

# Life can be a risky business



The second unit in our **Social Sciences, Health and Safety** series where students learn about the management of risk through common sense, insuring things we value and the types of insurances we can take out.

Sponsored by:



## WHAT DO WE ALREADY KNOW?

- To revise the ideas of risk management developed in the previous unit (Term Two, 2007 Pgs 10-11), remind students that their homes and all the contents that are found in them are very valuable to all members of the family.
- Develop the idea that sometimes, property that doesn't cost very much can be valued just as much (if not more) than things of high monetary value. Can they give any personal or family examples of this and why they are valued so highly?
- Have them conduct a home survey to find the top 5 things that they, their parents, other family members consider to be the most valuable property they have at home.
- In groups, brainstorm and list some common risks that property at home could face, **eg**
  - fire
  - floods and storms
  - burglary
  - earthquakes.
- Excluding insurance, can students suggest one common sense action families can take to lessen the risk from each of the above, **eg**
  - installing smoke detectors throughout the house
  - installing an alarm system and locking the house
  - making sure drains and spoutings are kept clear
  - securing heavy furniture to the wall and floor.
- Remind students that although these actions can help, they can not entirely prevent damage or loss of property. Discuss how we would feel if our house was destroyed by a fire, flood or earthquake or our property stolen by burglars?

## UNDERSTANDING INSURANCE RESEARCH

- Tell students that we purchase (buy) insurance from insurance companies to reduce the financial loss from loss or damage to our property. Help them understand that the basic idea of insurance is that the insurance company will pay to replace or repair whatever is lost or damaged. Many items may be covered for replacement, **eg** TV, carpets, while some are covered for their present day value, **eg** clothes, books. We pay an annual amount (premium) to buy this insurance.
- Visit [www.icnz.org.nz](http://www.icnz.org.nz) > Select Consumer advice > Select Purchasing insurance. Print out the article and distribute to the students for research.
- Through discussion, ensure that students understand the following points:

### Draft Curriculum Context

#### Health and Phys Ed: Healthy Communities and Environments

- Examining some of the everyday risks that people and communities face and the steps they can take to prepare for these situations.

#### Social Sciences: Social Inquiry

- Understanding the different types of insurances that people can take to help minimise risk and restore the status quo.
- Understanding that companies and consumers both have rights and responsibilities towards each other.
- Encouraging families to take positive action to reduce risk and help reduce the affects of crime in the community.

### Links to English. Best suited to curriculum levels 3-4

- What is meant by a legally binding contract between both parties and who are both parties?
- What is meant by 'complete honesty' from both parties?
- What is meant by being in the same position you were in before a loss? Why is this important for both parties?
- What is meant by an excess and how can paying an excess help the people taking out the insurance?
- Discuss the 'empty house when travelling' example. Why should this person tell the insurer that the house is going to be empty? What difference could it make? How is this fair on both parties?

### A HOUSEHOLD SURVEY

- What do students think are the three most common things that households/families want to protect against loss or damage by taking out insurance (big items). What would they be insuring them against? **eg**
  - car insured against theft and accident
  - contents of house against burglary, fire, flood damage
  - house being damaged/destroyed by fire, slip, volcanic activity, earthquake, storm damage ...
- Have students conduct a home survey to find out
  - which of the three insurances does their family have?
  - why do they consider these insurances important?
- Fill out anonymous class result sheets and tally results. From totals, have students display survey results in graphic form as percentages.

# Protecting the things we value

Serial Number	Model Number	Type	Brand	Colour	Purchase Date	Price Paid
AM9JFK1171	G5 20 inch	Computer	Macintosh	Cream	23/11/05	\$4,321

## Sample SNAP form answers

### LOOKING AFTER OUR PROPERTY

- Point out that unfortunately, burglary is a fact of life and that every year, thousands of people have property stolen. Tell students that as well as losing their treasured possessions, people often feel that they have been invaded and their own personal security has been threatened.
- Introduce the idea that while having insurance will help protect us from loss or damage to property, it is the loss of these things we value that is the most upsetting. How would the students feel if they lost something they really valued such as an iPod/mobile phone in a burglary.
- Start students thinking about measures they and their families can take to protect their own property from burglary – at home, at school, when on holiday, in the car... Brainstorm ideas and report back to the class, **eg**
  - not leaving property lying around to tempt thieves
  - not leaving property clearly in view inside a car – put in boot when leaving the car
  - don't hide spare keys outside as professional burglars will easily find most hidden keys
  - making sure all windows are closed
  - dead locks and security latches fitted to the house.

### THE SNAP PROJECT

- Introduce students to the concept of serial numbers on appliances and equipment. Tell them that this is an unique number that identifies this particular product or item from all other items of the same type that have been produced.
- Tell students that when people have something stolen, most people simply give a description of the article/s to the police. This means that when the police find property they suspect is stolen, they are unable to match the property to the stolen items because they have not been given the serial numbers.
- Using school and classroom appliances and equipment, have students practise locating serial numbers – usually found on the bottom or at the back of the equipment.
- Introduce **SNAP** to the students – **Serial Number Action Project**. Tell them that the Insurance Council of New Zealand and New Zealand Police encourage all families to fill out descriptions and serial numbers of their possessions to help fight crime.
- Go to: [www.icnz.org.nz/current/serial.php](http://www.icnz.org.nz/current/serial.php) for a brief description of the project and download the pdf form. Photocopy and distribute to students.



- Work through a few classroom item sample examples before students take the form home to fill out with their families. Ensure students understand:
  - where they should store the form and why
  - who else they should give a copy to
  - what they should do with the form in the event of a burglary.
- Suggest that adding special marks and taking pictures of their property will also help with identification.

### DISASTER AND EMERGENCY PROTECTION

- Keep a media watch for a week and have students list events and disasters in New Zealand and world-wide that people have no control over, such as: earthquakes; floods; tornados; slips; storms; tidal waves; volcanic eruption.
- Have students speculate on the most likely disasters that could affect their local district. Point out that although natural disasters are a risk that everyone faces, having house insurance and contents insurance can help minimise the loss people feel. Introduce the following scenario. 'After days of rain, the road between your house and the nearby town has been cut off by a huge slip. Power, phone and water are off. You and your family are isolated and may have to evacuate the house. What do you do?'
- Have groups brainstorm ideas of ways we can prepare for emergencies like this.
- Have students visit [www.icnz.org.nz](http://www.icnz.org.nz) > Select Emergency. In groups, have students work through the five sections from emergency readiness to the insurance emergency plan and report this information to families.

### THINKING ABOUT ACCEPTING RISK

- Remind students that just as people don't have to ask for insurance, insurance companies don't have to insure someone's property if they regard the risk is too high. Using car insurance as an example, can students think of any reasons why an insurance company would charge high premiums or even refuse to accept the risk on insuring some motor vehicles, **eg**
  - boy racers are more likely to have accidents
  - younger people statistically have more accidents
  - certain makes of cars are more frequently stolen.
- Relate this to other forms of insurance. How can people lower the risk and the premiums they pay? List ideas. **eg**
  - by fitting smoke alarms and a sprinkler system ...