

Insurance and Risk Management



FBLA High School Competitive Events Guidelines

2022–2023

Objective Test Events

Overview

These events consist of a 60-minute test administered during the National Leadership Conference (NLC).

ELIGIBILITY

Each state may submit four entries. Competitors must have paid FBLA national and state dues by 11:59 p.m. Eastern Time on March 1 of the current school year. These events are for individual competitors only.

NLC Registration

Participants must be registered for the NLC and pay the national conference registration fee to participate in competitive events.

Accounting I
Accounting II
Advertising
Agribusiness
Business Calculations
Business Communication
Business Law
Computer Problem Solving
Cyber Security
Economics
Health Care Administration
Human Resource Management
Insurance & Risk Management
Introduction to Business Communication
Introduction to Business Concepts
Introduction to Business Procedures
Introduction to FBLA
Introduction to Financial Math
Introduction to Information Technology
Introduction to Marketing Concepts – **NEW**
Introduction to Parliamentary Procedure
Journalism
Networking Infrastructures
Organizational Leadership
Personal Finance
Political Science
Securities & Investments
Supply Chain Management
UX Design

Insurance & Risk Management

Objective Test Competencies

- Risk management process
- Property and liability insurance
- Health, disability, and life insurance
- Insurance knowledge
- Decision making
- Careers
- Ethics

Objective Test Guidelines

- No materials may be brought to the testing site.
- No calculators may be brought into the testing site; calculators will be provided.
- Electronic devices must be turned off and out of sight.
- Bring a writing instrument.

FBLA Insurance and Risk Management Study Guide

Competency A: Risk Management	Minimum: 20
Tasks	
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 model 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.	
Competency B: Property and Liability Insurance	Minimum: 20
Tasks	
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 are they paid.	
Competency C: Health, Disability, and Life Insurance	Minimum: 20
Tasks	
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.	

FBLA Insurance and Risk Management Study Guide

Competency D: Insurance Knowledge	Minimum: 20
Tasks	
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.	
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.)	
Competency E: Decision Making	Minimum: 10
Tasks	
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 with in 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).	
Competency F: Ethics	Minimum: 5
Tasks	
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.	

FBLA Insurance and Risk Management Study Guide

Competency G: Careers	Minimum: 5
Tasks	
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.	

References:

Career Cluster Resources for Finance. 2012. National Association of State Directors of Career Technical Education Consortium. Washington, DC.

"*Curriculum Online*." 2011. The Griffith Insurance Education Foundation.
<http://www.griffithfoundation.org/cibcareer30/>.

"*Public Risk Management Association Core Competencies*." 2008. Public Risk Management Association.
http://www.primacentral.org/resources/revise_core_comps_08.pdf.

"*RIMS Risk Manager Core Competency Model*." 2007. Risk and Insurance Management Society, Inc.
<http://www.rims.org/education/Documents/RMCCM.pdf>

"*Risk Management Basics*." 2010. Office of Financial Management, State of Washington,
<http://www.ofm.wa.gov/rmd/publications/rmbmanual.pdf>.

INSURANCE & RISK MANAGEMENT SAMPLE QUESTIONS

- 1) Model ___ is present whenever an insufficiently accurate model is used to make decisions.
 - A) loss
 - B) implosion
 - C) failure
 - D) risk

- 2) An activity to capture, compile, and report risk attributes and metrics which determine whether or not risks are being mitigated effectively and risk mitigation plans are being performed correctly in the Continuous Risk Management process.
 - A) risk tracking
 - B) risk analysis
 - C) risk communicating and documenting
 - D) risk identification

- 3) Model ___ can stem from using a model with bad specifications, programming or technical errors, or data or calibration errors.
 - A) defiance
 - B) destruction
 - C) risk
 - D) assessment

- 4) Which of the following policy exclusions is described: Many risks are excluded under one type of policy because they are covered under another. For example, auto liability claims are excluded under a general liability policy because they are covered by a commercial auto policy.
 - A) not accidental
 - B) covered elsewhere
 - C) insurable for a price
 - D) catastrophic

- 5) One of the first sections of an insurance policy that contains the basic facts of the policy such as the name of the policyholder, the organization which is insured, the types of perils covered, the premium, and the maximum amount covered.
 - A) declarations
 - B) endorsement
 - C) conditions
 - D) inspections

- 6) The Disability Insurance program benefits and administrative costs are financed primarily by a portion of the ___ payroll tax on wages covered by Social Security.
- A) Medicare
 - B) Social Financial Securities
 - C) Healthcare
 - D) Federal Insurance Contribution Act
- 7) The ___ operates a nationwide health care system, the goal of which is to provide quality medical care on a timely basis to all eligible veterans with a system that includes 172 hospital centers, 119 nursing homes, 233 outpatient clinics, and 26 domiciliary care facilities.
- A) Department of Defense Fund
 - B) Veterans of Foreign Wars
 - C) Federal Soldier Medical Services
 - D) Department of Veterans Affairs
- 8) ___ insurance covers a range of services like nursing home care or in-home help with basic personal tasks like bathing, grooming, and eating.
- A) Long-term disability insurance
 - B) Long-term care
 - C) Health care
 - D) Identity theft protection
- 9) The Employee Retirement Income Security Act (ERISA) is a ___ law that sets minimum standards for most voluntarily established retirement and health plans in private industry to provide protection for individuals in these plans.
- A) federal
 - B) local
 - C) state
 - D) international
- 10) All of the following are components of the Enterprise Risk Management model (ERM) **except** for ___.
- A) identify risks
 - B) make recommendations
 - C) state goal
 - D) evaluate risks

