Teacher Instruction: Show Alice Insurance World

Discuss types of insurance and have students fill out graphic organizers.

Have students develop

Individuals handle risks in three ways:
- Prepare to bear the costs themselves
- Use safety and avoidance measures to try to avoid costly incidents
- Transfer risks to another party by purchasing insurance policies

Insurance is a risk-management technique, an arrangement in which an insured pays money to an insurer to gain protection against risks and compensation for losses.

**Health insurance**
- Types of coverage
  - Medical benefits---pay a large part of hospital and surgical care, may also pay part of some other medical expenses (e.g., doctor’s visits)
  - Major medical---pays for long-term illness expenses after basic medical benefits limits have been reached (e.g., cancer).
  - Dental insurance---covers all/part of routine services (e.g., examination cleaning, X-rays) and some other procedures
  - Vision benefits---may cover all or part of eye examinations, glasses, and contact lens
  - Disability insurance---supplies all/part of a worker’s pay if unable to work due to illness or injury; short-term vs. long-term; often a waiting period before payments begin
  - Long-term care insurance---intended to cover the costs of extended home nursing care and related expenses which are not covered by regular medical benefits
  - Accident insurance---covers costs from injuries that occur at an eligible location and/or time. Large group rates keep costs low, but do not cover illness.
- Medigap insurance---Private insurance available to citizens 65 and older who have Medicare A and B plans. Covers the cost of co-payments and deductibles