Insurance with the Tortoise and the Hare

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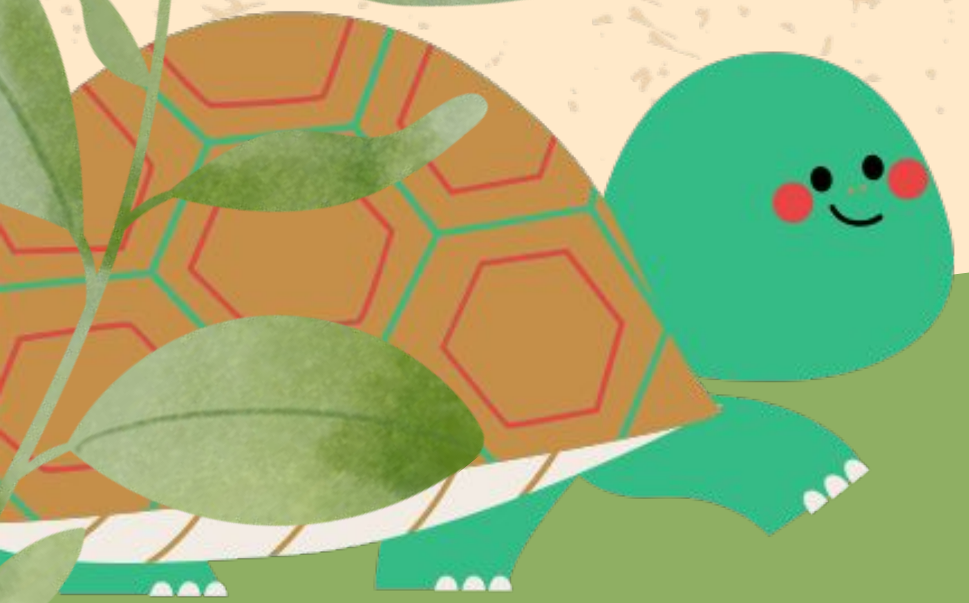
WORD BANK

- Insurance: A way to protect yourself from financial loss if something unexpected happens.
- Risk: The chance that something bad or unexpected might occur.
- Premium: The regular amount you pay to keep your insurance active.
- Policy: The agreement between you and the insurance company about what is covered.
- Claim: A request you make to the insurance company to pay for a loss.
- Coverage: The protection your insurance provides.

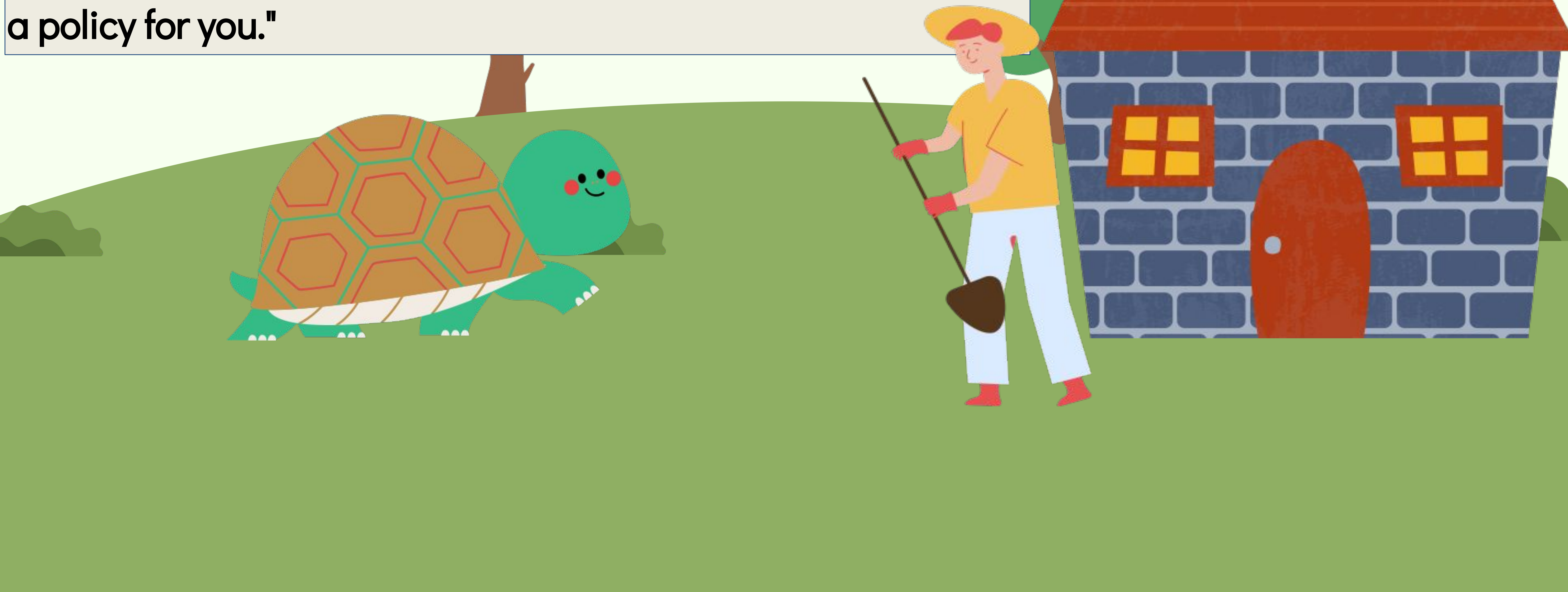
Once upon a time, in a sunny meadow, a speedy hare and a steady tortoise were preparing for the Great Forest Race. Everyone in the forest had come to watch.



