

# 2024-25 Competitive Events Guidelines

## Insurance & Risk Management



Insurance & Risk Management provides members with the opportunity to demonstrate knowledge about risk management processes and different types of insurance. This competitive event consists of an objective test. This event aims to inspire members to learn about insurance and risk management.

### Event Overview

**Division:** High School

**Event Type:** Individual

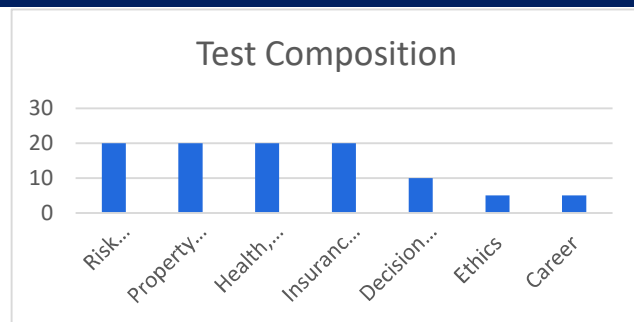
**Event Category:** Objective Test, 100-multiple choice questions (breakdown of question by competencies below)

**Objective Test Time:** 50 minutes

**NACE Connections:** Career & Self-Development

### Objective Test Competencies

- Risk Management
- Property & Liability Insurance
- Health, Disability, & Life Insurance
- Insurance Knowledge
- Decision Making
- Ethics
- Career



### Region

Each chapter may enter two students in this event. Testing is school-site and proctored with careful monitoring to ensure the integrity of the test.

### State

Top three (3) qualifiers of each region are eligible to compete at the State Leadership Conference.

### National

#### Required Competition Items

<u>Items Competitor Must Provide</u>	<u>Items FBLA Provides</u>
<ul style="list-style-type: none"> <li>• Sharpened pencil</li> <li>• Fully powered <a href="#">device for online testing</a></li> <li>• Conference-provided nametag</li> <li>• <a href="#">Photo identification</a></li> <li>• Attire that meets the <a href="#">FBLA Dress Code</a></li> </ul>	<ul style="list-style-type: none"> <li>• One piece of scratch paper per competitor</li> <li>• Internet access</li> <li>• Test login information (link &amp; password)</li> </ul>

#### Important FBLA Documents

- Competitors should be familiar with the Competitive Events [Policy & Procedures Manual](#), [Honor Code](#), [Code of Conduct](#), and [Dress Code](#).

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### *Eligibility*

- FBLA membership dues are paid by 11:59 pm Eastern Time on March 1 of the current school year or prior to regional competition, whichever comes first.
- Members may compete in an event at the National Leadership Conference (NLC) more than once if they have not previously placed in the top 10 of that event at the NLC. If a member places in the top 10 of an event at the NLC, they are no longer eligible to compete in that event.
- Members must be registered for the RLC/SLC/NLC and pay the conference registration fee to participate in competitive events.
- Members must stay in an official FBLA hotel block to compete.
- Each chapter may submit two entries; each region may submit three entries; each state may submit four entries.
- Each competitor can only compete in one individual/team event and one chapter event (American Enterprise Project, Community Service Project, Local Chapter Annual Business Report, Partnership with Business Project) at the national level. RLC/SLC competitors may compete in one objective test/one performance event/ and one chapter event.
- Picture identification (physical or digital: driver's license, passport, state-issued identification, or school-issued identification) matching the conference nametag is required when checking in for competitive events.
- If competitors are late for their assigned objective test time, they will be allowed to compete with a five-point penalty until such time that results are finalized, or the accommodation would impact the fairness and integrity of the event.
- Some competitive events start before the Opening Session of SLC/NLC. The schedules for competitive events are displayed in the local time of the NLC location. Competitive event schedules cannot be changed.

### *Recognition*

- The number of competitors will determine the number of winners. The maximum number of winners for each competitive event is 10/NLC; 5/SLC; 3/RLC.

### *Event Administration*

- This event is an objective test administered online at the RLC/SLC/NLC.
- No reference or study materials may be brought to the testing site.
- No calculators may be brought into the testing site; online calculators will be provided through the testing software.

### *Tie Breaker*

- Ties are broken by comparing the correct number of answers to 10 pre-determined questions on the test. If a tie remains, answers to 20 pre-determined questions on the test will be reviewed to determine the winner. If a tie remains, the competitor who completed the test in a shorter amount of time will place higher.

