

Indemnity/Dread Disease

Indemnity plan

- Provides daily, weekly or monthly payment of a specified amount based on the number of days that an individual is hospitalized
- Claims costs are not affected by increases in medical costs

Dread disease policy

- Also called Limited Risk and Critical Illness; Cancer; Heart Disease

Special Risk policy

- Covers things like an actress's legs and a pilot test-flying an experimental aircraft
- Frequently pays a single, lump-sum