the Hare laughed and stretched his legs. "I'm so fast, nothing could ever go wrong for me! Why bother preparing for problems that will never happen?" He packed his bag lightly and set off without a worry in the world.

the Tortoise, however, was thoughtful. Before the race, he visited the Insurance Shop at the edge of the forest. "I'd like to protect my supplies and my shell in case something unexpected happens on the way," he said carefully.

The shopkeeper said. "A wise choice, Tortoise. Let's set up a policy for you."



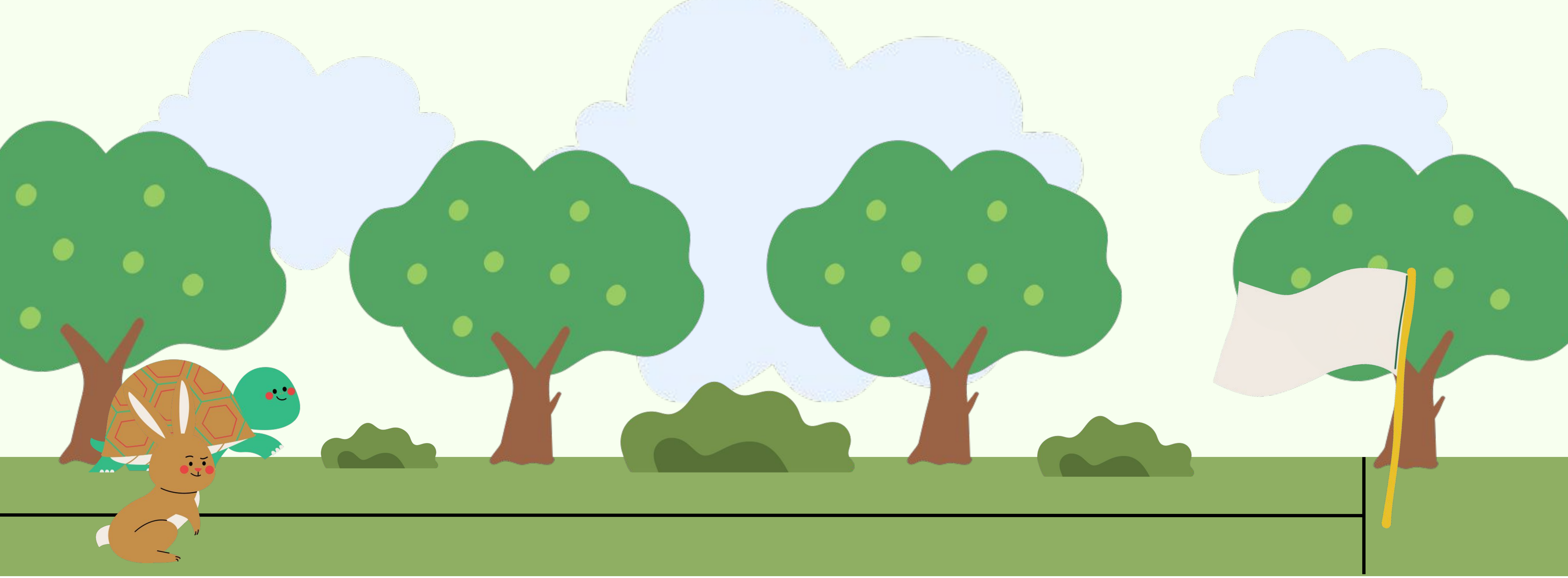
Together, the Tortoise and the Shopkeeper created a policy — an agreement that listed exactly what was covered and how much the Tortoise would pay each month. This regular payment is called a premium.

