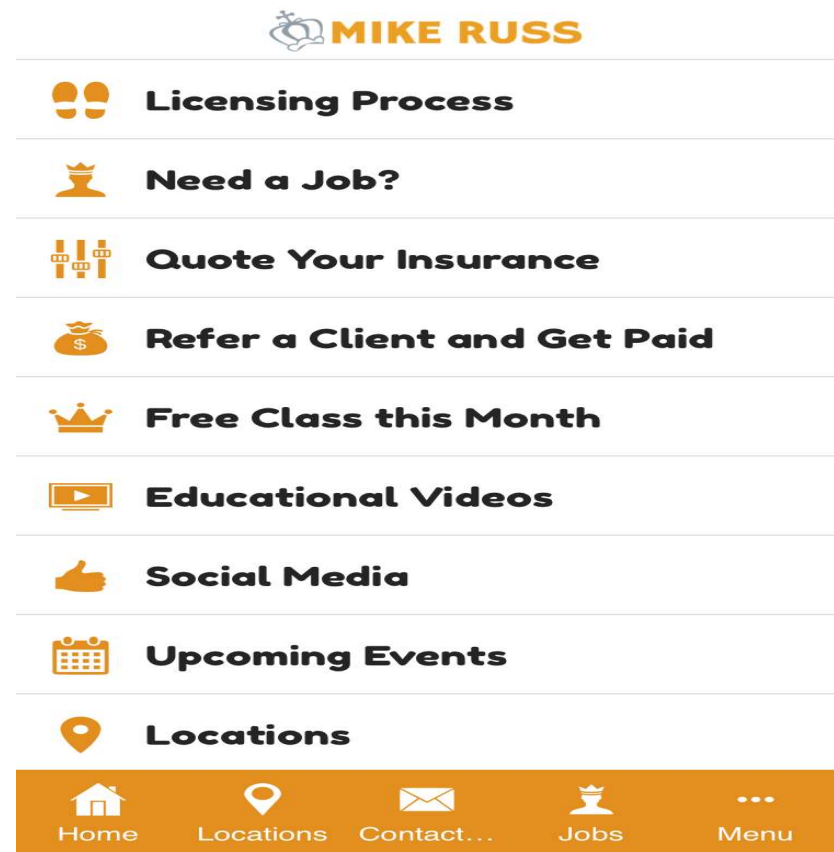
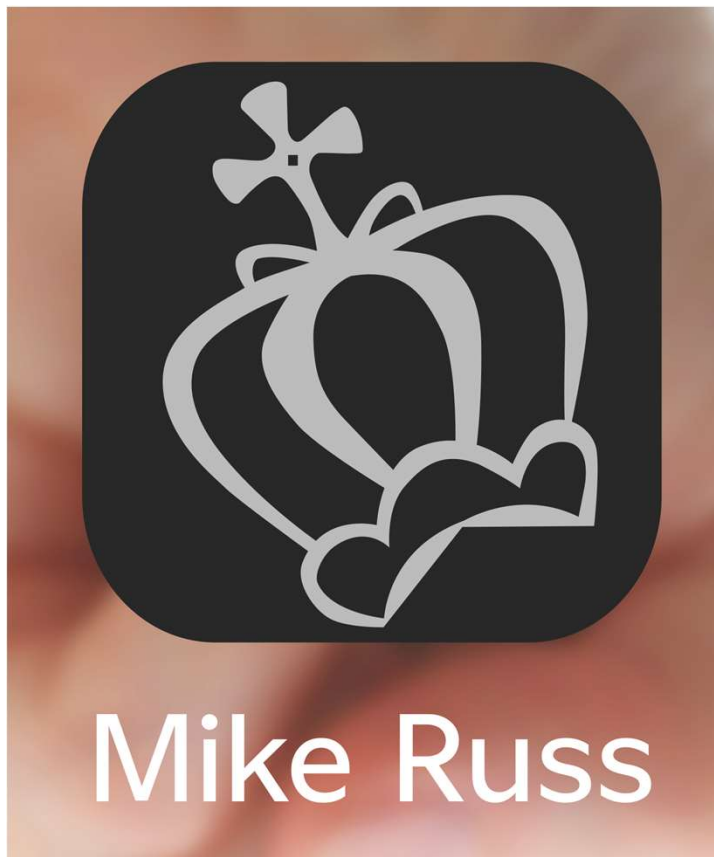



Good morning! You will need the Mike Russ App! Go to your App store on your phone or ipad and download! Also get some paper to write with!

We will start @ 8:33 grab some paper to take notes with!




Department of Insurance

California Department of Insurance

 **RICARDO LARA**
Insurance Commissioner

Need help with insurance? Call us.
Call 800-927-4357 (HELP)
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COVID-19 Consumer Alert

Questions and answers about health, auto, business and other insurance issues



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Information for Small Businesses
from CA Department of Insurance



RICARDO LARA
CALIFORNIA INSURANCE COMMISSIONER

[Information for Agents and Brokers](#)

Understanding Important Terms

- **Insured** – Client (1st party)
 - Party who accepts the contract and receives the coverage
- **Insurer** – Insurance company (2nd party)
 - Party who makes the contract and provides the coverage
- **Claimant** - A claimant is the person making a claim for payment from an insurance company. For dismemberment claims on an accidental death and dismemberment (AD&D) policy, it may be the insured person who makes the claim. Otherwise, the claimant is usually the beneficiary of a life insurance policy.
- **Contract** – Insurance policy
- **CIC** – Insurance law (written by the State Legislature)
- **CCR** – Insurance Rules (written by the commissioner, who can change/withdraw regulations)

Understanding Important Terms

- **Agent** – Represents the Insurance company
 - Exclusive (captive) agent – Represents 1 Company
 - Independent agent – can represent more than 1 company
- **Direct system** – Also known as a **Direct Writer**, this is when Insurance Company advertises directly to the consumer by Radio, Television, and Internet. They don't have licensed agents they have licensed employees.
- **Broker** – Represents the Consumer (PC only)
- **Life only agent** (Represents the insurer)
- **Health only agent** (Represents the insurer)
- **Life & Health agent** (Represents the insurer)
- **Insurance Agent (PC License)** (Represents the insurer)

Understanding Important Terms

- **Commissioner:** Elected by the people to serve a four year term (May serve 2 consecutive terms - total 8 years)
 - If Commissioner leaves office during the 4 year term, governor will appoint someone to finish the term
- **McCarran Ferguson Act** – Gave the states the right to regulate the majority of the insurance industry at the state level (CDI)
 - In the public's best interest

student resources

Click the links below to check out our current student resources!

