

---

---

---

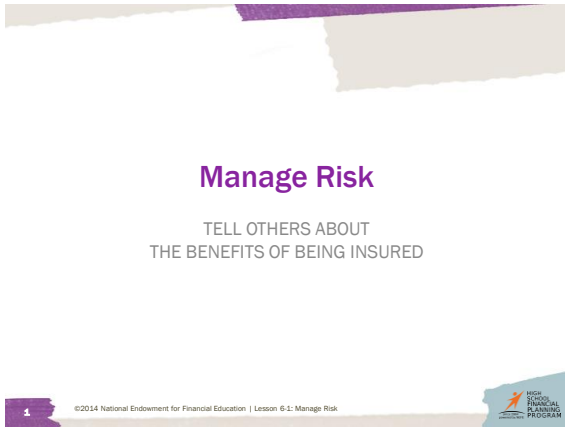
---

---

---

---

---



---

---

---

---

---

---

---

---



---

---

---

---

---

---

---

---

### Preview

Today we will answer these questions:

- In what ways do teens face risks which can lead to costly consequences later?
- How can teens manage the risk of loss and related costs?
- What are consequences of not being insured?

Use what you learn today to inform others about reasons to be insured.

3

©2014 National Endowment for Financial Education | Lesson 6-1: Manage Risk




---

---

---

---

---

---

---

---

---

---

### Meet Aaron and Katie

#### Aaron - Grade 12

- Hoping to get new job
- Driver covered under family auto insurance
- Car is damaged (twice!)

#### Katie - Grade 9

- Injured soccer player; going to physical therapy
- Rents school band instrument
- Smartphone recently stolen



4

©2014 National Endowment for Financial Education | Lesson 6-1: Manage Risk




---

---

---

---

---

---

---

---

---

---

### Disasters: Destructive and Expensive



Describe an expensive disaster:

- nature of the event and the date
- area that was affected
- estimated total losses in dollars
- information source

5

©2014 National Endowment for Financial Education | Lesson 6-1: Manage Risk




---

---

---

---

---

---

---

---

---

---

### What are the Average Costs?

- Repair torn ACL, \$40,000-\$65,000
- Fill small cavity, \$75-\$160 + exam fee
- Repair chipped tooth, \$200-\$500 + exam fee
- Remove wisdom tooth, \$140-\$400 + anesthesia
- Remove dent from car, \$50-\$125
- Remove multiple dents in car due to hail, \$1,500-\$11,000
- Replace typical windshield, \$100-\$400
- Claim for property damage due to vandalism, \$4,512

Sources: aarp.org, webmd.com, dentalstraighttalk.com, yourdenistryguide.com, howmuchisit.org, costhelper.com, www.ill.org

6

©2014 National Endowment for Financial Education | Lesson 6-1: Manage Risk



---

---

---

---

---

---

---

---

---

---

### 4 Ways to Manage Risk

- ✓ Avoid it
- ✓ Reduce it
- ✓ Accept it
- ✓ Share it



7

©2014 National Endowment for Financial Education | Lesson 6-1: Manage Risk



---

---

---

---

---

---

---

---

---

---

### We All Feel the Impact

1. Imagine a world without insurance.
  - What would people do to avoid risk?
  - What would be valued by people?
  - What might be the economic impact?
2. Describe at least five ways that our lives would be different without insurance.

8

©2014 National Endowment for Financial Education | Lesson 6-1: Manage Risk



---

---

---

---

---

---

---

---

---

---

### Reflection

What risks do you face on a daily basis?

List at least two actions you can take to **avoid** and/or **reduce** specific risk in your daily routine.

---

---

---

---

---

---

---

---

### Challenge

#### A Case for Insurance

Create a persuasive advertisement to convince your peers about the value of reducing risk in their lives along with the value of using insurance to share risk.

- Pick a format for a 30- to 60-second ad:
  - radio ad
  - skit
  - television commercial
  - infomercial
  - music video



- Prepare to share your ad with the whole class

---

---

---

---

---

---

---

---