

Insurance terms:

Here are some common terms and definitions.

Claim: An official request for money or other benefits from the insurance company.

Copay: A fixed dollar amount you pay at the time services are rendered. Typical copays are for office visits, prescriptions, or hospitalizations.

Coinsurance: A specified percentage of the cost of treatment the insured is required to pay for all covered medical expenses remaining after the deductible has been met.

Deductible: The portion of your health care that you pay before insurance starts covering it. Typically, the higher the deductible, the lower the premiums.

Pre-existing condition: An illness, disease or condition an individual has at the time of enrollment in a health care plan.

Premiums: The monthly or quarterly payments paid for health insurance.

Catastrophic coverage: This plan pays hospital and medical expenses above a certain (usually high) deductible. The maximum lifetime limit may be high enough to cover the cost of a catastrophic illness.

Long-term care policies: These cover medical care, nursing care and certain in-home care if you ever become unable to care for yourself due to an extended illness or disability.

Disability income insurance: This plan will provide you with an income if you become unable to work due to an injury or illness. Benefits are usually 60% of your income at the time of disability.

Reprinted with permission from Kelsey National Corporation.