Lesson Plan

Chapter Overview

This chapter identifies the purpose of financial risk management as well as the appropriate and most cost-effective risk management strategies.

Getting Started

- Complete **BEFORE YOU BEGIN** prior to watching the video.
- Review **KEY TERMS**.
- Complete the “Before” column of **MEASURE YOUR PROGRESS**.

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<td>Protecting Your Wealth</td>
<td>Before You Begin</td>
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<td>Basic Types of Coverage</td>
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<td>Insurance to Avoid</td>
<td>Identifying Financial Risk Understanding Renter’s Insurance</td>
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Additional Activities

- (PBL) Presenting Risk

Chapter Summary

**Workbook**

- CHECK FOR UNDERSTANDING
- BUILD ON WHAT YOU’VE LEARNED
- BIG IDEAS
- TAKE ACTION CHALLENGE
- MONEY IN REVIEW

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- Live From Financial Peace Plaza
- Budget Builder
- Legal Requirements for Providing Your Social Security Number
- SonicWALL Phishing IQ Test

**Summative Assessment**

- Test
Learning Outcomes

Section 1: Protecting Your Wealth
- Explain why insurance is an essential part of a healthy financial plan.
- Understand how people manage risk through transfer.
- Identify ways to lower the cost of insurance premiums.
- Identify insurance for the types of risks that young adults might face.

Section 2: Basic Types of Coverage
- Identify common types of risks and basic risk management methods.
- Distinguish between necessary and unnecessary types of coverage.
- Understand the importance of identity theft insurance in the 21st Century.
- Define common insurance terms like "premium" and "deductible."
- Understand the importance of property and liability protection.

Section 3: The Importance of Life Insurance
- Be familiar with policies that offer duplicate coverage.
- Know the types of insurance to avoid.

Discussion Questions

1. Why is insurance a necessary part of a healthy financial plan? Insurance transfers risk of life’s major catastrophes.

2. What are common types of risks and basic risk-management methods? Injury or illness—health insurance; car accident or damage—auto insurance, etc.

3. What is the purpose of liability insurance protection? Liability covers the medical costs and/or property damage of the other person when you are at fault or if the accident occurs on your property.

4. What are some unnecessary types of insurance? Any insurance that provides duplicate coverage; any insurance that covers an expense that you could handle financially (i.e., insurance on a television, pet insurance, etc.).

5. How does someone become self-insured? If you follow the Five Foundations, you will manage money in a way that allows you to build wealth over your lifetime. Eventually, once your children are out on their own, you will have a large enough nest egg where life insurance will no longer be necessary.