

Activity 3

PLANNING FOR PROTECTION

You are just starting your first real job, as a temp office worker, and need to get insurance. You have an insurance line item in your budget of \$2,000 per year. Using the chart below, conduct research about the cost of health, auto, homeowner's/renter's, and life insurance. Assume that, as a temp, you will have to pay for health and life insurance yourself.

Use your findings to make decisions about the types of insurance coverage you will be able to afford, knowing that they are all important. Your goal should be to prioritize the types of insurance you need and then to find pricing that will enable you to purchase what you need. After you fill in the chart, answer the questions below and be prepared to discuss your findings with classmates. Start your research with these websites:

- Life and Health Insurance Foundation for Education: www.lifehappens.org
- Insurance Information Institute: www.iii.org

RESEARCH FINDINGS			
Type of Insurance	Coverage	Deductible	Approximate Cost
Health	\$	\$	\$
Auto	\$	\$	\$
Homeowner/ Renter	\$	\$	\$
Life	\$	\$	\$

1. Based on your \$2,000 annual budget, what types of insurance did you elect to purchase? Why?

2. What financial risks are you protecting against by selecting these types of insurance?

3. What financial risks do you run by not having the remaining types of insurance?

4. Of the four types of insurance you researched, which do you think is most important for you at the start of your working life? Why?

5. How might this change after five or ten years? Why?

6. What questions do you still have about insurance?
