

Disability income

- ✔ Pays monthly income (typically 60–70% of gross income) if unable to work due to illness or injury
- ✔ **Legal capacity and purpose:** Both parties must be legally able to enter the contract, and the purpose must be legal (no fraudulent intent)
- ✔ **Elimination period:** Waiting period before benefits begin (e.g., 7–90 days)
- ✔ **Benefit period:** How long benefits are paid (short-term <2 yrs, long-term ≥2 yrs or to age 65)
- ✔ **Own occupation:** Pays benefits if you can't perform the duties of your specific occupation
- ✔ **Any occupation:** Any occupation: Pays benefits only if you're unable to work in any occupation for which you're reasonably qualified by education, training, or experience

Medical expense insurance (HMO, PPO, POS)

- ✔ **Basic medical expense**
Covers hospital, surgery, and miscellaneous expenses from the first dollar
- ✔ **Major medical**
Covers high expenses after deductible, with coinsurance (e.g., 80% insurer, 20% insured)
- ✔ **Comprehensive major medical**
Combines basic and major medical coverages with a deductible after the basic limit
- ✔ **Key providers:**
 - HMO:** Preventive care, must use HMO-approved providers
 - PPO:** More provider flexibility, but higher costs or out-of-network care

Disability income

- ✔ Pays for care if unable to do 2+ ADLs (e.g., bathing, eating, walking)
- ✔ Must be guaranteed renewable and offer inflation protection
- ✔ Covers home or facility care; includes Alzheimer's

Accidental Death and Dismemberment (AD&D)

- ✔ Pays lump sum for accidental death (principal sum) or dismemberment
- ✔ Covers loss of limb (above wrist/ankle) or total blindness
- ✔ Excludes injuries from crime, substance use, or workers' comp cases

Regulations and provisions

- ✔ **ACA:** Bans pre-ex conditions, requires dependent coverage to age 26, and guarantees issue/renewability. No \$ caps on 10 essential health benefits; preventive care must be free; max 90-day waiting period. Employers with 50+ FTEs must offer affordable coverage or face penalties; subsidies apply in the Marketplace
- ✔ **HIPAA:** Limits pre-ex condition exclusion to 12 months; no wait if <63-day break. Guarantees group access (2–50 employees). Newborns/adoptions covered from birth/legal date
- ✔ **COBRA:** Employers (20+ employees) must offer 18–36 months of group plan continuation after qualifying events (e.g., termination, divorce, disability)
- ✔ **Coordination of Benefits (COB):** Ensures no more than 100% of a loss is paid when multiple policies apply
- ✔ **Preauthorization:** Required approval for certain procedures or specialists before care is given; avoids denied claims

Common terms

- ✔ **Deductible:** Amount you pay out-of-pocket first before insurance kicks in
- ✔ **Coinsurance:** After deductible, you split costs (e.g. 80/20 insurer/you)
- ✔ **Copayment:** Flat fee (e.g. \$20) you pay per visit or service
- ✔ **Out-of-pocket max:** Max you pay in a year; after that, insurance pays 100%