

# Financial Empowerment Curriculum

## Moving Ahead Through Financial Management



## Workshop

### Insurance Overview



## Workshop Objectives

- Explain why insurance is important.
- Recall the different types of insurance available.
- Understand why insurance policies are so important.

# Insurance Discussion



- Before we begin to discuss insurance, I want you to take a moment to reflect on your personal experience.
- On a scale of 1-10, how comfortable are you with understanding insurance and the options available?
- Why would you rate yourself the way you did? What life experiences have provided you the opportunity (or taken away the opportunity) to better understand the importance of insurance?

# Insurance Overview



## What is insurance?

- Insurance is a contract between a person who buys insurance and an insurance company.
- The contract is called an insurance policy and the person who buys the insurance makes premiums payments) to the insurance company granting the policy.
- Insurance is basically a protection against a financial loss which can arise on the happening of an unexpected event.
- Insurance can safeguard an individual and his/her family financially, often for a small monthly payment.

# Insurance Overview



## Why do I need insurance?

- Insurance provides financial security to you and your family.
- Insurance protects your assets, such as car and home, from accidents and natural disasters.
- Insurance can be a way to invest and save money.

# Insurance Overview



## What should I ask when looking for an insurance agent?

- Ask about their knowledge about the important developments in the insurance industry.
- When you are scheduling an appointment ask your insurance advisor to provide his Agent License Number.
- How many years of experience do they have selling insurance?
- Collect and follow-up with all communication in writing.
- Ask for the phone number to the insurance agent's relationship manager.

# Insurance Overview



## What types of insurance are available?

- Auto Insurance
- Homeowner's Insurance
- Life Insurance
- Health and Medical Insurance
- Disability Insurance

# Insurance Overview



## What is auto insurance?

### Auto Insurance

- Auto, or vehicle insurance, provides coverage for the damage or loss to a vehicle against the risk of accident, fire, theft, etc.
- It also gives coverage for your liability arising out of injury, death to third party or third party property damage.
- There are two coverage types available: (1) third party policy-covers damage or harm caused to third parties, and (2) comprehensive policy-covers both damage or harm to third party, as well as policy owner.

# Insurance Overview



## What is homeowner's insurance?

### Homeowner's Insurance

- Homeowner's insurance, also called hazard insurance, provides insurance coverage on a home a person has purchased.
- It combines various insurance protections, which can include losses occurring to one's home, its contents, loss of its use, etc.
- It also can cover liability for accidents that may happen at the home.
- The cost of homeowners insurance often depends on what it would cost to replace the house and which additional riders (such as flood insurance) are attached to the policy.
- If you rent a home or apartment, you can get protection for the things you own through renter's insurance.

# Insurance Overview



## What is life insurance?

### Life Insurance

- **Protection**

If your family has to go on without you, a life insurance policy can help keep them in the house and pay the bills. They could also use it to help put kids through college or help fund retirement.

- **Savings Opportunity**

A life insurance policy also has advantages you can use today. Some policies include “living” benefits that accumulate a cash value that can be used, if needed, to help pay for emergencies, education or retirement.

# Insurance Overview



## What is life insurance?

### Life Insurance

- **A Way to Leave a Legacy**

Everyone has a legacy to leave because a legacy is not simply a matter of money or other assets. It's about passing on who you are and what you value – with or without a financial inheritance. In this case, it is carrying out you and your family's legacy even if you are unable to be here. Life insurance may help leave that legacy.

- **A Custom Fit**

Everyone needs life insurance that meets their individual needs. The amount of life insurance is based on a variety of factors in your life. It is best to schedule a free consultation with a life insurance professional to find out how much life insurance you might need.

# Insurance Overview



## What is health and medical insurance?

### Health and Medical Insurance

- Health insurance is an insurance policy that insures you and your family against any medical expenses.
- Your medical expenses will be taken care of by the insurance company provided you pay your premium regularly.
- By having health insurance, a person can safeguard himself and his family from the burden of high cost of treatment.
- Health insurance can be provided for an individual or for a family.
- The premiums are lower for younger people.

# Insurance Overview



## What is disability insurance?

### Disability Insurance

- Disability insurance provides you with payment when you can't work because of sickness or injury.
- The pay out provided may be stated as a percentage of income or as a set dollar amount.
- The policy defines how much you will be paid, how soon after you are disabled payments appear in your mailbox, and when they will cease.
- Benefits periods depend on whether the disability was caused by an accident or illness.

# Insurance Overview



## Why do many people overlook their need for insurance?

- For many of us, emotions and money are closely tied.
- People often feel like they deserve to spend money after working all week.
- Many people increase their spending and struggle financially because they are angry with other aspects of their life.
- Spending money becomes an avenue for demonstrating that anger, but puts them further into debt.
- Talking with a personal financial representative (at no cost) can help you channel your energy toward becoming financially stronger.

# Insurance Overview



## Why is saving so important?

- An emergency savings fund helps meet unexpected expenses. It should have enough money to pay for repairs on a car or leaky roof.
- It's important to put money away consistently, like every pay day.
- It's better to save \$10 every month than to save \$25 only occasionally.
- Put money aside by making a deposit to your savings account as though you were paying a monthly bill.

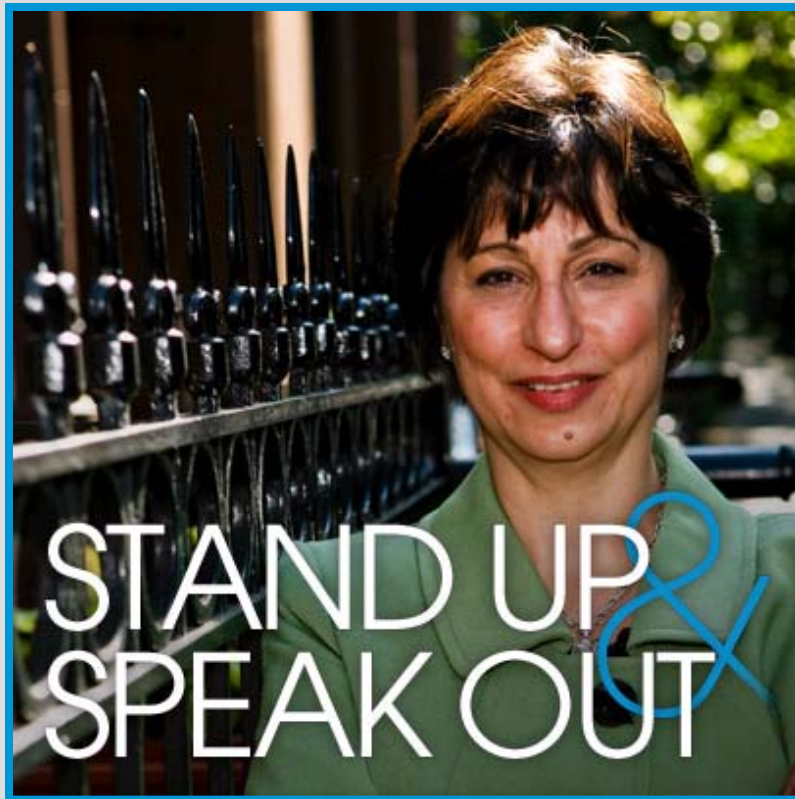
# Workshop Review



- Think about what we have discussed during the past hour.
- What do you believe was the most important piece of information you learned today?
- What is one action item you will commit doing to improve your current situation?

# Financial Empowerment Curriculum

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**THANK  
YOU!**