- Jobs
- Insurance You Buy
- Insurance Quoting
- Refer & Get Paid
- Forms
- How-To Videos
- Class Notes
- Upcoming Industry Events
- Free Classes this Month

EMAIL FORM

SPEEDY APP

TYPE OF BOND	AMOUNT	EFFECTIVE DATE	TERM	SOCIAL SECURITY NO.
NAME (MUST BE EXACTLY AS IT IS TO APPEAR ON BOND)	\$	BUSINESS PHONE	BUSINESS FAX	
BUSINESS STREET ADDRESS (MUST BE PROVIDED)	CITY	STATE	ZIP	<input type="checkbox"/> INDIVIDUAL <input type="checkbox"/> CORPORATION <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> LLC
MAILING ADDRESS	CITY	STATE	ZIP	TAX ID FOR CORPORATION OR PARTNERSHIP DATE STARTED
HOME ADDRESS	NATURE OF APPLICANT'S BUSINESS		HOME PHONE	
PROCESS SERVER BOND Bond Amount - \$2,000. 2-Year Term - \$70.00 County of _____	NOTARY BOND Bond Amount - \$15,000. 4-Year Term - \$70.00 Attach Copy of Commission Slip	<input type="checkbox"/> MOTOR VEHICLE (Defective Title, Foreign Vehicle) Rate 2% of bond amount required. \$100 min. Complete Below. If bond exceeds \$10,000., submit financial statement. BOND AMOUNT \$ _____		
INSURANCE BROKER BOND Bond Amount - \$10,000. 2-Year Term - \$120.00 Broker's License _____	TAX PREPARER BOND Bond Amount - \$5,000.00 <input type="checkbox"/> 1-Year Term - \$65.00 <input type="checkbox"/> 2-Year Term - \$75.00 <input type="checkbox"/> 3-Year Term - \$90.00 <input type="checkbox"/> 4-Year Term - \$100.00	VEHICLE MAKE	MODEL	YEAR
		BODY TYPE	LICENSE	MOTOR NO.
		SERIAL NO.		

INDEMNITY AGREEMENT - READ CAREFULLY AND SIGN

IN CONSIDERATION of the execution of such bond, and in compliance with a promise of the undersigned made prior thereto, the undersigned individually hereby agree, for themselves, their personal representatives, successors and assigns, jointly and severally, as follows:

- To reimburse American Contractors Indemnity Company ("Surety") upon demand for all payments made for and to indemnify Surety from:
 - all loss, contingent loss, liability and contingent liability, claim, expense, including attorneys' fees, for which Surety shall become liable or shall become contingently liable by reason of such suretyship, whether or not Surety shall have paid same at the time of demand; and
 - to pay Surety an advance premium for the first year or a fractional part thereof and to pay annually thereafter such annual premium for suretyship as is billed until satisfactory evidence of discharge or release of liability shall be furnished to Surety by the obligee.
 - Upon written demand, to deposit with the Surety a sum of money requested by Surety to cover any claim, suit, expense or judgment that Surety in its absolute discretion determines necessary and the deposit shall be pledged as collateral security on any bond or other bonds the Surety may have issued for the undersigned.
- Surety and undersigned agree that the place of performance of this agreement, including the promise to pay Surety, shall be in Los Angeles, California and venue for any suit, arbitration, mediation or any other form of dispute resolution shall be in Los Angeles, California.
- Surety is authorized to investigate, at any time, the undersigned's credit, employment history, and department of motor vehicle records.

Regardless of the date of signature, this indemnity is effective as of the date of execution of the aforementioned bond(s) and is continuous until Surety is satisfactorily discharged from liability pursuant to the terms and conditions contained herein and in the bond(s).

Date _____

If Individual - Sign Below		If Corporation - Sign Below	
Signature _____	Signature - Spouse _____	Name of Company _____	Signature - President & Individually _____
Printed Name _____	Printed Name _____	Printed Name _____	Signature - Secretary _____
Soc. Sec. # _____	Soc. Sec. # _____	Soc. Sec. # _____	Printed Name _____
If Partnership - Sign Below			
Name of Partnership _____	Signature - Partner & Individually _____		
Printed Name _____	Signature - Partner & Individually _____		
Soc. Sec. # _____	Signature - Partner & Individually _____		
Printed Name _____	Signature - Partner & Individually _____		
Soc. Sec. # _____	Signature - Partner & Individually _____		

AGENT INFORMATION	
Name _____ PIPELINE INSURANCE GENERAL AGENCY CO JOE ZELLER	Phone (858) 571-5827 EXT 116
Address _____ 8322 CLAIREMONT MESA BLVD STE 105	Fax (858) 319-9867
City/State/Zip _____ SAN DIEGO, CA 92111	HCFS Production No. 4295

Understanding Important Terms

- **Express Authority** – An authority that's written in the contract
- **Implied Authority** – An authority you have that's not specifically written in the contract but is reasonable for the public to assume you have
- **Apparent Authority** - Authority of an agent that is created when the agent oversteps actual authority, and when inaction by the insurer does nothing to counter the public impression that such authority exists

Insurer Structure

- **Stock company**
 - Non-participating policies
 - Stockholder
 - Dividends to a stockholder are taxable
 - No dividends paid to policy holder
 - Dividends are not guaranteed
- **Mutual company**
 - Participating policies
 - Policyholder
 - Dividends not taxable
 - Dividends are not guaranteed

Reciprocal Insurers

- Owned by the company's policyholders (like a mutual company)
- In a reciprocal insurer, each policyholder insures the risk of the other policyholders.
- Reciprocal Insurers are managed by an **attorney in fact**.
 - An attorney in fact is a person who holds a power of attorney and the legal right to transact business and execute documents on behalf of another person. The attorney is an agent of the principal.

