

Insurance

Objectives:

1. **Participants will learn the basics of insurance.**
2. **Participants will learn about car and health insurance.**

Time: 1 hour

Materials:

1. **Pencils**
2. **Pens**
3. **Paper**
4. **Markers**
5. **Glue**
6. **Scissors**

Activity: Insurance Role play

The idea of this activity is to help students understand what is insurance. The scenarios will give participants real life situations in which insurance can be helpful.

Prior to activity:

1. Make 1 copy of each of the scenarios for the groups of participants
2. Gather materials needed for participants to make props to use in their role play
3. Select an area in the room to put materials so that they are accessible to participants

Roles of Facilitator(s)

1. Facilitator – **ensure that participants are working on their role play; answer any questions that participants may have in creating their role play**
2. Volunteer 1 – **answer questions that participants may have in creating their role play**

Start of Activity

1. **When participants arrive distribute:**
 - Nametags
2. **Divide participants into 4 groups**

Leader's Notes - Once you have divided participants into groups, begin the activity by asking the following questions:

1. Does any one know what insurance is? - Have participants respond by a show of hands.
2. What do you know about insurance? Guide a brief discussion about insurance
3. **Explain the following:**¹
 - a) **Insurance** – the process of moving risk to insurance companies by buying a plan.
 - b) People usually pay a set amount to insurance companies monthly for an insurance plan
 - c) **Insurance protects what you cannot afford to lose, such as a car**
4. There are different types of insurance such as **car and health insurance**
 - a) **Car insurance** – an insurance plan that protects people from some of the risks involved in owning and driving a car
 - Examples of car insurance are...
 - **Liability insurance** – car insurance that pays for injuries or damage that you may cause to others
 - **Collision insurance** – car insurance that pays to fix your car if you have an accident whether or not it is your fault
 - b) **Health insurance** – insurance that pays for medical costs when you are sick or hurt
 - **Health insurance** may cover four areas:
 - Surgery
 - Staying in the hospital overnight
 - Doctor visits
 - Medical visits from long-term injury or sickness
 - c) **Co-insurance** - Some health insurance plans come with co-insurance which means that the insurance company pays a percentage (usually 80 percent) of costs and you pay the remaining percentage
 - *For example: if the doctor charges \$100 for a doctor visit then the insurance company pays \$80, which is 80 percent of \$100, and you only pay \$20.*

¹ This information is from William Staats and E.D. Sledge's [How Chuck Taylor Got What He Wanted.](#)

Leader's Notes: Activity – Begin activity by telling the participants that each group has a scenario about insurance. Each group must read the scenario and act it out in front of the other participants. Each scenario teaches a lesson about insurance. The team with the best performance wins a prize.

Tell participants that you have provided materials so that they can make props for the role plays.

- ❖ *Note: Encourage participants to be creative and to use the scenarios as a foundation for their role plays*
- ❖ *Note: The scenarios and role plays are used as a learning tool for insurance*
- ❖ *Note: Tell students to make up characters in the scenario if they have more people than the scenario calls for*

After each group acts out their scenario, you should have a discussion about each scenario.

Debrief the activity: Ask the group for feedback regarding:

1. **Scenario 1** - What do you think would have happened to Chuck if he did not have car insurance?
Possible answer: Chuck would have to pay to get his car fixed. If Chuck does not have enough money to get his car fixed, then he may not have a car to drive
2. **Scenario 2** – What could Penny have done different to avoid her situation?
Possible answer: Penny could have paid the extra \$40 every six months for collision insurance
3. **Scenario 3** – Why is insurance important in this situation?
Possible answer: It is recommended that people get their teeth cleaned every six months. Dental Insurance is good to have because it is considered a necessity to most people to get their teeth cleaned. People never know when they have to pay extra money due to cavities or other dental work
4. **Scenario 4** – What do you think will happen to Billy after he gets out of the hospital?
Possible answer: Billy will have to start paying for his medical bills. This cost will be an extra financial burden on him

Scenario 1

Chuck Taylor was on his way home from work one evening. It was just seven months after he bought a car. Check drove through a green light, when some guy in a pickup truck ran a red light. Chuck made a sharp turn in the road to avoid hitting the truck and hit a pole on the side of the road. The right door had a dent in it. Chuck became very angry. However, he was thankful that he was not hurt in the accident.

Chuck would have to pay \$2,100 to get his car fixed. Chuck did not have any money to pay for the damage of his car. How would he pay to repair the car? Fortunately, Chuck had “full” coverage insurance. Chuck’s insurance company paid for the damage to his car.

²

Scenario 2

Penny had been saving money for a car. She was working part-time at Target while in high school. At 16, Penny got her driver’s license. Her mom agreed that she would be allowed to buy a car if she saved money to buy the car.

She saved enough money because she was able to work a lot of hours and maintain her good grades. She bought a six-year-old Toyota hatchback for \$2,500. Penny only saved \$2,000. Her mom thought the car was being sold for a good price and loaned her \$500 dollars to buy the car. Penny only bought liability insurance. Penny decided NOT to buy collision insurance because that would have cost her another \$40 every month. After all, Penny felt that she did not need the extra insurance coverage.

On the 13th day of owning the car, she ran a red light and hit another car. The accident was Penny’s fault so she had to pay for the damage to other person’s car and her car. Penny could not drive the car after the accident. Fortunately, no one was hurt. The liability insurance covered the damage she did to the other driver’s car, but it did not cover the damage to her car. Penny was left with no money and no car. ³

Scenario 3

Andrea needed her teeth cleaned by a dentist. She has not had her teeth cleaned in over a year. Her mother always told her that she needed to get her teeth cleaned every six

² This information is based on William Staats and E.D. Sledge’s How Chuck Taylor Got What He Wanted. 153.

³ Ibid, 153.

months. However, Andrea did not have the type of insurance that would help her pay to go to the dentist called dental insurance. Andrea told her friend about her situation. Andrea's friend, Laura, told her to call her dentist, Dr. Fields. Andrea was in a different situation than her friend because Laura had dental insurance and she did not.

Andrea called Dr. Fields' office to see how much it would cost to get her teeth cleaned without insurance. Dr. Fields' secretary told Andrea that it would cost \$100.

Andrea was confused. Andrea told Dr. Field's secretary that her friend, Laura, goes to Dr. Fields to get her teeth cleaned and it only costs her \$20. Why does it cost so much for Andrea to get her teeth cleaned? Dr. Fields' secretary told Andrea that Laura must have dental insurance. Laura's dental insurance comes with a co-insurance. Co-insurance means that the insurance company pays part of the costs (usually 80 percent), and you pay the remaining percentage. Dr. Field's secretary told Andrea that it costs \$100 for someone to get their teeth cleaned there. In Laura's case, her insurance company will pay 80 percent of the cost, that is \$80, and Robert will pay the remaining \$20.

Andrea then realized the importance of insurance.

Scenario 4

David worked at a bank. When he went to work one day he found out that Billy was injured while he was playing basketball. Billy broke his leg and had to be rushed to the emergency room. Billy had to be in the hospital for two weeks. David immediately left work to visit his friend in the hospital.

When David got to the hospital, he saw that Billy was lying on a hospital bed with a big cast on his leg. David was glad to see that his friend was doing ok. Billy told David that he did not have health insurance and he is ruined financially. Billy told David that he will have to pay for his X-rays, time in the hospital, medicine to ease his leg pain, his cast, and crutches. This comes to a total of \$3,000. If Billy had insurance he would only have to pay \$300.⁴

⁴ Ibid, 167.