

Indemnity/DMPO/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

Discount medical plan organization (DMPO)

- Organizations offering these plans must be licensed by the Office of Insurance Regulation
- The plan is NOT considered insurance
- May NOT use terms such as “health plan”, “coverage”, “co-pay”, “premium”, etc.
- Marketers of such plans are NOT required to be licensed insurance agents

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