

**FILL IN WITH WORD BANK. Put the best answer in the blank.**

basic health insurance  
 beneficiaries  
 Cash value  
 coordination of benefits  
 group plan  
 Guaranteed insurability  
 Health

health maintenance organization  
 incontestability  
 increased  
 Life  
 mortality  
 preferred provider organization  
 Renewable

rider  
 straight life  
 Term  
 universal life  
 waiver of premium

Example: Medical costs have \_\_\_\_\_ rapidly in the last decade, leaving many people without health insurance coverage.

1. \_\_\_\_\_ insurance is a plan for sharing the risk of financial loss resulting from an accident or illness.
2. When benefits from more than one health plan are limited to 100 percent of medical costs, this is called \_\_\_\_\_.
3. \_\_\_\_\_ insurance provides protection from financial loss that might otherwise occur when a person dies.
4. People who will inherit money at the death of the insured are called \_\_\_\_\_.
5. With a(n) \_\_\_\_\_ clause, insurance cannot be cancelled during a specified period of time.
6. \_\_\_\_\_ term insurance gives the policyholder the right to renew each year, without having to pass a physical exam.
7. A \_\_\_\_\_ is a small insurance policy that modifies the coverage of the main policy.
8. A(n) \_\_\_\_\_ is a group of health care providers who band together to provide health services for set fees.
9. A(n) \_\_\_\_\_ is a group health insurance plan offering prepaid medical care to its members.
10. The most common type of health insurance is a(n) \_\_\_\_\_.
11. With a(n) \_\_\_\_\_ policy, premiums are paid throughout the life of the insured.
12. The three types of insurance (medical, hospital, and surgical) are called \_\_\_\_\_.
13. To predict the likelihood of death occurring, insurance companies use \_\_\_\_\_ tables.
14. \_\_\_\_\_ riders give a policyholder the right to buy a new policy or additional coverage without evidence of good health.
15. A(n) \_\_\_\_\_ rider allows you to stop paying premiums and keep your coverage in force if you become disabled.
16. \_\_\_\_\_ life insurance is protection for a specified period of time.
17. \_\_\_\_\_ is an amount available to borrow or at cancellation when you own a permanent life insurance policy.
18. A type of permanent insurance, \_\_\_\_\_ has a premium and a death benefit that are not fixed.

**TRUE/ FALSE (Circle the correct answer)**

1. Most health insurance is issued in the form of group health insurance. T F
2. Vision insurance usually pays for sunglasses and contact lenses. T F
3. Major medical coverage protects a person from large and catastrophic expenses resulting from injury or illness. T F
4. Co-insurance means that the insured must pay the first 80 percent of all bills. T F
5. Most dental plans pay a maximum amount each year, such as \$1,500 per person per year. T F
6. Workers' compensation is limited to people killed during the course of employment. T F
7. A traditional fee-for-service plan is less expensive than a managed care plan. T F
8. Health maintenance organizations encourage preventive care, such as physical exams. T F
9. Medicare insurance is provided for retired people through the Social Security Administration. T F
10. Disability insurance is the most commonly purchased type of insurance. T F

**MULTIPLE CHOICE (CIRCLE THE BEST ANSWER)**

1. Which of these is a supplemental private policy?  
(a) Medicare, (b) Medicaid, (c) Medigap, (d) Minimed
2. The \_\_\_\_\_ clause prevents an insurance company from canceling a policy within a specified time. (a) rider, (b) incontestability, (c) suicide, (d) insurability
3. Which of these types of insurance is "permanent"?  
(a) level term, (b) decreasing term, (c) credit life, (d) straight life
4. Which of these types of insurance is "temporary"?  
(a) level term, (b) straight life, (c) limited pay life, (d) universal life
5. Which of these insurance plans has a premium and a death benefit that are not fixed?  
(a) level term, (b) straight life, (c) universal life, (d) variable life
6. Which of these insurance plans has an investment feature?  
(a) level term, (b) straight life, (c) universal life, (d) variable life
7. Which of these would not be considered a part of basic health insurance?  
(a) medical, (b) hospital, (c) dental, (d) surgical
8. The insured paying a set amount, with the rest covered by major medical, is an example of  
(a) co-insurance, (b) stop-loss provision, (c) double indemnity, (d) Medigap coverage.
9. What plan is available to people who qualify under state welfare and public assistance programs?  
(a) Medicaid, (b) Medigap, (c) Medicare, (d) self-insurance
10. The waiting period for disability benefits may be \_\_\_\_\_ days.  
(a) 5 to 10, (b) 30 to 60, (c) 30 to 90, (d) 30 to 180

**Activity 27.1 Cutting Medical Costs**

**Directions:** Explain how each category below can help cut medical costs and provide for better health.

1. Prevention: Regular physical examinations, checkups, vaccinations, and screenings.

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2. Nutrition: Eating balanced meals, exercising regularly, maintaining proper weight.

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3. Getting a second opinion on all required and elective surgeries or medical procedures.

