1.12.D.2  | Assess the impact of inflation on economic decisions and lifestyles.                                       |
| PFL.9.1.12.D.3  | Summarize how investing builds wealth and assists in meeting long- and short-term financial goals.         |
| PFL.9.1.12.D.13 | Determine the impact of various market events on stock market prices and on other savings and investments. |
| PFL.9.1.12.E.2  | Analyze and apply multiple sources of financial information when prioritizing financial decisions.         |

PFL.9.1.12.E.3	Determine how objective, accurate, and current financial information affects the prioritization of financial decisions.
PFL.9.1.12.G.1	Analyze risks and benefits in various financial situations.
PFL.9.1.12.G.2	Differentiate between property and liability insurance protection.
PFL.9.1.12.G.3	Compare the cost of various types of insurance (e.g., life, homeowners, motor vehicle) for the same product or service, given different liability limits and risk factors.
PFL.9.1.12.G.4	Evaluate individual and family needs for insurance protection using opportunity-cost analysis.
PFL.9.1.12.G.5	Differentiate the costs and benefits of renter's and homeowner's insurance.
PFL.9.1.12.G.6	Explain how to self-insure and how to determine when self-insurance is appropriate.
PFL.9.1.12.G.7	Determine when and why it may be appropriate for the government to provide insurance coverage, rather than private industry.
CAEP.9.2.12.C.9	Analyze the correlation between personal and financial behavior and employability.

### **Target 1**

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SWBAT: Identify the personal and financial risks faced by all people.

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### **Target 2**

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SWBAT: Assess methods by which risk can be handled and discuss the appropriate use for each method.

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### **Target 3**

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SWBAT: Apply basic insurance concepts and terminology.

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### **Target 4**

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SWBAT: Analyze the cost of insurance and cost reduction methods.

- SWBAT: Analyze the cost of insurance and cost reduction methods.

### **Target 5**

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SWBAT: Analyze features of an Automobile insurance policy.

- Assess how mutual funds are bought and sold.

## **Target 6**

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SWBAT: Analyze features of a Health insurance policy.

- SWBAT: Analyze features of a Health insurance policy.

## **Target 7**

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SWBAT: Analyze features of a Homeowners/Renters insurance policy.

- SWBAT: Analyze features of a Homeowners/Renters insurance policy.

## **Target 8**

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SWBAT: Analyze features of Life insurance policies.

- SWBAT: Analyze features of Life insurance policies.

## **Summative Assessment**

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- Unit Test

## **Formative Assessment and Performance Opportunities**

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- Class Discussion
- Completion of Vocab
- Presentation of Ideas
- Review of worksheets/projects
- Teacher Observation
- Use of technological resources for quick assessment

## **Accommodations/Modifications**

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- Collaborate in small groups organized by student level and preference to apply Risk Management
- Extra problems for extra practice remediation and/or enrichment
- Quizlet

## **Unit Resources**

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- • Wall Street Journal & other business publications
- Board Games
- Book Companion Website
- Chapter PowerPoints
- DECA Role Plays
- Desktop Computer
- Document Camera
- Guest Speakers
- Managing Your Personal Finances 6E
- Microsoft Excel
- Videos
- Workbook

## **Interdisciplinary Connections**

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MA.K-12.1	Make sense of problems and persevere in solving them.
LA.RH.11-12.7	Integrate and evaluate multiple sources of information presented in diverse formats and media (e.g., visually, quantitatively, qualitatively, as well as in words) in order to address a question or solve a problem.
LA.RST.11-12.3	Follow precisely a complex multistep procedure when carrying out experiments, taking measurements, or performing technical tasks; analyze the specific results based on explanations in the text.
MA.S-IC.B.6	Evaluate reports based on data.