

# 2023-24 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

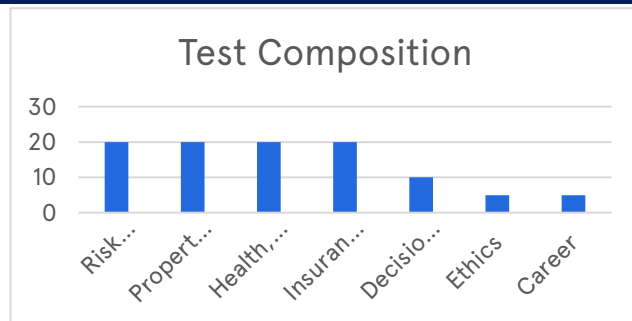
**NACE Connections:** Career & Self-Development

**Equipment Competitor Must Provide:** Pencil

**Equipment FBLA Provides:** One piece of scratch paper per competitor

### Objective Test Competencies

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



### California FBLA Guidelines (Section and State)

- 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.
- All electronic devices such as cell phones and smart watches must be turned off before competition begins.
- Bring a pencil to the testing site.

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### Section

- **Number of Competitors per Chapter:** The number of competitors from each chapter who can enter in this event will be based on local chapter membership on the section conference registration deadline.
  - 0-49 members – 3 competitors
  - 50-74 members – 4 competitors
  - 75-100 members – 5 competitors
  - 101+ members – 6 competitors
- **Number of Competitors Who Advance to State:** A minimum of the **top six (6) places** from each section will represent their section at the State Leadership Conference. The winners' list from each Section Leadership Conference will indicate the number of places that will advance.
- If the following number of competitors submit a test at the section level, more than six (6) winners from that section will be able to compete at state as shown below. Section Directors will determine the number of eligible competitors and send the list to the Competitive Events Coordinator.
  - 44-51 competitors completing a test – 7 competitors advance to state level
  - 52-60 competitors completing a test – 8 competitors advance to state level
  - 61-67 competitors completing a test – 9 competitors advance to state level
  - 68+ competitors completing a test – 10 competitors advance to state level

### State

- **Wild Card Entries:** Each chapter may have **three (3) members** compete as wild card entries at the state level. Wild cards may be used only in these 20 events:

Accounting I	Insurance & Risk Management
Advertising	Introduction to Business Communication
Agribusiness	Introduction to Business Concepts
Business Calculations	Introduction to Business Procedures
Business Communication	Introduction to FBLA
Business Law	Introduction to Financial Math
Computer Problem Solving	Introduction to Information Technology
Economics	Personal Finance
Healthcare Administration	Securities & Investments
Human Resource Management	Supply Chain Management

  - Using Wild Cards
    - Wild cards must be used in different events.
    - Any one member may only enter in one event as a wild card.
    - A wild card event counts as one of the two active events a member may enter.
- **The top four (4) places in state competition** will represent California at the National Leadership Conference.
- Middle school members who place in the top four **cannot** compete at the National Leadership Conference, per national guidelines.

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### National

#### *Policy and Procedures Manual*

- Competitors should be familiar with the Competitive Events Policy & Procedures Manual, found on the Competitive Events page on [www.fbla.org](http://www.fbla.org).

#### *Eligibility*

- FBLA membership dues are paid by 11:59 pm Eastern Time on March 1 of the current program year.
- 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 NLC and pay the national conference registration fee in order to participate in competitive events.
- Members must stay in an official FBLA hotel to be eligible to compete.
- Each state may submit four entries per event.
- Each member 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).
- Picture identification (physical or digital driver's license, passport, state-issued identification, or school-issued identification) is required when checking in for competitive events.
- If competitors are late for an objective test, they will be allowed to compete until such time that results are finalized, or the accommodation would impact the fairness and integrity of the event. Competitive event schedules cannot be changed. Competitive events start in the morning before the Opening Session of the NLC.

#### *Recognition*

- The number of competitors will determine the number of winners. The maximum number of winners for each competitive event is 10.

#### *Event Administration*

- This event is an objective test administered online at the 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 Competitive Event Guidelines 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*

- All electronic devices such as cell phones and smart watches must be turned off before competition begins.

### 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.

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4. Understand the basics of contract provisions and legal doctrines.
  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.