

**ACTIVITY**

**4**

**CLASSROOM ACTIVITY 4**  
**INSURANCE**

**AGES 7-11**

**Financial Education Primary Planning Framework links:**

- I know that the decisions I make about saving and spending my money can be influenced by, and have an impact on, other people **7-9**
- I understand why making informed decisions will help me make the most of the money I have **7-9**
- I understand why we should all be critical consumers, thinking carefully about how we use our money **9-11**



**MATERIALS**

- ✓ Family Scenario cards

 **ACTIVITY**



This activity will discuss saving for unexpected costs and introduce the concept of insurance. Pupils will consider whether insuring possessions can help families save money.

Start the activity by introducing a family from the **Family Scenario Cards**. Show the following four items: a car, a dog, a house and a mobile phone. Explain that the family will need to budget for **expected costs** for each of these possessions.

As a class, have a quick discussion about what these expected costs would be:

- **A car**, e.g. petrol, parking, MOT, cleaning
- **A dog**, e.g. food, toys, clothes
- **A house**, e.g. electricity, heating, water
- **Mobile phone**, e.g. monthly bill

Each of these items may also incur **unexpected costs** for the family. These are costs that the family couldn't know for certain would occur.

Ask the pupils to work in groups, allocate each group one of the four possessions above. Give them 2 minutes to think of some unexpected costs for their possession. Ask the groups to share some of their ideas, unexpected costs might include:

- **A car**, e.g. broken windows need fixing, car needs towing due to breakdown, needs repainting due to scratch
- **A dog**, e.g. dog gets sick so needs to see the vet or the family needs to buy medicine, the family wish to go on holiday so they need to buy a pet passport
- **A house**, e.g. washing machine leaks and floods the house so need a new carpet, windows break and need fixing

- **Mobile phone**, e.g. broken screen needs fixing

Explain that it's not always possible to plan for unexpected costs, as we can't know for certain if, and when they'll occur. If these costs do occur, they can cost the family a lot of money, money that they might not have. Ask the pupils if there's anything the family can do to ensure that they can pay for any unexpected costs?

The pupils are likely to say the family could save money. Discuss their answers and ask them to think about what some of the other considerations might be:

- How will they know how much to save?
- What if they haven't saved enough when the unexpected thing happens?
- What happens if two unexpected things happen at the same time?

Explain that it would be sensible for the family to regularly save money (put money aside in a bank account) but the unexpected costs may be very high, e.g. fixing or replacing a broken down car, and they may not have enough saved when the time comes.

Explain that the family could also take out **INSURANCE** for their possessions - does anyone know what this means?

**If the family pays a small amount of money each month to an insurance company, the company will then pay for any unexpected costs.**

Examples could include:

- **Dog** - if the family's dog gets sick, then the pet insurance company will pay for the vet bills
- **House** - if the washing machine leaks, then the home insurance company will pay for a new carpet

The family would be spending a small amount each month, but they could potentially be saving themselves a lot of money if something unexpected happens to one of their possessions.

Task the pupils to work in pairs to create an advert for a new type of insurance to protect something that is really important to them. Encourage them to consider how their new type of insurance could help people save money? Pairs could present their ideas to the class, do any of the ideas already exist? Have a vote to see who would purchase the insurance - could there be a teacher insurance? Picture insurance? A lunchbox insurance?

**DISCUSSION POINTS**

Does insurance help us save money?

Can insurance take care of all things? Should we make sure we look after things rather than relying on insurance?

What about things that can't be replaced or fixed?



RESOURCE



# FAMILY SCENARIO CARDS

USE WITH ACTIVITIES 2,3,4

## FAMILY 1 Nafyri family

(Vegetarian)



Kalafe - Dad  
Nenet - Mum  
Nubia - Child  
Jafari - Child

## FAMILY 2 Ansley family



Imani - Mum  
Numa - Grandma (won't eat lamb)  
TJ - Child (nut allergy)  
Shanya - Teenager (having a go at being vegan)  
A dog called Archer

## FAMILY 3 Rahman family



Eesa - Dad (pescatarian - doesn't eat meat, only eats fish)  
Sunum - Mum (vegetarian)  
Ravvie - Toddler (just trying new tastes and textures)  
Zahra - Child  
A cat called Oreo

## FAMILY 4 Wysocki family

(dairy free diet, as dairy makes the family very sick)



Tomeck - Dad  
Jan - Dad  
Michal - Teenager  
Zofia - Teenager  
A tropical fish tank full of beautiful fish, 2 snails and a frog

## FAMILY 5 Griffiths family (they can't eat bread or pasta because it can make their mum very ill)



Roger - Dad  
Sian - Mum  
Ryan - Baby  
Shell - Teenager  
2 Hamsters called Peanut and Butter  
A tortoise called Bob

## FAMILY 6 Campbell family



Jane - Mum (can't eat rice)  
Angie - Mum  
Poppy - Child  
Theo - Child (won't eat green vegetables)