Admitted vs. Non Admitted

Admitted – Licensed by the state of California to transact

- Regulated by the State of California
- Subject to the Financial Solvency regulations
 - **Solvency Requirements:** Money to cover liabilities, reinsurance, assets equivalent to paid in capital
 - **Insolvency:** Failure to meet solvency requirements
 - **Notice of Seizure:** Issued by court, gives commissioner right to seize books/assets/records. Failure to comply can result in \$1000 fine and/or imprisonment for up to 1 year
- Member of the **California Guarantee Association**

Non-Admitted – Not licensed by the state of California to transact

- Not subject to the financial solvency regulations
- Not member of the California Guarantee Association

Guarantee Associations

California Life & Health Insurance Guarantee Association (CLHIGA): For Life, Health, Annuity Companies (Admitted companies only)

California Insurance Guarantee Association (CIGA): For Property & Casualty Companies (Admitted companies only)

Purpose: To protect policy holders & insureds when member insurers become insolvent (Subject to certain limitations)

All admitted insurers must participate

Domicile of the Insurer (principal legal residence)

- **Domestic** – Insurer is one incorporated under the laws of California
- **Foreign** - Insurer is one incorporated under the laws of any state, other than CA (Arizona)
- **Alien** - Insurer is one incorporated under the laws of any country outside the United States (Canada)

Reinsurance

- **Reinsurance:** The process where one insurer transfers loss exposures from policies written for it's insureds to another insurer
- **Retention Limit:** The maximum amount of risk retained by an insurer for an insurance policy
- **Reinsurer:** Insurer that accepts the excess risk and provides additional financial protection
- **Ceding Company:** Original Insurer that purchases reinsurance

Surplus Lines Broker

- **Surplus line broker** - A broker who is licensed to place coverage with non-admitted insurers (insurers not licensed to do business in a given state)
- **Surplus disclosure** – Every non-admitted insurer must obtain signature of the applicant on a disclosure statement at the time an application for a policy is accepted
 - The disclosure statement shall be in **boldface 16-point type** on a freestanding document.
 - Every policy issued by a non-admitted insurer and every certificate evidencing the placement of insurance shall contain, or have affixed to it by the insurer or surplus line broker, the disclosure statement in **boldface 16-point type** on the front page of the policy.
 - In the case where the applicant has not received and completed the signed disclosure form, he/she may cancel the insurance so placed.



How To Use Your Insurance License Class

Your guide for how to use the principles you brought from our Long Term Care Insurance course below!

We have found that our students have so many questions about how to use their license such as....

- Where can I find a job?**
- How do you Broker business?**
- How do I get appointments/contracts?**
- How is an Agency set up?**
- What trainings and certifications do I need to use my license?**
- What's the most profitable insurance to offer?**
- What tools are available that I can use in my practice?**

Much more! Come join us for 2 hours and get your questions answered!

When: May 7th 10am - 12pm

Where: Online/Webinar

Cost: \$49



REVIEW

Transacting Without a License

- A person cannot conduct any activities of an agent, broker, or solicitor unless he holds a valid insurance license issued by the commissioner.
- Anyone who acts, offers to act, or assumes to act in a capacity for which a license is required, without holding a valid license, is guilty of a **misdemeanor**.

Reasons for Denial of License Application

- The applicant is not of good business reputation
- The applicant has been refused a professional, occupational, or vocational license, or has had such a license suspended or revoked for a reason that should preclude the granting of an insurance license in the last 5 years (Can deny application without hearing).
- Applicant lacks integrity
- Applicant is not properly qualified to perform

License Renewal

- **License Term:** Once issued, a license is only valid for 2 years, and must be renewed every 2 years to remain active
- To renew a license, the licensee must submit the renewal application, pay the renewal fees, and complete **24 hours of Continuing Education (Including ethics)**
- The license must be renewed on or before the last day of the period for which the previous licensed was issued
- A renewal application, accompanied by the renewal fee, submitted on or before the license expiration date shall entitle the applicant to continue operating under the existing license for **60** days after its specified expiration date or until notified by the Department of Insurance

Termination of license

- A licensee may voluntarily surrender his insurance license for cancellation at any time by delivering the license to the commissioner
- The licensee may also surrender his license by providing written notice to the commissioner of the licensee's desire to surrender the license
- Note: A license automatically terminates upon death of the licensee

Change of Address (CIC 1729)

- Every licensee and applicant for a license must ***immediately*** notify the commissioner in writing of any change in his residence address, business address or mailing address (Includes email address)

License Number Disclosure Requirements

- Every Licensee shall prominently print his license number on business cards, written price quotation and printed advertisements for insurance products. **The license number must be printed in the same size type as any telephone number, address, or fax number.**

(For violation of this code, first offense is a fine of \$200.00)

Internet Advertisement

- When Advertising on the internet you must include the following information:
 - His/her name as it appears on his/her insurance license
 - The state of his domicile and principal place of business
 - His/her license number
 - Office Address (If you have one)

Free Insurance

- In the state of California free insurance is **not legal**

Records

- Agents/Brokers must maintain records for all transactions for 5 years, and have records available if Commissioner requests access
- Records must be stored at the Primary/Principal office
- Failure to produce records, or denying access to records is a **misdemeanor** on the first offense (Any additional instances may result in **termination of license**)

Code Section 770

- States that no one engaged in the business of financing real or personal property can make such financing agreement contingent upon the placing of insurance business with a specified agent or broker

Representation

- A representation is a statement to the best knowledge and belief of the party making the statement (representations also may be considered an implied warranty)

Concealment

- Concealment is defined as the neglect to communicate that which a party knows and ought to communicate.

