



Insurance Module

Trainer's introduction

Anyone who owns a vehicle in Canada must have some familiarity with the basics of insurance. Other types of insurance are similar in principle, but differ in important ways. One key difference is that, while vehicle insurance is compulsory, Canadians must make a choice to buy other forms of coverage. Many Canadians do not understand that insurance is a tool to manage the financial risks they and their families are exposed to. They may be underinsured or overinsured because they have not understood how to get the best coverage for their needs.

This module describes how insurance works and how to make sure you have the coverage you need. Mini-module 1 reviews the basic concepts and language used in a contract of insurance, and asks participants to examine how they feel about financial risk. Mini-module 2 outlines various types of insurance and how to determine how much insurance a family needs. Mini-module 3 covers buying insurance and working with an insurance representative.

Learning objectives

After completing the module, learners will be able to:

- Explain the purpose of insurance and how it works
- Identify the term, premium and benefits in a contract of insurance
- Explain the requirement of damage mitigation in a contract of insurance
- Describe some typical damage mitigation steps a property owner might take
- Describe the main types of life insurance and the benefits, costs and limitations of each
- Describe the main types of property insurance and the benefits, costs and limitations of each
- Describe the main types of health insurance and the benefits, costs and limitations of each
- Describe the main features of the provincial vehicle insurance system, including the main options for and costs of vehicle insurance
- Describe the main types of travel insurance and the benefits, costs and limitations of each
- Assess their own need for insurance (life, property, health, vehicle, travel)
- Describe what to look for in choosing an insurance agent



- Ask questions to choose the right insurance for their needs and avoid getting insurance they don't need
- Explain the requirement of utmost good faith in a contract of insurance
- Explain the consequences of insurance fraud
- Use consumer tips to get the best deals on insurance and avoid rip-offs

Materials/equipment required

- Copies of selected mini-modules or activities for participants
- PowerPoint file: Insurance
- PowerPoint projector and screen
- Internet connection (if using)
- Class set of property insurance policies from a local agent (optional)

Time required

	To do all the activities in this module would require approximately:	To complete the module in one hour, focus on:
Introduction	<ul style="list-style-type: none"> • 10 minutes 	<ul style="list-style-type: none"> • Activity 1
1: Insurance Basics	<ul style="list-style-type: none"> • 25 minutes 	<ul style="list-style-type: none"> • Slide 6, 7
2: Types of Insurance	<ul style="list-style-type: none"> • 45 minutes 	<ul style="list-style-type: none"> • Slide 11 • Activity 5 (How Much Life Insurance Do You Need?) • Slides 13 to 16 • Activity 6 (Determining My Insurance Needs)
3: Buying Insurance	<ul style="list-style-type: none"> • 60 minutes 	<ul style="list-style-type: none"> • Activity 9 (VIDEO: Tips for Buying Insurance)
7: Action Plan	<ul style="list-style-type: none"> • 5 minutes to get started 	<ul style="list-style-type: none"> • Activity 11 (Action Plan)

Suggested Activities and PowerPoints

Use the slides and the online modules. The text provides additional information, items that are not easily represented in a slide, worksheets and other references.

Select the slides you will need for your presentation. *You will not need all the slides if you don't plan to cover all the topics.*



Introduction

Customize the agenda as needed. Introduce the workshop topic and outline the contents.

Slide 1: Insurance Title Page

Insurance

Slide 2: Agenda

Agenda

Start time: _____

Break time: _____ (10 minutes)

End time: _____

Please set phones to silent ring and answer outside of the room.

Activity Icebreaker

Have participants complete the worksheet, My attitude toward insurance, in the Insurance basics mini-module.

Have participants review their answers with a partner.

Review their responses by asking questions such as the following:

- What items on the checklist have you heard friends or others talk about?
- Do any of the items affect your own thinking about insurance?

Extend the discussion by asking questions such as the following:

- If there's one thing you want to learn in this session, what would it be?
- What's the most important thing to know about using insurance to manage your personal finances?
- If there's one thing you could already tell your best friend about using insurance to manage your money, what would it be?

Conclude the activity by summarizing some things people already know. Explain that the session is going to build on what people know to help participants use insurance more effectively.



Slide 3: Insurance

This module covers:

- what insurance is and how it works
- different types of insurance and their purpose
- how to determine the insurance you need
- how to buy the right insurance at the best cost

Mini-module 1: Insurance basics

Slide 4: Title slide: Insurance basics

Insurance Basics

Overview

Slide 5: Insurance basics

This section covers:

- what insurance is
- how insurance works
- why some people avoid buying insurance
- how you feel about life situations that might require insurance

Slide 6: What is insurance?

