



Chapter 15

Introduction – Health Insurance

Categories

- **Medical Expense** (HMOs, PPOs, Major Med., Cancer, Medicare supplements, etc.)
- **A.D. & D.**
- **Disability Income**

Morbidity

- The expected incidence of sickness or disability

Renewability Provisions

- **Cancelable** – company can cancel at any time - 45 days' notice
- **Optionally renewable** – company's option to renew on anniversary of the policy
- **Non-Cancelable** – (disability income)
 - Company cannot cancel or
 - Company cannot raise the premium
- **Guaranteed renewable** – (HMOs, PPOs, Major Med., Cancer, Medicare supplements, etc.)
 - Company cannot cancel
 - Company can raise the premium, but only by class

Valued Contracts - L.A.D.

- **Life insurance** - stated amount should you die
- **Accidental death and dismemberment** - You lose a hand, a foot, a leg, etc., company will pay a stated amount.
- **Disability income** - stated amount, per month, should you become disabled.

They pay the amounts stated in the contract if a defined event should occur. No more, no less.

Reimbursement contracts

- pays the amount that you lost, up to a limit. Ex. if you have a \$2,000,000 health policy and incur expenses of \$100,000, company will pay \$100,000.

Affordable Care Act

- No pre-existing exclusions
- No annual or lifetime benefits
- Children covered until age 26
- Most employer sponsored plans fall under this law