Twisting

- A person shall not make any representation or comparison of insurers or policies to an insured which is misleading for the purpose of getting the insured to lapse, forfeit, change or surrender their current policy

Replacement

- If replacement is involved, the agent must obtain two copies of a Notice Regarding Replacement of life insurance signed by both the agent and the applicant. One copy stays with the applicant and second copy goes to the Replacing Insurer

Theft

- If an Agent diverts or appropriates fiduciary funds for his own use is guilty of theft, which is punishable under criminal law

Fraud

- Submitting fraudulent claims is considered a felony
- Every Insurer is required to have a sub-division to investigate possible fraud from their insured's
- Insurer's Claim form must carry the following statement (Or similar wording)
 - A person who knowingly presents a false or fraudulent claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison

Warranty

- A warranty in an insurance policy is a statement attesting that something the insured person says is true. For example, if you are applying for life insurance, you must make a warranty that you are not terminally ill. If the insurer discovers that one of your warranties is untrue, it generally has the power to void the contract and not honor any claims you make.

Unfair Trade Practices

- Unfair discrimination: It is prohibited to make or allow unfair discrimination between persons of the same class and life expectancy in the rates charged or the terms, conditions, benefits, or dividends of a life insurance policy or an annuity. Differences based on sex are permitted if they can be substantiated by mortality data and other statistical information
- Misrepresentation
- Advertising membership in the State's Guarantee Association (CIGA, CLHIGA)

Unfair Claims Practices

- Directly advising a claimant not to obtain the services of an attorney
- Misrepresenting to claimants any pertinent facts or policy provisions which relate to coverage at issue
- Failing to acknowledge and act reasonably promptly on communications relative to policy claims
- Failing to affirm or deny coverage within a reasonable time after proof of loss statements have been completed and submitted



How to Set Up an Independent Agency

**Upcoming Class: Thursday, May 14th
10am - 3pm
\$299**

[CLICK HERE TO SIGN UP!!](#)

**Are you interested in setting up your own independent agency but don't know where to begin?
Then come to our upcoming class: How to Set Up an Independent Agency!**

This class will teach you everything you need to know about starting your own agency, including:

- Entity License & DBA with the DOI
- E&O Coverages
- Carrier Appointments
- MGA's ,Wholesalers & Clusters
- Rating Software
- Bonding
- Education/Training Programs
- One on One Mentoring Program
- Potential Start-Up cost
- ...and much more!

[CLICK HERE TO SIGN UP!!](#)

From The Desk Of James Russ

Hello past student! I'm doing a free "Networking/Marketing Webinar" tomorrow from 9am - 9:45. The format is to teach you something for your business, update you whats coming up and more.

[CLICK HERE FOR THE LOG IN INFO!](#)

Hope you are all staying safe!

Every day is a blessing,

James Russ

"Only the educated are free" - Epictetus

Insurance: Written contract that indemnifies one party against loss, damage or liability from a contingent or unknown event (risk)

- Contract must have mutual assent, valid legal purpose, consideration, and competent parties

Risk: Uncertainty or chance of loss

- Two Types of Risk
 - **Pure Risk:** chance of loss or no loss (insurable)
 - **Speculative Risk:** chance of loss or gain (not insurable)

STARR is an acronym for:

Share

Transfer

Avoid

Retain

Reduce

Peril: A cause of loss

Hazard: Anything that increases the chance of loss

- **Physical:** Anything that you can see, hear, touch or smell that increases the chance of a loss
- **Moral:** A condition of morals/habits that increases the chance of a loss (Ex: Lying on an application)
- **Morale:** Condition arising out of one's carelessness or indifference to a situation

Insurable Interest: Financial interest an individual has in the life of an insured continuing, or in property being insured.

- **For Life Insurance:** must exist at the time of the application and when the insurance takes effect, but not at the time of loss
- **For Property Insurance:** must exist at the time of application, and at the time of loss

Basic Elements of an Insurance Contract

- **Adhesion:** If there is any ambiguous language in the contract, court would decide a dispute in favor of the insured
- **Unilateral Contract:** Only the insurer is bound by the terms of the contract (premium/consideration is exchanged for a promise of protection)
- **Utmost Good Faith:** Each party to a contract needs to be able to rely on representations of the other parties (must exist between Applicant, Insurer, and Agent)
- **Aleatory:** There may be an unequal exchange of money. The outcome will depend on an uncertain future event (Ex: car accident, death)

Tort: A wrongful act other than a crime or breach of contract

Tort Law: Used to determine responsibility for damages when a tort has been committed

Tortfeasor: person committing the tort

3 Basis of Legal Liability Under Tort Law

- **Absolute Liability** (inherently dangerous)
- **Intentional Tort** (deliberate/intentional act)
- **Negligence** (failure to do what a reasonable/prudent person would do under normal circumstances)

Mortality (Life insurance): Number of deaths for a certain age group (separated by sex)

- Used along with interest & expense to determine life insurance rate

Morbidity (Health Insurance): Amount of sickness illness or disease for a certain age group

- Used along with interest & expense to determine health insurance rate

HIV/AIDS Disclosure: Applicants must sign a separate disclosure form to allow for testing for HIV or AIDS

Medical Information Bureau: Non-profit supported by member insurers. MIB collects reports on applicants that are found to be special rated. Purpose is to reduce fraud. Every applicant must receive and sign a written notice and letting them know that the MIB may be consulted for more information and that he/she has been informed of the following facts (1) Insurers may report information to the MIB (2) Any Information contained in the MIB files may be disclosed.