"It's a small amount," said The Shopkeeper, "but it means that if anything goes wrong, we'll take care of it."

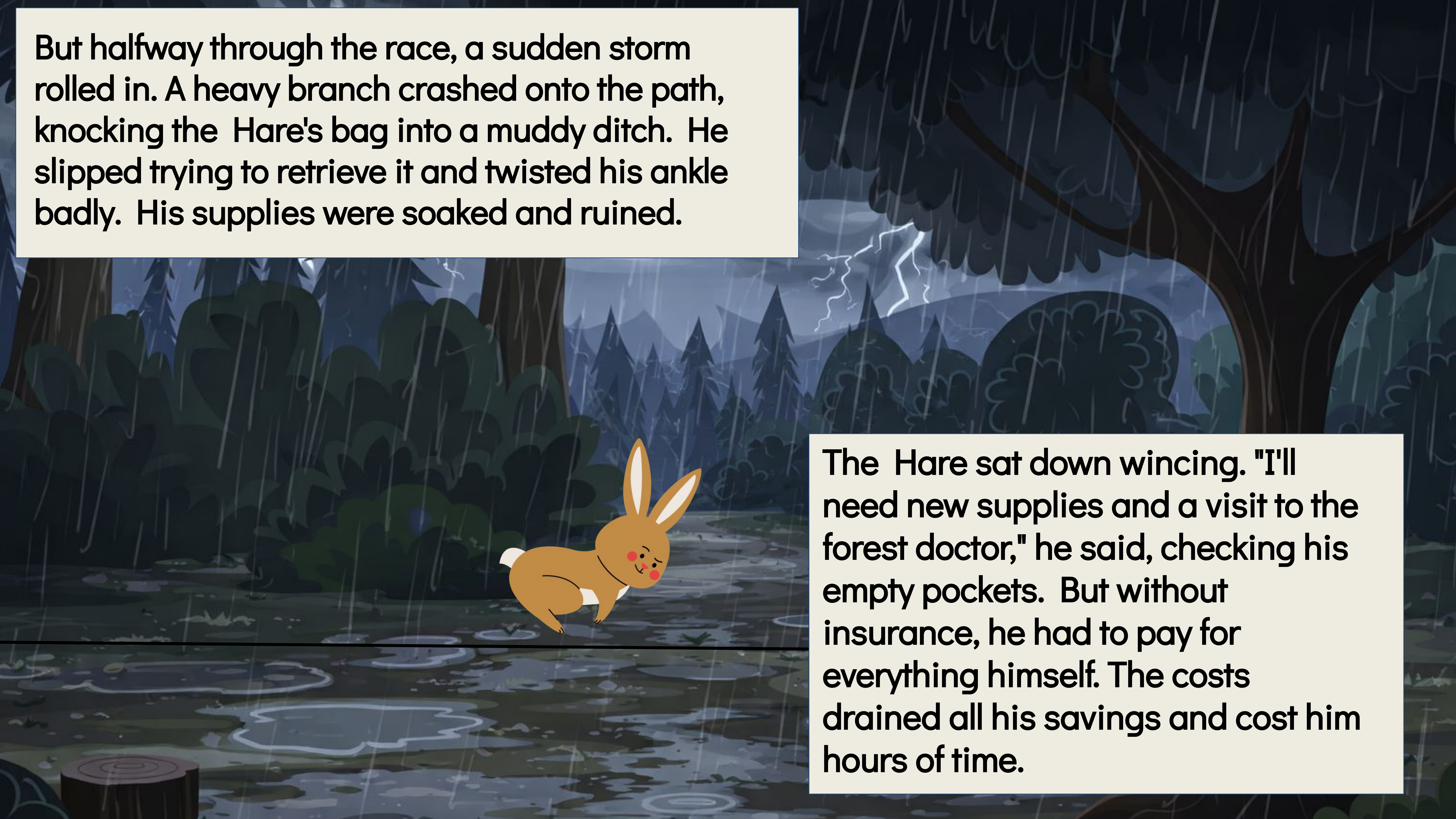
What is Insurance?