- A contract to provide compensation for certain losses
- **Policy:** a contract that says what is covered and what benefit you can receive
- **Insured:** the person protected by the policy
- **Insurer:** the insurance company
- **Policyholder:** the person who holds the policy
- **Premium:** the amount you pay to buy insurance

Slide 7: What is and isn't covered?

- The policy spells out:
 - The **coverage**



- The risks and items covered
- The maximum amount to be paid out
- The **term**: when the policy is in effect
- The **deductible**: an amount you pay before the insurer pays the rest
- Any **exclusions**: anything that is not covered

Activity Insurance terms

Have participants make up Jeopardy-style questions based on the definitions of the insurance terms in the first part of the Insurance Basics mini-module (e.g., given the clue “The time the policy is in effect,” participants ask “What is the term?”). Then divide participants into two teams and have each team use the questions to challenge the other.

Prompt discussion by asking questions such as the following:

- Are many of the terms new to you?
- Are any of the terms hard to understand?
- Can you use the terms to better understand how insurance works?

Attitudes Toward Insurance

Activity Attitudes Toward Insurance

Refer to the Icebreaker activity on the worksheet, My attitude toward insurance (or do the activity now).

Refer participants to the Get Insurance—Yes or No? worksheet in the mini-module. Have participants work in pairs to discuss what they would do in the scenarios described. Ask some participants to explain their answer and the reasons for each example.

Prompt discussion by asking questions such as the following:

- How does the attitude to risk affect the choice in each scenario?
 - **Answer:** If you are less comfortable with risk, you will probably want to manage the risk by buying insurance.
- Why are there differing answers for each scenario?
 - **Answer:** There is seldom a simple choice about insurance. The choice depends on what insurance is available, its costs and benefits and how each person feels about managing risk.
- How do you think people's attitudes and beliefs about insurance affect their financial decisions?
 - **Answer:** E.g., Some people may spend thousands to insure a vehicle, but feel reluctant to buy life insurance, leaving their family at risk. People who feel



confident and knowledgeable about insurance can use it to provide greater financial security. Those who avoid or minimize it could put their personal finances and their families at greater risk.

Activity Summary of key messages

Have participants in pairs or small groups discuss and write down the three or four most important things they learned during the session.

Ask a few participants to compare their lists with the Summary of key messages (in the text or PowerPoint slide).

Clarify any misunderstandings and point out how the messages build on the topics participants identified in the first activity.

Slide 8: Summary of key messages

- Insurance is a contract (a policy) between a policyholder and an insurer
- The insurer pays compensation if an event in the policy occurs during the term
- Insurance policies spell out what is covered
- Weigh the pros and cons and the emotional factors before buying insurance

Mini-module 2: Types of insurance

Slide 9: Title slide: Types of insurance

Types of insurance

Overview

Slide 10: Types of insurance

This section covers:

- what the main types of insurance are and how they work
- how to determine your own needs for insurance



Life and Health Insurance

Slide 11: Life Insurance

- Provides a payment when you die
- **Beneficiary** receives the payment
- **Term life** covers a fixed period of time
- **Permanent life** covers the lifetime of the insured
 - May build up a **cash value** that you can withdraw
 - **Universal life** combines life insurance with an investment
- Review your life insurance need regularly

Slide 12: How much life insurance do you need?

Please refer to Types of Insurance section under Insurance module.

[Click here to view worksheet online](#)

How much life insurance do I need?	
Item	Estimated amount
A. Costs at death	\$0.00
Funeral expenses	\$ 0.00
Costs to settle estate (including taxes)	\$ 0.00
B. Debts and other expenses	\$0.00
Mortgage balance	\$ 0.00
Credit cards	\$ 0.00
Other debts	\$ 0.00
C. Assets	\$0.00
Value of home and property	\$ 0.00
Value of other assets	

Activity How much life insurance do you need?

Click the image on the slide to demonstrate the life insurance worksheet if you have an Internet connection. Explain that the calculator helps to estimate how much life insurance is needed to cover a person's current and future financial needs. A similar version is in the Types of Insurance mini-module.

Ask participants for typical cost data to input and then show the results.



Prompt discussion by asking questions such as the following:

- What items on the worksheet are optional?
 - **Answer:** All are choices to make depending on your individual needs. E.g., someone with children may need insurance, but have less need if his or her partner can support a family.
- How does this result compare with the insurance you already have?
- How does this information help you manage your finances?
 - **Answer:** It gives a picture of the total need for life insurance, and allows you to compare costs to provide the insurance needed and to budget for the costs.

Have participants use the calculator during the session or later to estimate their own life insurance needs.