Attending Physician's Statement (APS): Underwriter's request for additional info from physician

Law of Large Numbers

Theory that states **the greater the number of exposures (insureds), the more accurately insurer can predict losses & set appropriate premiums (gives greater credibility to the prediction)**

- This is the basis for the statistical expectation of loss used to determine premium rates
- Based on these statistics, the insurance company can predict how many of their policy holders will suffer a loss

Underwriting: Process of examining applications, accepting or rejecting the risk (application), and classifying acceptable risk to determine the rate to be charged

Risk Classification

- **Preferred:** Risk is below the average the insurer would accept
- **Standard:** Risk falls within the company's guidelines/average
- **Substandard:** Risk is higher than the average the insurer would accept

Unearned vs. Earned Premium

- **Earned Premium:** Portion of the premium that has been paid to insurer, and that insurer has used to provide coverage
- **Unearned Premium:** Portion of the premium that has been paid to insurer, but has not yet been used to provide coverage

Cancellation

Pro-Rata Cancellation: Insurer only retains earned premium, returns unearned premium back to insured

Short Rate Cancellation: Insurer retains earned premium, and also charges the insured for “expenses”

Flat Cancellation: Insurer refunds entire premium

Check the “Student Resources” section of the Mike Russ Website for upcoming free classes to learn more for your business!



First 10 students get free classes!

Here is how it works:
Click on the links for the classes you want below! The presentation is free. If you would like the 1-hour continuing education credit for that particular license there is a \$5 charge you will need to pay after class.

Note: this is not on our website you must use the links below or call the office for this special promotion!!!

FORWARD THIS EMAIL TO ANYONE THAT YOU MIGHT THINK WOULD WANT THIS!

LIFE INSURANCE 101

This presentation will cover the different types of life insurance you can plug into your business. We will cover how to calculate how much insurance your clients should have, the appropriate product and how to implement that line of insurance into your business.

When: Friday May 15th 9:00am - 10:00am
Where: Online/Webinar Format
Cost: Free

SPACE IS LIMITED! PLEASE ONLY SIGN UP IF YOU ARE COMING FOR SURE! OTHERWISE, YOU ARE TAKING AWAY SOMEONE ELSE'S OPPORTUNITY TO LEARN & THAT'S JUST NOT COOL! :)

CLICK HERE TO SIGN UP!

COMMERCIAL SUBMISSION

This presentation will cover the basic information that must be collected to write General liability, Workers Comp & Commercial Auto.

When: Friday May 15th 10:00am - 11:00am
Where: Online/Webinar Format

Practice exams & Flash cards Available!

Property /
Casualty
Workbook

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\$69.00

Life and Health
Workbook

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Property and
Casualty Flash
Cards

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\$20.00

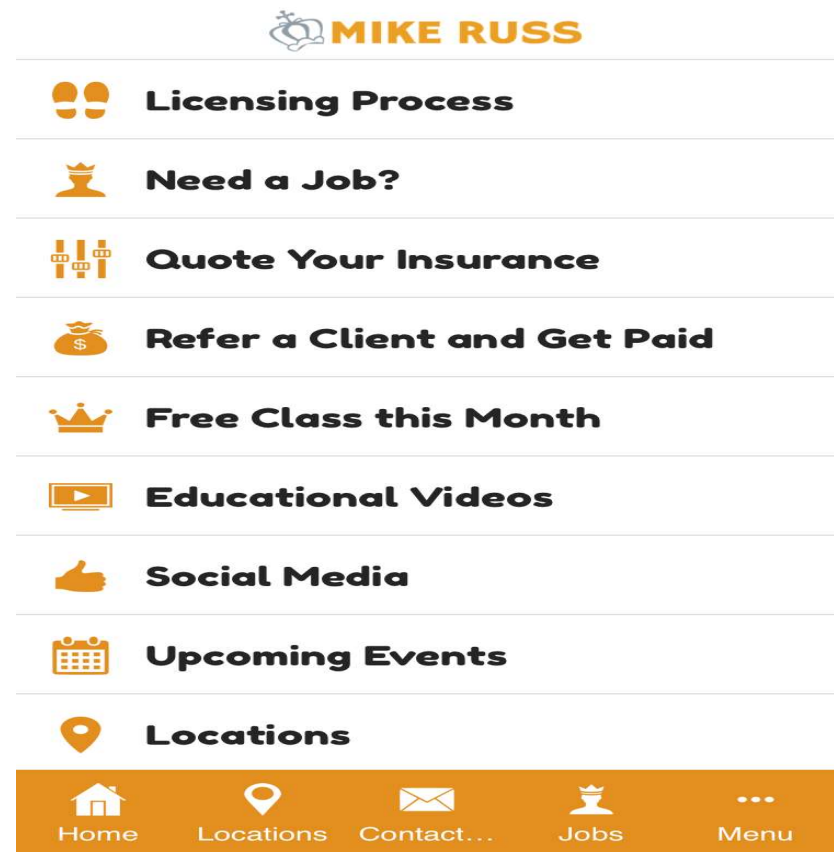
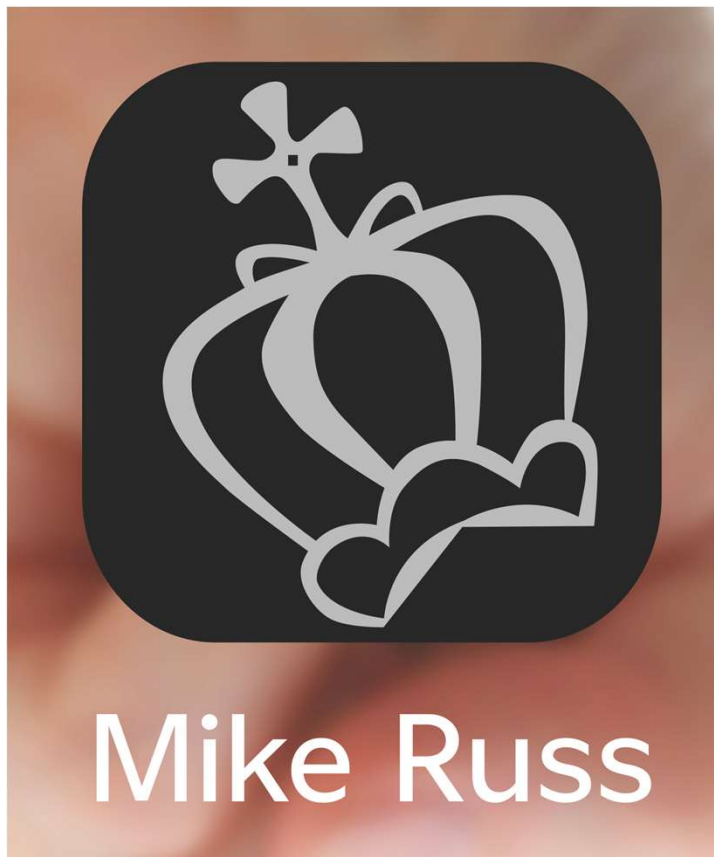
Life and Health
Flash cards