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### *Americans with Disabilities Act (ADA)*

- FBLA meets the criteria specified in the Americans with Disabilities Act for all competitors with accommodations submitted through the conference registration system by the registration deadline.

### *Penalty Points*

- Competitors may be disqualified if they violate the Code of Conduct or the Honor Code.
- Five points are deducted if competitors do not follow the Dress Code or are late to the testing site.

### *Electronic Devices*

- Unless a pre-approved accommodation is in place, all cell phones, smart watches, and headphones must be turned off and put away before competition begins. Any visibility of these devices will be considered a violation of the Honor Code.

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### Study Guide: Competencies and Tasks

- A. Risk Management
  - 1. Understand the risk management model (identify hazards, assess and prioritize risks, choose control measures, implement controls, and monitor and review results).
  - 2. Understand the enterprise risk management model – ERM (state goal, identify risks, evaluate risks, treat risks, monitor and review results, and communicate results).
  - 3. Adapt risk management models to meet organization’s needs.
  - 4. Understand how risk creates value.
  - 5. Know the risk management process of creating a risk program.
  - 6. Create valid risk forecasts.
  - 7. Perform risk mapping and risk profiling.
  - 8. Determine the cost of risk.
  - 9. Apply risk control theories to create prevention, reduction, enablement, and enhancement tactics.
  - 10. Create emergency response and business continuity plans.
  - 11. Understand risk retention plans and risk financing transfers.
  - 12. Understand how to prepare risk management reports.
  - 13. Understand legal components of risk management industry.
  - 14. Recommended insurance for the types of risk commonly faced by young adults.
- B. Property and Liability Insurance
  - 1. Differentiate between the main types of auto insurance coverage.
  - 2. List facts that can increase or reduce auto insurance premiums.
  - 3. Determine the legal minimum amounts of auto insurance coverage required in one’s state of residence and recommended optimal amounts.
  - 4. Calculate the amount paid on insurance claims after applying exclusions and deductibles.
  - 5. Compare costs of auto insurance, given different deductibles and liability coverage limits.
  - 6. Explain renter’s insurance benefits.
  - 7. What are worker’s compensation benefits in states and how they are paid.
- C. Health, Disability, and Life Insurance
  - 1. Analyze conditions when people need health, disability, and life insurance.
  - 2. Identify government programs, including social security, that provide financial assistance for income loss due to illness, disability, or premature death.
  - 3. Compare sources of health and disability insurance.
  - 4. Explain purpose of long-term care insurance.
  - 5. Create a basic financial plan and explain both the benefits and how the plan will change over time.
- D. Insurance Knowledge
  - 1. Recognize basic policy types and basic policy features.
  - 2. Determine how companies underwrite life insurance.
  - 3. Define term insurance and permanent insurance.
  - 4. Understand the basics of contract provisions and legal doctrines.

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5. Understand claims management.
  6. Create portfolios and place insurance coverage.
  7. Be knowledgeable of global insurance markets.
  8. Understand the importance of pricing, risk aversion, and regulation.
  9. Negotiate, write, and renew insurance contracts.
  10. Define regulations that ensure compliance and demonstrate adherence to insurance industry regulations.
  11. Explain legal concepts pertinent to the insurance industry.
  12. Describe insurance products and their benefits.
  13. Discuss the nature of insurance fraud.
  14. Investigate suspected insurance fraud.
  15. Process a claim to fulfill company's legal obligation to client.
  16. Ensure regulatory compliance of EPA, OSHA, NFPA, ERISA, and COBRA laws and regulations.
  17. Discuss the insurance business cycle (agent, underwriter, claims, settlement, etc.)
- E. Decision Making
1. Recognize and analyze problems and make decisions based on global environments.
  2. Use benchmarking to compare data.
  3. Understand the techniques and processes for optimizing risk taking decisions within an organization (Enterprise Risk Management).
  4. Analyze the risk posed by potential clients in order to make insurance approval/denial decisions.
  5. Demonstrate ethical decision making by compliance with fiduciary duties of care (competency and due diligence).
- F. Ethics
1. Understand the process and importance of confidentiality agreements.
  2. Implement data security measures for confidential records.
  3. Recognize state and federal regulations regarding privacy violations and public disclosure.
- G. Careers
1. Identify insurance industry jobs.
  2. Recognize industry organizations.
  3. Describe essential knowledge and skills needed to be employed in the insurance industry.
  4. Describe roles and responsibilities in insurance (e.g., underwriter, insurance sales representative, actuary, claims personnel, and loss control specialist).
  5. Describe insurance licensing and certification programs.