Slide 13: Health insurance

- Public health plans cover basic costs
- Other health insurance plans include:
 - **Supplementary** or **extended**—for drugs and services not in public plan
 - **Disability**—if you cannot work
 - **Travel medical**—for treatment while travelling
 - **Critical illness**—lump-sum payment for specific conditions
 - **Long-term care**—expenses for long-term nursing

Property insurance

Slide 14: Home insurance

- Types include:
 - Home insurance
 - Condominium or co-owners insurance
 - Tenant's or renter's insurance
- Can cover:
 - Fire or damage to home
 - Damage to or theft of possessions
 - Accident or injury to others
 - Living expenses while displaced from home



Slide 15: Vehicle insurance

- **Mandatory** insurance includes:
 - **Liability** insurance for injury to others
 - **Accident benefits** for own medical expenses
- **Optional** insurance includes:
 - **Collision** for cost of damages to own vehicle
 - **Comprehensive** for theft, fire, etc.

Slide 16: Other types of insurance

- Depending on your circumstances, you may want:
 - Business insurance for small or home business
 - Mortgage insurance to make payments or pay off mortgage
 - Credit protection to pay bills if you cannot work
 - Identity theft insurance to cover costs of restoring documents, etc.
- Some protection may be included in other policies
- May be many limitations and exclusions

Slide 17: Determining my insurance needs

Please refer to Types of Insurance section under Insurance module.

[Click here to view worksheet online](#)

Determining my insurance needs	
Statement	Recommendations
<input type="checkbox"/> I want to make sure that our family does not lose our home if I get sick or die.	Consider life insurance, disability insurance and various forms of mortgage insurance.
<input type="checkbox"/> I want to make sure I can survive financially if I get sick or injured or become disabled and can't work.	Consider disability insurance and critical illness insurance.
<input type="checkbox"/> I want to make sure my loved ones don't suffer financially if I need in-home nursing or nursing home care.	Consider long-term care insurance.
<input type="checkbox"/> I want to protect my home and possessions against the risk of fire, theft or other disasters.	Consider home insurance or condominium insurance (if you own your home) or tenant insurance (if you rent).
<input type="checkbox"/> I own a home-based business and want to protect my business and property against loss or damage.	Consider various forms of business insurance.
<input type="checkbox"/> I travel, or plan to travel, outside the country.	Consider travel medical insurance and trip cancellation/baggage insurance.
<input type="checkbox"/> I drive a vehicle.	Consider, in addition to your basic mandatory insurance, collision and comprehensive insurance.
<input type="checkbox"/> I want to make sure I can pay my credit cards and other loans if I lose my job or can't work.	Consider credit protection insurance and credit balance insurance.
<input type="checkbox"/> I don't want my loved ones to suffer financially after my death. I also want them to have enough money to pay for my funeral costs and estate costs.	Consider life insurance, credit protection insurance and credit balance insurance.



Activity Determining my insurance needs

Have participants complete the Determining my insurance needs checklist in the Types of insurance mini-module. Point out that it provides a very general overview of insurance needs, but it can be a helpful start to thinking about what insurance you want. Refer to Slide XX if needed.

Prompt discussion by asking questions such as the following:

- Can anyone describe a time when they or a friend did not have the insurance they needed, and what the results were?
- What items on the worksheet are optional?
 - **Answer:** All are choices to make depending on your individual needs.
- How does this information help you manage your finances?
 - **Answer:** It gives a picture of the need for various forms of property insurance, and allows you to compare costs to provide the insurance needed and to budget for the costs.

Have participants use the checklist during the session or later to estimate their own insurance needs.

Activity Summary of key messages

Have participants in pairs or small groups discuss and write down the three or four most important things they learned during the session.

Ask a few to compare their lists with the Summary of key messages (in the text or PowerPoint slide).

Clarify any misunderstandings and point out how the messages build on the topics participants identified in the first activity.

Slide 18: Summary of key messages

- Investigate and choose which insurance products you need
- Read the policy to find out what is covered and what is excluded
- Consider:
 - what you could lose
 - your financial situation
 - how well you could cover your losses
 - how you feel about risk
 - how much you can afford to pay in premiums



Mini-module 3: Buying insurance

Slide 19: Title slide: Buying insurance

Buying insurance

Overview

Slide 20: Buying insurance

This section covers:

- where you can buy insurance
- what questions to ask when purchasing insurance
- how to make an insurance claim
- what your rights and responsibilities are in buying and owning insurance
- how to avoid insurance fraud

Slide 21: Where can you get insurance?

