Foundation Programme in Literacy, Numeracy and Skills

Financial Literacy

{ELECTIVE}

Grade 9

Insurance

MAURITIUS INSTITUTE OF EDUCATION under the aegis of

MINISTRY OF EDUCATION AND HUMAN RESOURCE

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Lesson 12 | Insurance

A   **Insurance**

B   **Competency**

- Main Competency
  - Managing Personal Finance

- Sub- Competencies:
  - 1. Understand the concept of insurance
  - 2. Types of insurance
  - 3. Purpose of investing in insurance

C   **Learning Outcomes**

By the end of the lesson students should be able to:
- define insurance.
- list different types of insurance.
- understand the reasons for investing in insurance.

D   **Resources and materials**

- Marker
- Whiteboard
- Pens
- Paper

E   **Implementation guidelines**

- **Introduction**

1. Introduce the concept of insurance
Insurance is a contract between two parties which helps to protect from financial losses due to unexpected events. The two parties involve:
- an individual or a business owner and
- the insurance company.

The insurance company agrees to **compensate** the individual or business owner in case of death, accidents or damage of property.

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2. Types of Insurance

Introduce the main types of insurance (e.g. health, life, vehicle, and property) through simple definitions and real-life examples.

HEALTH INSURANCE

Health insurance helps to pay for visits to the doctor, medicines or hospital stays when someone gets sick or injured.

Example: Rani has health insurance. If she falls off her bicycle, gets injured and goes to the hospital, the insurance company helps to cover the hospital bills.

LIFE INSURANCE

Life insurance gives money to a person's family in case of death. It helps the family continue their life without financial stress.

Example: If Stellia's father has a life insurance and unexpectedly passes away, the insurance company will pay a sum of money to Stellia's family.

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VEHICLE INSURANCE

Vehicle insurance helps to pay for repairs or damage if a car or motorbike has an accident.

Example: Jeremy's car gets hit and the door is damaged. The insurance company helps to pay for the repairs. So, he does not have to pay the full amount.

PROPERTY INSURANCE (HOME INSURANCE)

Property insurance protects a person's house or personal belongings (like furniture or TV) in cases of natural calamity like fire, cyclones, drought or even theft.

Example: If there is a fire in the Ria's house and the furniture is burnt, the insurance company helps in paying for the objects that were damaged.

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3. Purpose of Investing in Insurance

Explain why people invest in insurance by discussing protection from future risks and for financial security. The table below supports the purpose of investing in insurance.

Scenario	Type of Insurance	Purpose of Insurance
Your mother is unwell and needs to go to the hospital.	Health Insurance	To help pay for hospital bills and medicines.
A family's house is damaged by a fire.	Property (Home) Insurance	To help repair the house and replace damaged items.
Your father's motorbike is hit by another vehicle.	Vehicle Insurance	To help fix the motorbike without using the family's money.
A parent passes away and the family needs support to pay for daily needs.	Life Insurance	To give money to the family to help them continue their life.
During a theft, a family loses a laptop and jewellery.	Property Insurance	To help replace the stolen items.
An individual contributes part of his income in a retirement plan.	Retirement Planning	To provide a source of income during retirement.

Ask students to think of two other situations and (i) identify the type of insurance (ii) explain the purpose of insurance.

Activity 1:
This activity helps students to identify common types insurance.

Activity 2:
This activity is designed to reinforce the students' understanding on the reasons for which people invest in insurance.

F	**Assessment (in worksheet)**

G	**Extension of activity**

Encourage students to reflect on why they would like to invest in insurance in the future.

Activity 1 | Types of Insurance

Activity 1: Types of Insurance
Aim: To identify types of insurance.
Colour the appropriate type of insurance

Situation	Insurance Type	
You are injured during a football match.	Health	Vehicle
Your sugar cane plantation is damaged during a cyclone.	Vehicle	Property
Your car met with an accident.	Life	Vehicle
Your luggage gets lost when you are on vacation.	Travel	Health
You want to protect your family after your death.	Property	Life
You want to enjoy the same standard of living after your retirement.	Retirement	Travel

Activity 2 | Reasons for investment

Activity 2
Aim: To reinforce students' understanding of the reasons for which people invest in insurance.

Instructions:
Tick (✔️) the correct reason why the person should invest in insurance.

1. Lina drives her car to school every day.
Why should Lina get insurance?
☐ To earn money
☐ To repair her car if there's an accident

2. Ali owns a shop that might damaged in case of a fire.
Why should Ali get insurance?
☐ To make his shop bigger
☐ To protect his shop from losses

3. Maya frequently visits the doctor due to her illness.
Why should Maya get insurance?
☐ To get free clothes
☐ To pay for medical care

4. David has a family and he wants them to lead a comfortable life in the future.
Why should David get insurance?
☐ To save for a holiday
☐ To support his family in case of death

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