Just like the Tortoise, smart people buy insurance to protect themselves from unexpected problems.

- **Insurance** is like a safety net. You pay a small amount regularly (called a **premium**) so that if something goes wrong, you don't have to pay for everything yourself.
- The Tortoise and the ShopKeeper made a **policy** – a clear agreement about what would be covered and under what conditions.
- Insurance doesn't stop bad things from happening. It just makes sure you're ready when they do.



On race day, the Hare shot ahead immediately, laughing as the Tortoise plodded steadily behind him. "I'll be at the finish line before he even reaches the first hill!" he boasted, waving to the crowd.



But halfway through the race, a sudden storm rolled in. A heavy branch crashed onto the path, knocking the Hare's bag into a muddy ditch. He slipped trying to retrieve it and twisted his ankle badly. His supplies were soaked and ruined.

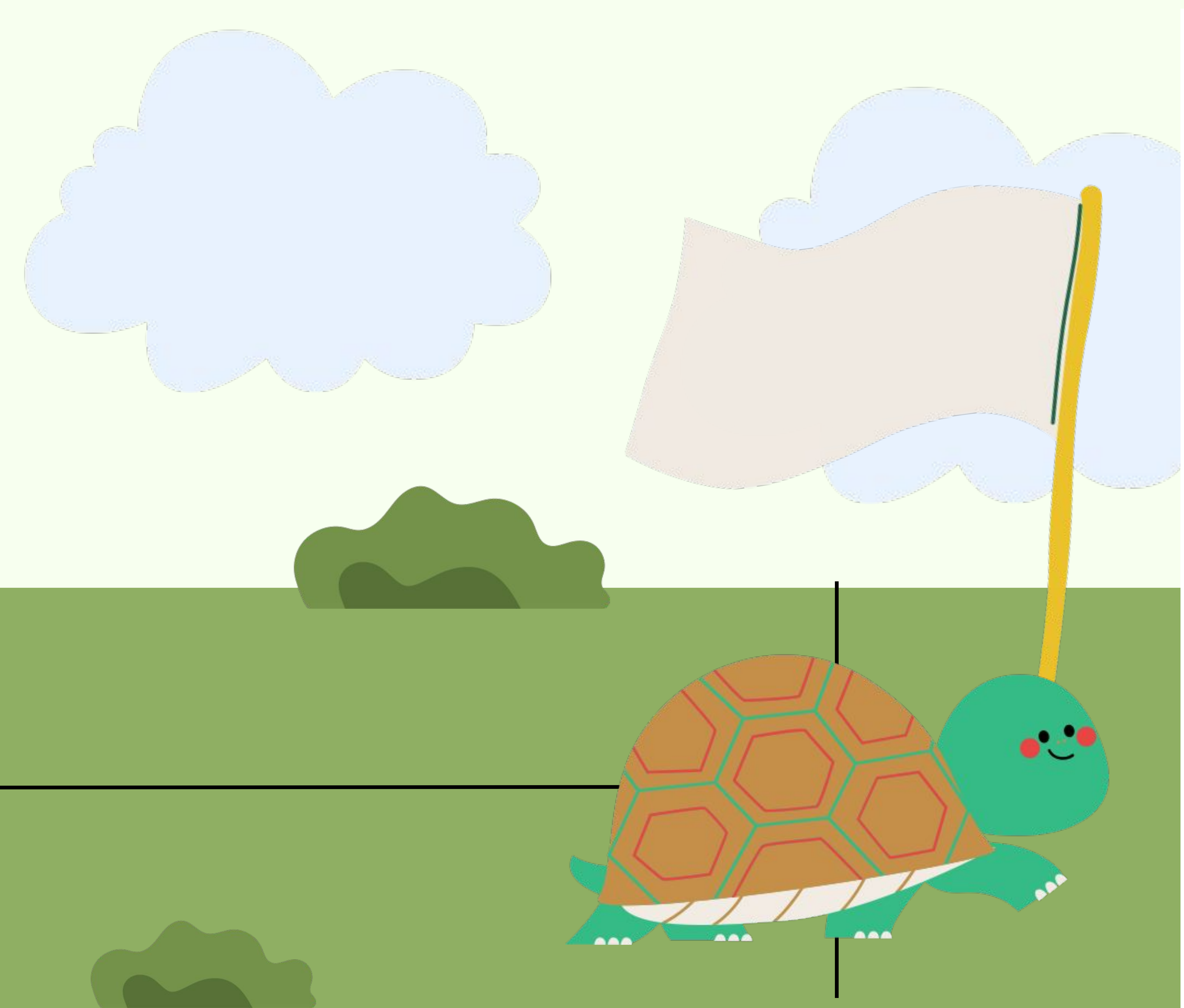
The Hare sat down wincing. "I'll need new supplies and a visit to the forest doctor," he said, checking his empty pockets. But without insurance, he had to pay for everything himself. The costs drained all his savings and cost him hours of time.