[Click to View Items
Included in This
Package](#)

\$20.00

Good morning! You will need the Mike Russ App to follow along today! **Go to your App store on your phone or ipad and download!**

We will start @ 8:33!





Immediate Estate: After paying the premium, an individual immediately has an estate they can leave to a beneficiary

Life Insurance Contract

- **Applicant:** Person who applies for the policy
- **Insured:** Person whose life is the object of the policy (person who is protected/covered by the policy)
- **Policyowner:** Person who is responsible for paying the premium and has all rights to the contract (prior to the death of the insured)

Categories of Life Insurance

- **Ordinary:** term insurance, permanent insurance, written on an individual basis (whole life)
- **Industrial:** individual policies, written for small face amount (no more than \$10,000)
- **Group:** provides coverage for a number of people under one contract.

Life Insurance Policy Illustrations

Purpose: To show a prospective life insurance policy owner how these policies function

- Should use language that is understandable by the typical purchaser of insurance

Requirements for an Illustration (check textbook for full list of requirements)

- Name of insurer
- Name and business address of producer or insurer's representative
- Name, age and sex of proposed insured
- Underwriting or rating classification used for illustration
- Generic name of the policy, company product name, form number
- Initial death benefit
- Dividend option election or application of non-guaranteed elements (if applicable)
- Page Numbers
- Date on which illustration was prepared

Whole Life: Designed to last for the entire span of the insured's life.

- Endowment: when cash value is equal to death benefit (policies automatically endow at age 100)
- Builds cash values (grow tax deferred)
- level death benefit, level premiums

Modified Whole Life: Has a lower premium in the first years usually three to five years-followed by a higher premium for the life of the contract.

Limited Payment Whole Life: allows premium to be paid over a shorter period of time

Endowment Policy: Permanent insurance policy that endows ($CV=DB$) prior to age 100

Index Whole Life: Face amount increases automatically as CPI increases

Universal Life: Adjustable benefit (protection), accumulates cash value (cash value earns current rate of interest), and has flexible premiums. 3 basic elements: investment earnings, cost of protection, company expenses

Variable Life: Securities based permanent insurance, reserves are placed in separate account and invested in riskier investments (policyowner chooses). Earns variable rate of interest. These policies are regulated by the Securities & Exchange Commission and require a Securities license to sell

Single premium whole life: Are paid for with one premium payment. The entire cost of the contract is paid at the time of purchase.

MEC (Modified Endowment Contract): Created by TAMRA. Any policy funded more rapidly than 7 pay life. Subject to unfavorable tax rules.

- If the total amount a policyowner pays into the policy during its first 7 years exceeds the sum of the net level premiums that would have provided paid up future benefits, the policy would become a MEC (7 pay test)

Term Insurance: Provides protection for a designated number of years. Does not earn cash values

Renewable Term: Policy may be renewed for another term without proving insurability

Convertible Term: Policy may be converted to permanent insurance without proof of insurability

Decreasing Term/Credit: Death benefit decreases, premium remains constant/level

Joint Life Policy: Covers 2 or more lives on one policy

- **First to Die:** Pays the death benefit upon the death of the first insured (DB normally paid to surviving insured spouse)
- **Second to die (last survivor):** Pays nothing after death of the first insured individual, only pays when last insured dies (used by husband & wife for estate planning)

Family Protection Policy: Provides protection for all family members under one policy (usually written as whole life on HOH and term on spouse & children)



DIVIDEND PROCESS



Investor purchases
one or more shares in a
dividend-paying company



Company evaluates
performance at the
end of the quarter



Company may
declare and announce
a dividend payment



Company announces
the dividend amount
and dividend dates



Investor is paid the
stated dividend for
each share they own

Dividends: Paid on participating policies that are issued by mutual insurance companies. They are considered a refund of an overcharge of premium and as such are not taxable income.

Dividend Options:

Cash Option: company will issue a check for the dividend amount

Accumulation at interest: Insurer retains dividend to invest, interest & dividend paid out at a later date (specified in the contract)

Paid Up additions: Use dividend to purchase more insurance of the same kind as original policy

Reduced Premium Option: Use dividend to pay part of the premium

One Year Term: Use dividend to purchase a 1 year term policy (amount of insurance depends on age of insured & amount of dividend)

Non-forfeiture Options

NON FORFEITURE OPTIONS

Usually chosen at inception

- Cash surrender value
- Convert to term (same face value, but expires)
- Convert to paid up policy (lower face value but doesn't expire)
- Automatic premium loan

Non-forfeiture Options: These are the ways the cash values can be paid out or used by the policy owner if policy is cancelled

- **Cash Surrender:** Policy is surrendered for cash value
- **Reduced Paid-Up:** Cash value used as a single premium to purchase insurance of the same plan as current policy that is paid up in full. Death Benefit depends on age & amount in cash value account
- **Extended Term:** Use cash value to purchase a term policy with same face value as original policy



