

# 03\_ Unit 3: Risk Management and Insurance

Content Area: **Financial Literacy**  
Course(s):  
Time Period: **Cycle**  
Length: **10 Lessons**  
Status: **Published**

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## General Overview, Course Description or Course Philosophy

### Financial Literacy 8

Financial Literacy will provide students with the knowledge and information necessary for making sound financial decisions. During the eighth grade, students will focus on "Financial Health" which is broken down into two sub-units entitled "Financial Psychology" and "Civic Financial Responsibility" and "Risk Management and Insurance".

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## OBJECTIVES, ESSENTIAL QUESTIONS, ENDURING UNDERSTANDINGS

### Unit Summary:

Money management includes identifying and managing potential risks and investments, and understanding various insurance options.

### Essential Question(s):

- Which insurance should one invest in so that financial risks are kept to a minimum?

### Enduring Understanding(s):

- Individuals can choose to accept some risk, to take steps to avoid or reduce risk, or to transfer risk to others through the purchase of insurance.
- Insurance can protect your personal finances.

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## CONTENT AREA STANDARDS

PFL.9.1.8.RM.1	Determine criteria for deciding the amount of insurance protection needed.
PFL.9.1.8.RM.2	Analyze the need for and value of different types of insurance and the impact of deductibles in protecting assets against loss.
PFL.9.1.8.RM.3	Evaluate the need for different types of warranties.
PFL.9.1.8.RM.4	Explain the purpose of insurance products and the reasons for property product and liability insurance protection.

## **RELATED STANDARDS (Technology, 21st Century Life & Careers, ELA Companion Standards are Required)**

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PFL.9.1.K12.P.2	Attend to financial well-being.
PFL.9.1.K12.P.5	Utilize critical thinking to make sense of problems and persevere in solving them.
PFL.9.1.K12.P.8	Use technology to enhance productivity increase collaboration and communicate effectively.
LA.RI.6.7	Integrate information presented in different media or formats (e.g., visually, quantitatively) as well as in words to develop a coherent understanding of a topic or issue.
LA.RI.6.10	By the end of the year read and comprehend literary nonfiction at grade level text-complexity or above, with scaffolding as needed.
LA.W.6.4	Produce clear and coherent writing in which the development, organization, voice and style are appropriate to task, purpose, and audience. (Grade-specific expectations for writing types are defined in standards 1–3 above.)
TECH.8.1.8.A.1	Demonstrate knowledge of a real world problem using digital tools.
TECH.8.1.8.B.CS2	Create original works as a means of personal or group expression.

## **STUDENT LEARNING TARGETS**

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### **Declarative Knowledge**

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#### **Students will understand that:**

- Financial advisors recommend spending about 10% of one's net income on insurance.
- Age, personal information, amount of coverage, risk, type of coverage, zip code, insurance history, and the type of insurance you want are all factors that might impact the amount and cost of insurance.
- Car/auto, home, renters, life, health, disability, and long-term care are different kinds of insurance that a person may want to invest in.
- Car/auto insurance can pay for vehicle damage and injuries after an automobile accident.
- Home insurance protects your home if it is damaged or destroyed, you have money to rebuild and won't walk away from your mortgage.

- Renters insurance helps you replace your belongings such as electronics, furniture, and clothing if they're stolen or damaged.
- Life insurance is one way to replace your income if you die unexpectedly.
- Health insurance helps to make medical bills more affordable.
- Disability insurance helps to supplement a portion of your income if you become sick or disabled, leaving you unable to work.
- Long-term care insurance can help pay for expenses such as in-home care, adult day care or nursing home stays.
- Renters Determine criteria for deciding the amount of insurance protection needed.
- A deductible is the amount of money you pay out of your own pocket toward a covered claim.
- An asset is a useful or valuable thing, person, or quality.
- A warranty is a written guarantee, issued to the purchaser of an article by its manufacturer, promising to repair or replace it if necessary within a specified period of time.
- Different types of warranties are needed depending on the product or scenario.
- Express warranty is one that is clearly stated (or "expressed") either verbally or in writing.
- An implied warranty means it is guaranteed to work as claimed, so a vacuum should pick up dirt when used.
- The Federal Trade Commission requires products to include a warranty.
- Extended warranties may be purchased to cover expenses beyond the normal warranty.
- Property insurance is a series of policies that provide either property protection, coverage, or liability coverage for property owners.
- Liability insurance helps cover medical and legal fees if you're held legally responsible for someone else's injury, or damage to someone else's property.

## **Procedural Knowledge**

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### **Students will be able to:**

- Identify and describe the percentage of one's net income that should be spent on insurance.
- Identify and describe different types of insurance.
- Determine criteria for deciding the amount of insurance protection needed.
- Define deductible and asset.
- Analyze the need for and value of different types of insurance and the impact of deductibles in protecting assets against loss.
- Define warranty.
- Evaluate the need for different types of warranties.
- Describe property products.

- Define liability insurance protection.
- Explain the purpose of insurance products and the reasons for property product and liability insurance protection.

## **EVIDENCE OF LEARNING**

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### **Formative Assessments**

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**For this unit, formative assessments may include:**

- observation
- one-on-one
- questioning
- graphic organizers
- anecdotal notes
- exit tickets

### **Summative Assessments**

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**For this unit, summative assessments may include:**

- graphic organizers
- homework
- culminating activity

## **RESOURCES (Instructional, Supplemental, Intervention Materials)**

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[Next Gen Personal Finance](#)

All lessons and resources can be accessed via this website. "Click" Curriculum and reference the "Units" and "Middle School" Tabs

## **INTERDISCIPLINARY CONNECTIONS**

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**English/Language Arts** - implementation of conventions of Standard English

**Technology/Muliti-Media** - Audio/visual media analysis

**Math** - computations

**Visual and Performing Arts** - debate

**Social Studies** - ethics

## **ACCOMMODATIONS & MODIFICATIONS FOR SUBGROUPS**

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See link to Accommodations & Modifications document in course folder.