3/7 Risk and Insurance

1. List automobile insurance companies, brokers, or agents that advertise in your newspaper. How do they attempt to attract your business? How are they different? What criteria would you use to select an insurance company? Which companies specialize in high-risk insurance?

2. Find articles about people who needed insurance (automobile, health, injury, etc.) coverage. Explain what kind of insurance each might require. How might they have minimized their risk?

Nonprofit credit counseling organizations help people get out of debt but beware – "nonprofit" doesn't guarantee that their services are free or affordable, or that their services are legitimate. Some credit counseling organizations cause consumers to fall deeper into debt because of high fees, some hidden. Read more about how to choose a reputable organization at http://www.ftc.gov/bcp/conline/pubs/credit/fiscal.shtm

ACTIVITY: High or low risk

Insurance companies base their premium costs on risk because some activities result in claims that cost much more than others. How would they answer the following?

1. Circle the riskiest activity in each group

Driving a race car
Delivering mail
Teaching school

Jogging
Sky diving
Skiing

Playing football
Playing in a band
Running track

2 Are the following high insurance risks (HIR) or low insurance risks (LIR)? Why do HIRs have higher premium costs? What could these people do to lower their risks?

*** Marina has quit smoking, joined a health club where she exercises regularly. She recently lost 50 pounds and is now at her ideal weight.**

*** Mark drives a new SUV to work every day. His round trip is about 100 miles on packed highways.**

*** Peter's apartment is in a suburban subdivision near the police station. He made sure it has smoke alarms and the building has a sprinkler system in case of fire.**

*** Tom likes living close to big city life and all the places he can go for fun. But is apartment is in a high crime area.**

*** Ramona and her family live on the ocean in an area that has frequent hurricanes.**

Quiz Question

3/7/08
A payment made monthly, quarterly, semi-annually, or annually to an insurance company so that you will be covered by insurance is called a/an _____.

A. Deductible
B. Risk
C. Installment
D. Premium

Responses:

A. Incorrect. A deductible is the amount of money you must pay "out of pocket" when you make a claim to you insurance company. Try again!
B. Incorrect. Risk is the chance that something unexpected will occur. Try again!
C. Incorrect. An installment is a regularly scheduled payment on a loan. Try again!
D. Correct! A premium is the payment you make to an insurance company in exchange for protection against a large-scale financial loss

WEEKLY QUIZ Question: Visit www.cccr.psu.edu to play the S^3 Online Game - Save•Spend•Succeed. Your students can use the online game to practice for the Live S^3 Game Show available from JA and Penn State Behrend. Two teams will compete for prizes at Penn State Behrend during the year. They will be treated to lunch and will be given a tour of the college.

Each Friday except Friday 11/23, 12/28, 1/18, 3/21, and 4/18 you will receive newspapers from Erie Times-Newspaper in Education program paid for by our sponsors (see below)

Friday newspaper includes weekly financial literacy topics and weekly activities, your space for student writing, a S^3 trivia bonus question and newspaper activities to help students make the connections to the real world by using the newspaper as their resource.
See below for this week and for more resources.

Partner WEBSITES for more information

www.erie.ja.org
www.cccr.psu.edu
www.eriefcu.org
www.unitedwayerie.org

Financial Literacy Website Resources

NEFE – National Endowment for Financial Education
http://hsfpp.nefe.org/home/

http://www.nefe.org/pages/educational.html
www.smartaboutmoney.org
http://www.smartaboutmoney.org/nefe/pages/content.asp?page=1730#Top
http://www.cooperativalatina.org/education/curriculum.htm

NEFE – Teen Resource Bureau Website
http://www.ntrbonline.org/

The Jump Start Coalition for Personal Financial Literacy
http://www.jumpstart.org/

Money Instructor
http://www.moneyinstructor.com/
http://www.moneyinstructor.com/checks.asp

Financial Literacy in a Box
http://www.mcul.org/Financial_Literacy_In_A_Box_658.html

Pennsylvania Office of Financial Education – Pennsylvania Department of Banking
http://www.moneysbestfriend.com/

CUNA – Credit Union National Association
http://www.creditunion.coop/
http://www.precision-info.com/quiz/quiz.cgi?c=1056147613&t=coop
Thrive By Five - http://www.creditunion.coop/pre_k/

NCUA – National Credit Union Administration
http://www.mymoney.gov/

Money Matters
http://www.smartcredittips.com/

National Youth Involvement Board
http://www.nyib.org

www.eriefcu.org
Treasure Club Kid's Account - http://www.eriefcu.org/savings/treasure-club/
CU Succeed – For Teens 13 – 18 http://www.eriefcu.org/savings/financial-literacy/
Scholarships for college students - http://www.eriefcu.org/loans/student-loans/
"Guides to Independence" Online Interactive Educational Teen Program
http://www.eriefcu.org/savings/financial-literacy/