The same storm cracked a piece of shell. But the Tortoise stayed calm. He took out his policy and filed a claim – a formal request for his insurance to cover the damage. The Shopkeeper and his team repaired his shell and replaced his supplies quickly. the Tortoise continued on his way.

Risks, Claims and Insurance

What happened to the Hare and the Tortoise shows exactly how insurance works in real life.

- **Risk** is what the Hare ignored – the chance that something unexpected could happen during the race.
- When the Tortoise's shell cracked, he made a **claim** – he reported the damage to his insurance company, and they paid for the repairs.
- Because the Tortoise had paid his **premiums** regularly, he had full **coverage** when he needed it most.
- the Hare had no coverage, so one unexpected event cost him his savings and the race.



the Tortoise crossed the finish line slowly but steadily. The crowd cheered. The Hare limped in long after, having lost the race and spent all his savings.

the Hare sat beside the Tortoise and sighed. "I thought nothing bad could ever happen to me. I was wrong."

The Tortoise smiled kindly. "Insurance doesn't mean you expect to lose. It means you're ready just in case. A small premium now is much better than losing everything later."

The Hare nodded slowly. "Next time, I'll think ahead."

WHY INSURANCE MATTERS

Insurance isn't just for racers — it's for everyone.

- Without coverage, like the Hare, one unexpected event can cost you everything you've saved.
- With insurance, a small, regular premium keeps you protected, so you can recover quickly and keep moving forward, just like the Tortoise.
- A policy makes the agreement clear, so you always know what you're protected against.
- Filing a claim is how you use your insurance when something goes wrong.

Remember: Smart planning protects you when life surprises you!

QUIZ TIME

1.What is insurance in the story?

a) A way to run faster
b) Protection from financial loss if something unexpected happens
c) A type of savings account
d) A gift you receive after winning

2.What is a premium in the story?

a) A reward for finishing a race
b) The money the insurance company gives you after you win
c) The regular payment you make to keep insurance active
d) A special treat for tortoises

