# NEW MEXICO 4-H

## Aggie Next Step

# Insurance Basics



## Post Secondary Pathways

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AGGIE NEXT Soar Post Secondary Pathway Program Prosper Empower Thrive

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# Insurance Basics

## Lesson Focus

Every day, we face risks – even small ones, like dropping a phone or scratching a car. Insurance is a tool that helps protect us from financial loss in the event of unexpected events. In this lesson, participants will explore how insurance works, why it exists, types of insurance, and how people manage everyday risks.

## Supplies

- Worksheets
- Handouts
- Pens/Pencils

## Objectives

**Students will be able to:**

- **Identify** common risks in daily life and describe ways to manage them.
- **Explain** how insurance works, including premiums, deductibles, and coverage.
- **Recognize** common types of insurance
- **Apply** basic risk management strategies: avoid, reduce, insure, and self-insure.

## Preparation

Review lesson materials and determine which worksheets and handouts you will use for the lesson. Print enough assessments, worksheets, and handouts for each participant.

## Activities

**1. Have participants complete the *Pre-Assessment*.**

2. Discussion: Show or read 3 short scenarios (don't label them with "insurance" yet).
    1. You drop your phone and crack the screen.
    2. You're biking and get a small scratch on the car you accidentally hit.
    3. Your backpack gets stolen at school.

    *Q: What would you do next? Who pays for it? Could this situation have been avoided?*

Guide participants to think about risks in their daily lives. *This is where insurance and risk management come in.*

3. Distribute ***Insurance Terms*** and review the terms at the top. Discuss how insurance works in general (paying premiums, insurance paying for losses, deductibles).

4. Divide participants into pairs or small groups to complete the scenario on the page.


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5. Ask participants to share experiences or thoughts about insurance they've seen at home. Then review the common types of insurance on the ***Types of Insurance*** worksheet and guide students through completion. Make sure participants understand basic risk management strategies: avoid, reduce, insure, self-insure (with savings).

6. Wrap-up with this discussion:
   *Q: Why do we pay for insurance even if we never use it?* (Insurance is like a safety net: you hope you never fall, but it's there if you do.)

7. ***Exit Ticket*** – Depending on time, this can be done as a class discussion, as an individual worksheet, as homework in class, or during the following class.

**8. Have participants complete the *Post-Assessment*.**

## Reflection

Insurance is a tool that helps us manage the financial impact of unexpected events, but it's only one part of risk management. Understanding the types of insurance and how they work helps you make smarter choices now and in the future.




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## Extensions

Have participants create a "Risk Map" of their daily life: identify activities, potential risks, and what type of insurance or risk strategy would cover it.

Research a real insurance claim story (news article or video) and present how insurance helped. This website presents several video insurance stories. Please review before assigning to students:
https://lifehappens.org/videos/?dfg_active_filter=382#grid

## Differentiation

**Content Support:** Use visual examples or a short video showing insurance in action.

Pair students for guided discussions to help them process scenarios together.

**English Language Learners:** Allow verbal responses in place of written ones and pair students with a supportive English-speaking peer.

**Processing Time:** Provide additional think time before students respond or share.

**Advanced or Early Finishers:** Discuss unusual or specialized insurance (like pet insurance or event insurance).

Have participants research how much auto insurance costs for teenagers compared to adults, and for young male drivers compared to young female drivers. Then, have them explain the reasons for these differences and write a short statement about whether they agree or disagree with this pricing practice.


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## Resources

## Optional Videos

Note: Please preview all videos before showing them to students to ensure they are age-appropriate, relevant, and aligned with your classroom needs.

*Understanding Risk and Insurance Costs*
*https://youtu.be/hEmgLEopw70?si=DsJD79WL046P7vD4*

*Cash Course: Insurance Basics*
*https://youtu.be/jBf_PqlautE?si=aWST7Dbpw9dP3hgL*

*Navigating Auto Insurance*
*https://youtu.be/zRwf3txDnJk?si=_wPgpQgNK56yloC3*

## NM Standards:

NM PED Standards: Career and Technical Education (CTE):
3.1.1: Employ critical thinking skills to solve problems and make decisions

NM Social Studies Standards - Strand 10: Economics/Financial Literacy (Grades 9-12)
Econ.48: Evaluate how and why individuals choose to accept risk, reduce risk, or transfer risk to others.
Econ.58: Explain various types of insurance and the purpose of using insurance to protect financial interests.

Common Career Technical Core (CCTC) Standards: Career Ready Practices (CRP):
CRP-3: Attend to Personal Health and Financial Well-Being.

Optional ELA Alignment (Grades 6-12)
SL1: Participate in a range of conversations and collaborations


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