You can buy insurance from:

- an insurance company
- an insurance agent
 - sells for one company
- an insurance broker
 - sells products from various companies
- a financial institution
 - for certain insurance products
- an unlicensed lender or vendor
 - for certain insurance products

Slide 22: Choosing an insurance agent or broker

- Deal only with a licensed agent or registered broker
- Ask questions:
 - Experience, qualifications and training
 - Professional associations



- Services after the sale
- References from other clients
- No fee for regular sales and services

Slide 23: Choosing an insurance company

Before you buy:

- Check that company is licensed
 - Check insurance regulator in your province or territory
- Check that the company is a member of Assuris
 - Provides protection in case company becomes bankrupt
 - Check how much of the policy is covered

Slide 24: Tips for buying insurance

- Shop around and compare coverage and price
- Buy enough coverage for the value you are insuring
- Don't buy insurance you don't need
 - E.g., you may be covered through another plan
- Choose a deductible to balance your premium and possible losses
- Review the policy carefully
 - Ask questions if you don't understand
 - Cancel within the grace period if necessary

Slide 25: Making a claim

- Contact insurer as soon as possible
- Provide all documents needed; e.g.:
 - Police report from auto collision or theft
 - Record of household possessions
 - Death certificate for life insurance
- Make repairs to reduce damage when authorized by insurer



Activity Read the fine print

Divide participants into groups of three or four, and refer them to the Read the fine print Activity in the Buying insurance mini-module. Have the groups read the examples and decide if the insured is covered for the loss in each case.

Ask some groups to explain what their group decided and why. As if other groups agree. Review the answers given.

Extend the discussion by asking questions such as the following:

- What terms did you find hard to understand in the examples?
- What's the best way to ensure you have the coverage expected?
 - **Answer:** Read the policy carefully and ask questions about anything unclear.

TIP:

If possible, bring actual copies of a property insurance policy and have participants review the terms and conditions. Local insurance agents can usually provide multiple copies of a common policy.

Slide 26: Consumer responsibilities

You have a responsibility to:

- Provide complete and accurate information
- Pay premiums on time
- Notify insurer of changes that affect the risk
- Maintain insured property in good condition
- Take reasonable steps to keep damage from getting worse

Slide 27: Consumer rights

You have a right to:

- Clear and accurate information about:
 - Your policy and coverage
 - How to settle a claim
 - How prices are set
 - How your broker or agent is paid
- Professional, fair service
- Timely resolution of claims and complaints
- Keep personal information private



Slide 28: Insurance fraud

- Fraud against an insurer pushes up insurance costs
- Fraud can result in:
 - Criminal penalties
 - Rejection of a claim
 - Suit for costs and damages
 - Rejection of future coverage

Activity VIDEO: Tips for buying insurance

Introduce the video and give participants a copy of the video response sheet. Have them answer the questions on the sheet as they view the video and when it ends.

Following the video, ask some participants to share their comments with a neighbour or with the group.

Extend the discussion by asking questions such as the following:

- How much insurance should you have?
 - **Answer:** It depends on your personal needs. Make sure you are covered to the full value of your needs, but don't buy insurance you don't need.
- How can you get the best value when buying insurance?
 - **Answer:** Research by interviewing several agents or brokers to find out what terms are available.

Video Response Sheet

Name: _____ Date: _____

Name of Video: _____

What points in the video do you agree with?

What points in the video do you disagree with?

What points in the video do you need more information about?



If you had to summarize the video for a friend, what would you say were the most important points?

Activity Summary of key messages

Have participants in pairs or small groups discuss and write down the three or four most important things they learned during the session.

Ask a few to compare their lists with the Summary of key messages (in the text or PowerPoint slide).

Clarify any misunderstandings and point out how the messages build on the topics participants identified in the first activity.

Slide 29: Summary of key messages

Summary of key messages

- You can buy insurance from an insurance company, agent or broker
- Consult an insurance agent or broker to determine needs and costs
- Shop around and negotiate for coverage at the best cost
- Read and understand the insurance policy
- Insured and insurer must provide complete and accurate information
- Insurance fraud pushes up the cost of insurance and is a crime

Action Plan

Activity Action Plan

Have participants review the Action plan in the mini-module. Refer to the slides as necessary. Have participants check off any action that they may need to take. Ask participants to decide when and how they will take the action they need.

Ask if any participants are willing to share their plans for action.

Extend discussion with questions such as the following:

- What's the first step you need to do to better manage your insurance?



- What items on the checklist need the most work?
- What makes some items on the checklist harder to do than others?
- What other types of problems with insurance do you need more information about?

Slide 30: Action plan: Insurance checklist

Insurance checklist			
Step	I'm OK	Needs work	Where to find more information
I review my life situation annually to see if my insurance needs have changed.	<input type="radio"/>	<input type="radio"/>	Determining my insurance needs - checklist
I review my life insurance needs annually and adjust my coverage as needed.	<input type="radio"/>	<input type="radio"/>	How much life insurance do I need? - worksheet
I update the record of my possessions annually and store it in a safe location.	<input type="radio"/>	<input type="radio"/>	Know what you own
I talk to my insurance agent or broker periodically to notify him or her about any changes in my circumstances.	<input type="radio"/>	<input type="radio"/>	Tips for buying insurance