QUIZ TIME

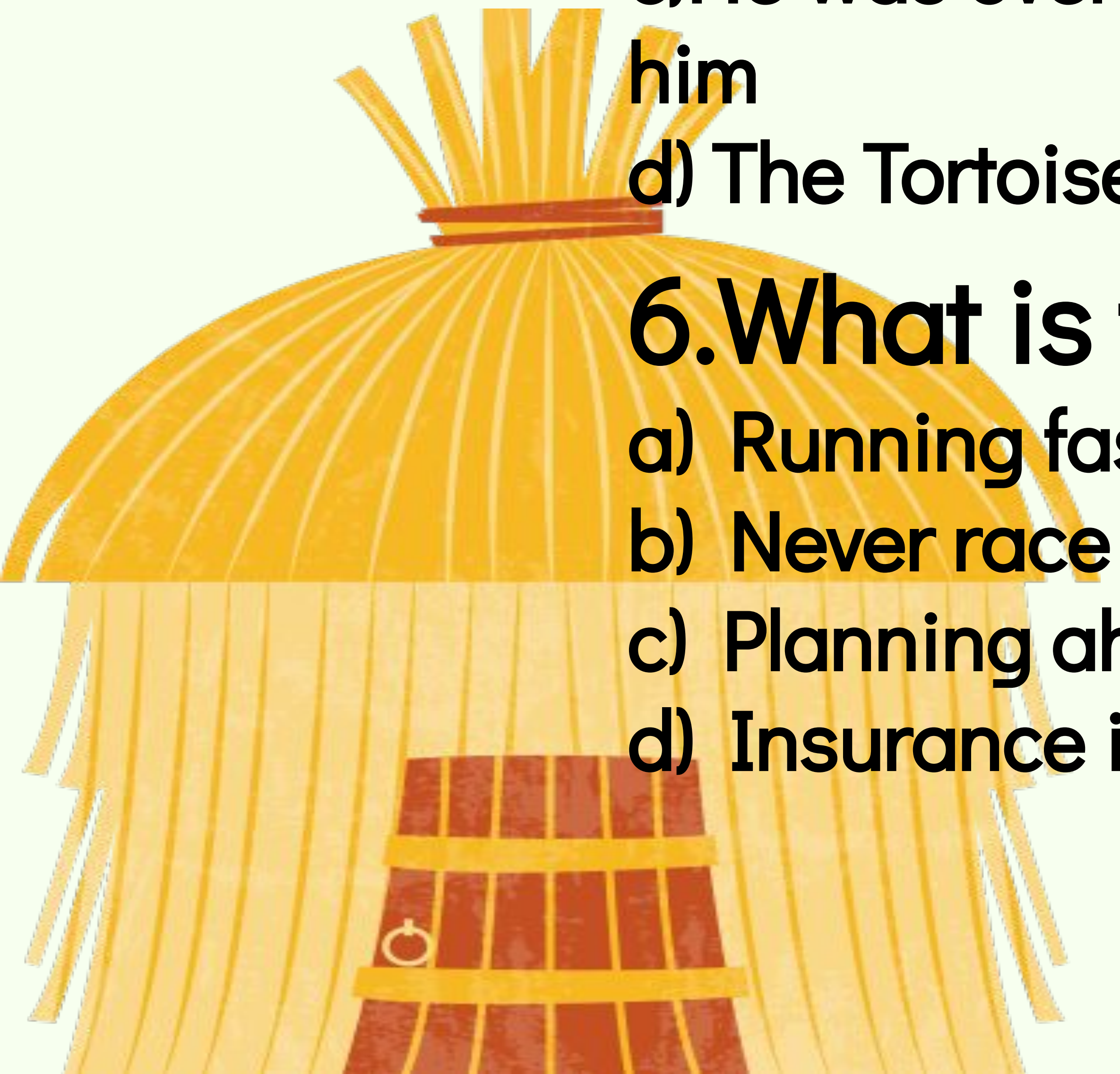
3.What is a claim in the story?

a) A trophy for finishing a race
b) A request to the insurance company to pay for a loss
c)The agreement between you and the insurance company
d) The amount of risk in a situation

4. What does "coverage" mean in the story?

a) A blanket you use in cold weather
b) The protection your insurance provides
c) The speed of a tortoise
d) The prize at the end of a race

QUIZ TIME



5.Why didn't the Hare buy insurance before the race?

a) He was too poor to afford it
b) The insurance shop was closed
c)He was overconfident and thought nothing bad would happen to him
d) The Tortoise told him not to bother

6.What is the most important lesson the Hare learned?

a) Running fast is more important than planning ahead
b) Never race a tortoise
c) Planning ahead with insurance protects you when unexpected things happen
d) Insurance is only useful for animals with shells

ANSWERS: 1B, 2C, 3B, 4B, 5C, 6C

THE END

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