**Do You Know
Who Your
Beneficiaries
Are? The
Importance of
Named
Beneficiaries**



Primary: First in line to receive proceeds (death benefit)

Contingent: Second in line to receive proceeds. Only would receive proceeds if there is no surviving primary beneficiary

Irrevocable: Cannot be removed as beneficiary without giving consent. Must provide consent for policy owner to borrow against the policy

Class Designation

- **Per capita (per head):** Each surviving beneficiary will receive equal share of death benefit
- **Per stirpes (through the roots):** If insured outlives beneficiary, beneficiary's share will pass to their heir

Uniform Simultaneous Death Act: When there is no evidence as to which party died first, the claim will be settled as if the primary beneficiary died before the insured. This means the proceeds of the policy will be paid to the contingent beneficiary. If there are no surviving beneficiaries, the proceeds will be paid to the insured's estate.

Life Insurance Settlement Options



Settlement Options – A method of receiving policy proceeds in other than a lump sum (if no settlement option has been chosen at the time of the insured's death, beneficiary can receive payment in a lump sum, or choose a settlement option)

- **Fixed Period:** insurer pays the beneficiary equal amount (principal + interest) for a specified number of years
- **Fixed Amount:** death benefit is paid in a fixed amount installment until principal and interest are exhausted
- **Interest Only:** proceeds of policy held by insurer and interest is paid first to beneficiary at regular intervals (policy owner must specify when/how principal is to be paid)
- **Life Income:** Beneficiary receives guaranteed income for life

Let's do an Life Quote so we can see the practical side of what we learned!



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We are OPEN – Our business hours are 8am to 4pm

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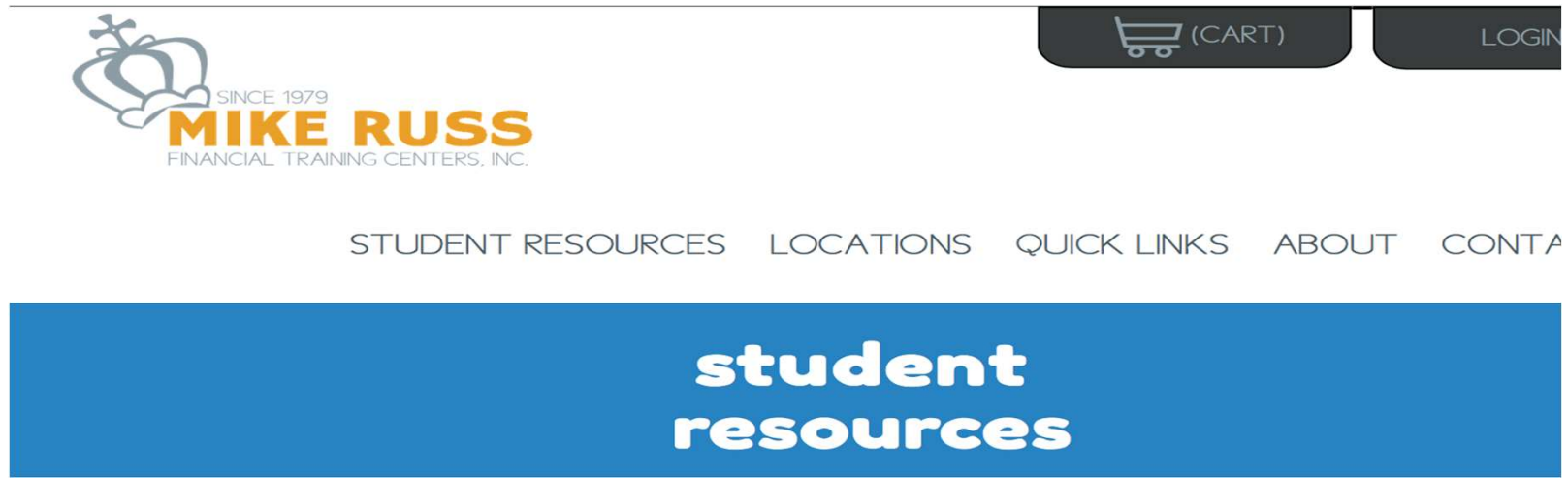
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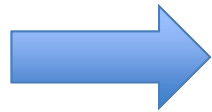
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insurance quoting

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- Life Insurance Quote: [CLICK HERE](#) (Want this free rater for your business or website? [CLICK HERE](#))
- Health Insurance Quote: [CLICK HERE](#)
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Types of Annuities

FIXED

Pays at a
fixed rate

INDEXED

Pays based
on the value of
an external index

VARIABLE

You actually own
investments inside
the account

Annuity Definition: Contract sold by life insurance company that pays monthly quarterly, semiannual, or annual income benefits. Designed to liquidate an estate

Annuitant: Person receiving payments from the annuity contract

Accumulation Period: Period time when annuity contract is being funded

Annuity Period: When the annuitant receives payment from the contract

Single Premium Annuity: Entire annuity contract is purchased in one premium payment

Periodic Payment Annuity: Contract owner makes a series of payments to fund the annuity contract

Immediate Annuity: Annuitant can start receiving benefits immediately (one payment interval from the date of purchase)

Life Annuity (Straight Life): Pays the annuitant for their lifetime

Life With Period Certain: Pays the annuitant for life, but guarantees a minimum period of payments

Fixed Annuity: Pay a guaranteed fixed benefit to the annuitant

Variable Annuity: Offers a variety of investment/funding options. Invests payments in insurer's separate account. Principal/Return are not guaranteed

Lets look at today's Immediate Annuity Rates! Instructor: visit the site below!

- www.immediateannuities.com

Free Look/Right to Return Period: Number of days contract owner has to return the contract to the insurer and receive a refund of the premium.