- 11) Defining the ___ of an insurance contract begins with identifying and prioritizing critical business processes and their related risks.
- A) scope
 - B) action
 - C) value
 - D) process
- 12) ___ is about protecting data against unintentional, unlawful, or unauthorized access, disclosure, or theft.
- A) Data prison
 - B) Data confidentiality
 - C) Identity theft
 - D) Information acquisition
- 13) Examples of confidential information include all the following **except** ___.
- A) individually identifiable health information
 - B) public information as specified in all applicable federal or state laws
 - C) education records
 - D) personally identifiable information
- 14) ___ use analysis to predict the risk that an event will occur and help insurance companies decide how much to charge for various types of coverages.
- A) Claims clerks
 - B) Loss Control Specialists
 - C) Actuaries
 - D) Claims adjusters
- 15) Claims adjusters are also known as all the following **except** ___.
- A) appraisers
 - B) investigators
 - C) analysts
 - D) modifiers

- 1) D
- 2) A
- 3) C
- 4) B
- 5) A
- 6) D
- 7) D
- 8) B
- 9) A
- 10) B
- 11) A
- 12) B
- 13) B
- 14) C
- 15) D

General Competitive Events Guidelines

The general event guidelines below are applicable to all FBLA High School national competitive events. Please review and follow these guidelines when competing at the national level. When competing at the state level, check the state guidelines since they may differ.

All members and advisers are responsible for reading and following competitive event guidelines.

Eligibility

- **Dues:** Competitors must have paid FBLA national and state dues by 11:59 p.m. Eastern Time on March 1 of the current school year.
- **NLC Registration:** Participants must be registered for the NLC and pay the national conference registration fee in order to participate in competitive events.
- **Deadlines:** The state chair, or designee, must register each state competitor on the official online entry forms by 11:59 p.m. Eastern Time on the second Tuesday in May.
- Each state may submit four entries in all events.
- Each competitor can only compete in one individual/team event and one chapter event.
- Each competitor must compete in all parts of an event for award eligibility.
- A team shall consist of two or three members. The exception is Parliamentary Procedure, which must be a team of four or five members.
- All members of a team must consist of individuals from the same chapter.
- If competitors are late for a competitive event, there are no guarantees they will get to compete. Competitive event schedules cannot be changed. **PLEASE NOTE** that competitive events start in the morning before the opening session of NLC.
- Competitors may be disqualified if they violate competitive event guidelines.
- Picture identification (drivers' license, passport, state-issued identification, or school-issued identification) is required when checking in for competitive events.

General Competitive Events Guidelines

Repeat Competitors

- **Members** may compete in an event at NLC more than once if they have not previously placed in the top ten of that event at NLC. If a member places in the top ten of an event at NLC, they are no longer eligible to compete in that event. This eliminates the exceptions for team events that were previously in place, as this change will now affect all events.
- **Modified Events:** A competitor may compete in the same event when the event is modified, regardless of placement at a National Leadership Conference. Note, if the only modification is a name change, competitors may not compete in the renamed event if they have previously placed in the top ten at the National Leadership Conference.
- **Chapter Events:** Competitors may compete in a chapter event as many times as they wish, regardless of placement at a previous National Leadership Conference (American Enterprise Project, Community Service Project, Local Chapter Annual Business Report, and Partnership with Business Project).
- **Pilot Event:** Competition in a pilot event does not disqualify a competitor from competing in the same event if it becomes an official competitive event. The participant may compete in another event as well as a pilot event.

Breaking Ties

- **Objective Tests:** Ties are broken by comparing the correct number of answers to the last 10 questions on the exam. If a tie remains, the competitor who completed the test in a shorter amount of time will place higher. If this does not break the tie, answers to the last 20 questions will be reviewed to determine the winner.
- **Objective and Production Tests:** The production test scores will be used to break a tie.
- **Objective Tests and Performances:** The objective test score will be used to break a tie based on the tie-breaking criteria of objective tests.
- **Reports/Projects and Performances:** The report/project scores will be used to break a tie.
- **Performances:** Judges must break ties and all judges' decisions are final.

General Competitive Events Guidelines

National Deadlines

- State chair/adviser must register all competitors for NLC competitive events online by 11:59 p.m. Eastern Time on the second Tuesday in May.
- All prejudged components (reports and projects) must be submitted by 11:59 p.m. Eastern Time on the second Tuesday in May.
- All prejudged projects and reports must be submitted electronically.
- All production tests must be submitted by 11:59 p.m. Eastern Time on the third Tuesday in May.
- All production tests must be uploaded online on the required platform.
- State chair/adviser may make name changes only (no additional entries) by 11:59 p.m. Eastern Time on the first Tuesday in June. Competitor drops are the only changes allowed after this date and onsite.

National Awards

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

Americans With Disabilities Act (ADA)

- FBLA-PBL meets the criteria specified in the Americans with Disabilities Act for all participants who [submit an accommodation form](#).
- The form must be submitted by 11:59 p.m. Eastern Time on the second Tuesday in May.

Recording of Presentations

- No unauthorized audio or video recording devices will be allowed in any competitive event. Participants in the performance events should be aware the national association reserves the right to record any performance for use in study or training materials.