



PROSPERITY & WEALTH  
PRESENTS:

UNDERSTANDING  
FINANCIAL LITERACY

# UNDERSTANDING FINANCIAL LITERACY

## **Essential Money Management Skills**

Financial literacy includes learning budgeting, saving, and investing to manage money effectively for a secure future.

## **Informed Financial Decisions**

The course empowers individuals to make smart financial choices and avoid pitfalls like accumulating unnecessary debt.

## **Planning for the Future**

Topics like credit scores, banking, and goal setting are covered to help participants prepare for long-term financial success.

# MODULE 6: FINANCIAL PROTECTION

SAFEGUARDING YOUR WEALTH

# THE IMPORTANCE OF INSURANCE

## KEY TYPES OF INSURANCE FOR FINANCIAL PROTECTION

### 1. Health Insurance

- **Covers:** Medical expenses — doctor visits, hospital stays, surgeries, prescriptions, preventive care.
- **Why It Matters:** Health care costs can be financially devastating without insurance.
- **Who Needs It:** Everyone — even healthy individuals, to cover emergencies or unexpected illnesses.
- **Common Types:**
  - HMO / PPO / EPO / HDHP
  - Marketplace plans, employer coverage, Medicare/Medicaid

### 2. Life Insurance

- **Covers:** Provides a payout to beneficiaries when the insured person dies.
- **Why It Matters:** Helps support dependents, pay debts, or cover funeral costs.
- **Who Needs It:**
  - People with dependents (children, spouse)
  - Those with debt that would impact others (mortgage, loans)
- **Types:**
  - **Term Life:** Covers a set period (cheaper)
  - **Whole Life / Universal Life:** Permanent coverage with investment features

# THE IMPORTANCE OF INSURANCE

## KEY TYPES OF INSURANCE FOR FINANCIAL PROTECTION

### 3. Auto Insurance

- **Covers:** Vehicle damage, liability (if you cause an accident), injuries, theft.
- **Why It Matters:** Often legally required; protects against costly damages and lawsuits.
- **Who Needs It:** Anyone who owns or drives a vehicle.
- **Coverage Options:**
  - Liability (required)
  - Collision
  - Comprehensive
  - Uninsured/Underinsured Motorist

### 4. Homeowners / Renters Insurance

- **Homeowners Insurance Covers:** Property damage (e.g. fire, theft, storm), personal belongings, and liability.
- **Renters Insurance Covers:** Belongings inside a rental and liability — not the building itself.
- **Why It Matters:** Replaces or repairs property after loss or disaster.
- **Who Needs It:**
  - **Homeowners:** Required by mortgage lenders
  - **Renters:** Highly recommended, very affordable

### 5. Disability Insurance

- **Covers:** Part of your income if you're unable to work due to illness or injury.
- **Why It Matters:** Income protection — more likely to become disabled than to die early.
- **Who Needs It:** Working individuals, especially those with dependents or no backup income.
- **Types:**
  - Short-Term (a few months)
  - Long-Term (years or until retirement)

# CHOOSING THE RIGHT INSURANCE

## **Health and Life Insurance Evaluation**

Assess your health, family, and financial responsibilities to choose the right health and life insurance for protection.

## **Auto Insurance Considerations**

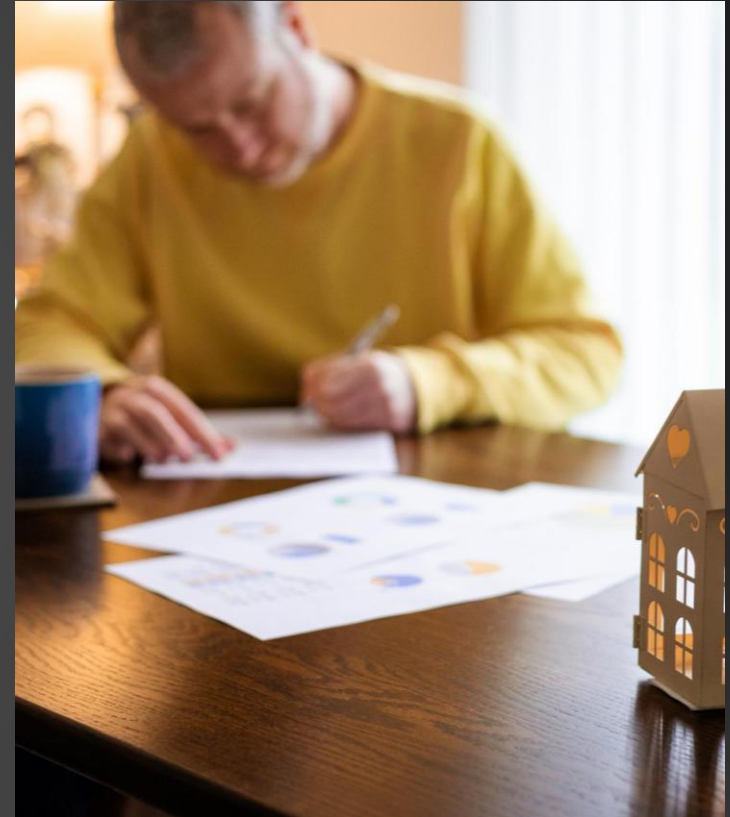
Examine your vehicle's value and state requirements to determine suitable auto insurance coverage for your situation.

## **Homeowners and Renters Insurance**

Assess your home's value or possessions to select proper homeowners or renters insurance for property protection.

## **Disability Insurance Need**

Review your income stability and job risks to decide if disability insurance is necessary for financial security.



# CHOOSING THE RIGHT INSURANCE

## Insurance Policy Comparison Table

Insurance Type	Average Cost (Annual)	What It Covers	Who Needs It	Key Considerations
Health	\$5,000–\$7,000 (individual) \$13,000+ (family)	Doctor visits, hospital stays, prescriptions, emergency care	Everyone	Premiums, deductibles, copays, network of providers
Life (Term)	\$300–\$600 (for \$500k policy)	Payout to beneficiaries at death	Anyone with dependents or debts	Term length, coverage amount, health conditions
Auto	\$1,200–\$1,800	Liability, collision, comprehensive, theft	All drivers	Type of coverage, driving record, vehicle age
Homeowners	\$1,000–\$2,000	Property damage, theft, liability	Homeowners	Home value, location risks (flood, fire zones)
Renters	\$150–\$300	Belongings and liability in rented home	Renters	Total value of possessions, deductible, liability limit
Disability (Long-Term)	\$500–\$1,500 (depends on income) 	% of income if unable to work	Working individuals	Coverage %, benefit period, waiting period

# IDENTIFY THEFT AND FRAUD PROTECTION

## How to Protect Your Identity & Financial Information



### **Create Strong Passwords**

Use unique and complex passwords for every account and update them regularly to enhance security.



### **Monitor Financial Activity**

Check financial statements and credit reports frequently to catch suspicious activity as soon as possible.



### **Protect Personal Information**

Be careful when sharing personal details online; avoid unsecured sites and unsolicited communications.

# MODULE SUMMARY

## Topics Covered:

- ✓ The importance of insurance
- ✓ Choosing the right insurance
- ✓ Identify theft and fraud protection

❖ **Key Takeaways:** Take the proper steps to safeguard your wealth.

# Get in Touch!

Have questions about the strategies in this presentation, or want to share your success story? I'd love to hear from you.

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