



What's the Risk?

After watching the *JA Economics for Success Session 6* volunteer video, reflect on the lesson and review the concepts and vocabulary. Complete the following activity. You may also be assigned the math skills practice problem or choose to practice it on your own.

Think About It:

- What is your risk tolerance? Do you prefer to play it safe or are you a risk taker?
- Do you think it is worth paying for insurance when you might never need it?
- How many insurance companies do you think there are? Can you name a few?
- Do you know what kind of policies they offer?

Try It:

Make a chart, word cloud, word art, or other graphic that conveys what insurance companies sell. Don't just think of the products. Consider the ideas that they advertise. Check off the boxes as you finish your work.

- View ads from five different major insurance companies. If you can't think of any, do a search online.
- Jot down the most frequently used words and messages (or ideas) in the advertisements.
- Create a chart that compares how the different companies advertise their services, showing which selling points they emphasize.
- Then, use all the words and ideas to create a word cloud, word art, or infographic depicting what insurance companies advertise. If you are not sure what a word cloud looks like, search online for examples. You can even use an online tool to create them.
- Share your graphic with a teacher, friend, or family member.

Practice Your Math Skills:

With adult consent, research online to determine the average cost of insurance for a young driver in your state or region. Estimate how much it would cost to pay for a car insurance policy for a \$10,000 vehicle, for approximately 10 years.

Consider this scenario: An uninsured driver has a bad accident and totals her car. Her medical bill comes to \$13,700 for a broken collar bone and other injuries. Add the medical costs to the price of a replacement vehicle.

- What are the total costs for the uninsured driver?



Next, consider the same scenario with an insured driver. Assume that insurance would cover 95 percent of the costs.

- How much of the total costs would an insured driver pay?
- Compare the total costs for the uninsured and insured drivers in this scenario with the 10-year cost of the insurance policy you researched.
- Do you think the price of the insurance is worth the cost?