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4. Analysis of personal habits (drinking, smoking) and family history.

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**Activity 27.2 A Good Health Insurance Plan**

**Directions:** Complete the following questions, ask parent-guardians who have group coverage to help you fill in the information below.

**COMPANY NAME:** \_\_\_\_\_

1. Are physical exams provided? \_\_\_\_\_
2. How often? \_\_\_\_\_
3. Are there wellness benefits? \_\_\_\_\_
4. Is there a yearly deductible? \_\_\_\_\_
5. Co-pay? \_\_\_\_\_
6. Is there a total out of pocket maximum? \_\_\_\_\_
7. Is there a maximum benefit? \_\_\_\_\_
8. Are prescriptions covered? \_\_\_\_\_
9. Can you choose your own physician? \_\_\_\_\_
10. Is dental coverage provided? \_\_\_\_\_
11. Is there a maximum benefit? \_\_\_\_\_
12. Is vision coverage provided? \_\_\_\_\_
13. Is there a maximum benefit? \_\_\_\_\_
14. What are the policy limits on major medical? \_\_\_\_\_

## Activity 27.5 Survey of Insurance Costs

**Directions:** Research the insurance coverages listed below. You may also ask people who have purchased insurance recently, people who have had coverage for many years, or insurance agents who sell these types of coverage.

1. Health insurance: (group plans)

Fee-for-service coverage, Monthly premium: \$ \_\_\_\_\_ for a \$500 deductible  
\$ \_\_\_\_\_ for a \$5,000 deductible

2. Disability insurance:

Long-term disability Monthly premium: \$ \_\_\_\_\_ for 60 percent of salary; 180-day waiting period, \$60,000 annual salary.

3. Life insurance for \$500,000 term life, male, physically fit, never smoked

Monthly premium: \$ \_\_\_\_\_ 30 year old  
\$ \_\_\_\_\_ 40 year old  
\$ \_\_\_\_\_ 50 year old

Life insurance for \$500,000 term life, male, obese, smokes 1 pack a day

Monthly premium: \$ \_\_\_\_\_ 30 year old  
\$ \_\_\_\_\_ 40 year old  
\$ \_\_\_\_\_ 50 year old

4. What is term life insurance?

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5. What is whole life insurance?

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6. Long Term Care annual premium: \$ \_\_\_\_\_ 60 year old  
\$ \_\_\_\_\_ 70 year old

7. The average age to be admitted to a nursing home is

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**Activity 27.6 Alternative Medicine**

**Directions:** Read the material below and then answer the questions that follow.

*Alternative medicine* is the use of nontraditional treatments such as naturopathy, acupuncture, and biofeedback. Many health insurance plans today allow members to use these services in addition to or in place of more conventional therapies.

*Naturopathy* is the use of natural medicines and procedures to remove toxins (poisons) from the body. Naturopaths suggest ways to build immunity by taking natural supplements. Naturopathy’s goal is to promote or restore health by support of the individual’s self-healing process. Because these remedies do not involve licensed physicians, they remain controversial.

*Acupuncture* is the use of needles inserted into the body at specific points to relieve pain. It is a Chinese medicine but is used around the world to treat conditions from bipolar disorder to boosting anesthesia.

*Biofeedback* is a form of treatment that helps patients gain some control over internal body functions. It is based on the idea that the mind and the body are linked and that the mind can control the body. Patients are hooked up to monitoring devices that provided feedback to them on bodily functions such as heart rate and blood pressure. Patients can then practice techniques that favorably affect these functions. For example, they can use relaxation techniques to lower blood pressure.

1. Do you or your family members take vitamins? Why or why not?

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2. Do you believe there is a mind/body connection that can help you stay healthy? Explain.

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3. Find 2 websites offering a product or service to cure an ailment that you believe is not a real cure and explain your reasoning.

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4. Find 2 websites offering a product or service to cure an ailment that you believe is real and explain your reasoning.

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**Reducing Health Care Costs**

**Directions:** Answer the following questions about ways you can reduce health care costs.

1. Do you eat well-balanced meals and exercise regularly?

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2. Do you get sufficient rest and relaxation?

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3. Do you know your health insurance coverages, limitations, and exclusions?

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4. Do you use generic prescriptions where possible?

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5. Do you shop around for the best prices in (a) dental work, (b) vision care and glasses, (c) prescriptions, (d) charges for office visits, and (e) supplies, vitamins, and other health care purchases?

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6. List some things you and your family can do to reduce health care costs.

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7. Explain why it is important to ask questions when you visit your doctor.

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**Interpreting a Mortality Table**

**Directions:** Based on the mortality table on textbook page 788, answer the following questions.

1. At the bottom of the Life Expectancy column, what does the number 13 mean?

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2. On average, people who are 50 years old now could be expected to live to be what age?

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3. In the Deaths per 1,000 column, what does the number 1.11 mean?

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4. In a group of 10,000 people, all age 40, an average of how many could be expected to die in the next year?

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