- Unless otherwise requested, during the right to return period on a variably annuity, premium is invested in fixed income investments/money market funds (Contract owner will receive a full refund of premium of contract is returned during the right to return period).
- If contract owner requests premium be immediately invested in stocks and then returns the contract during the right to return period, they will receive a refund of the value of the contract on the **date the returned contract was received by the insurer**

IRA: Retirement account that can be established by anyone under age 70½, grows tax deferred. Withdrawals before age 59½ are subject to 10% penalty

Roth IRA: Retirement account where contributions are not tax deductible in year the contribution was made

ERISA: Employee Retirement Income Security Act, establishes rules & regulations to govern private pension plans

Vesting: Entitlement of pension plan participant to receive benefits from a retirement plan (vesting schedule describes percentage of ownership an employee has in the employer's contributions to the plan)



RETIREMENT OPTIONS

	#1	#2	#3	#4	#5	#6
FUNDING	PRE-TAX	POST TAX	POST TAX	TAX FREE	POST TAX	POST TAX
RESTRICTIONS	*59.5 YEARS OLD 10% PENALTY *70.5 YEARS OLD MUST WITHDRAWL 50% PENALTY *ANNUAL INCOME	*59.5 YEARS OLD 10% PENALTY	*ANNUAL INCOME *59.5 YEARS OLD 10% PENALTY	*LOAN APPROVAL *MEDICALLY QUALIFY	*MEDICALLY QUALIFY	N/A
ACCUMULATION OF FUNDS	TAX DEFERRED	TAX DEFERRED	TAX FREE	TAX FREE	TAX FREE	TAXED AS EARNED
WITHDRAWL	TAXED AS ORDINARY INCOME	TAXED AS ORDINARY INCOME	TAX FREE	TAX FREE	TAX FREE	TAXED AS ORDINARY INCOME
ADDED BENEFIT	N/A	N/A	N/A	DEATH BENEFIT	DEATH BENEFIT	N/A
STRATEGY	LONG TERM	LONG TERM	LONG TERM	LONG TERM	LONG TERM	LONG TERM

Want to learn more about the chart
you just went over? Come to our
Financial Planning 101 Class!



Vesting: The entitlement of a pension plan participant (i.e. an employee) to receive benefits from a retirement plan

Vesting Schedule: The percentage of ownership an employee has in the employer's contributions to the retirement plan

Provisions



Important

**Policy
Provisions**

Entire Contract: The policy, and when attached, the application

Changes to an application: any changes to a contract must be endorsed/attached to the policy in writing and signed by an authorized officer of the company

Assignment: Policyowner must notify the insurer in writing if they are going to assign/transfer a policy

- **Collateral Assignment:** Used when a policy is assigned to a creditor to secure a debt
- **Absolute Assignment:** Used to transfer all rights/ownership to another party (used with viatical contracts)

Misstatement of Age/Sex: If the applicant misstates their age /sex, insurer will adjust death benefit (if discovery is made after the death of the insured) or premium (if discovery is made while insured is still alive)

- **Formula Used to adjust death benefit:**

$$\frac{\text{Rate for Stated age}}{\text{Rate for Correct age}} \times \text{Death Benefit}$$

Incontestability: Validity of insurance policy cannot be challenged after policy has been in effect for two years

Grace Period: Number of days the policyowner has to make a late premium payment before the policy is terminated for non-payment (Lapse)

Reinstatement: Tells policyowner what they need to do to reinstate the policy after it has lapsed (Submit reinstatement application, provide proof of insurability, pay past due premium, pay interest on past due premium, pay any outstanding loans)

Spendthrift: Policyowner will choose manner in which the beneficiary receives proceeds. Policy cannot be assigned, transferred, or attached by creditors. Also allows insurer to pay payments to a guardian if beneficiary is a minor

Free Look: Policyowner may return policy and receive a full refund during right to return period. Proceeds will be paid if the insured dies during this period.

Automatic Premium Loan Provision: If the policyowner has not paid the premium **by the end of the grace period**, this provision allows the insurer to withdraw the necessary amount to cover the premium from the cash values of the policy as long as there is sufficient cash value to cover the premium.

- The automatic premium loan provision now is included in most policies containing cash values.
- If it is not a standard provision, it may be added by rider to a permanent policy at no additional charge.



What are Life Insurance Riders

Waiver of Premium: If insured becomes totally and permanently disabled, insurer will waive the premiums for policy

Payor: Used on juvenile policy, allows for waiver of premium if the payor dies or becomes permanently disabled

Guaranteed Insurability: Guarantees that insured may purchase more insurance at future dates without proving insurability

Accidental Death: Policy will pay an additional amount above the face value if death is caused by an accident

Cost of Living : Allows the insured to increase the amount of insurance (death benefit) according to CPI/inflation rate

Accelerated Death : Terminally ill person can access part of the policy proceeds prior to death

Homework! For lunch! Go on the
Mike Russ site and do a life quote!





Health Insurance Providers: Provide plans to cover medical services such as physician or hospital costs

- **Commercial:** stock & mutual insurance companies that offer medical expense & disability insurance. Usually provide coverage on an indemnity basis (also known as indemnity health plans)
- **Service:** provide health care plans where benefits are provided instead of monetary reimbursement for health care expenses (service provider makes payments directly to the medical provider)

HEALTH MAINTENANCE ORGANIZATIONS (HMOs)

Due to escalating health care costs, health maintenance organizations evolved. HMOs' objectives are to contain medical costs by:

- Stressing preventive care through physical exams, well-child examinations, and diagnostic screening
- Reducing unnecessary hospital admissions
- Reducing the average number of days per hospital visit
- Reducing duplication of benefits

A feature common to HMOs is that the primary care physician functions as the **gatekeeper**. The primary care physician (PCP) monitors the subscriber's health care needs. The PCP renders the necessary care to the subscriber and when needed refers the subscriber to a specialist for treatment. The PCP determines what care is needed and not needed. To contain health care costs, the PCP should not make unnecessary referrals.

Group Practice Model (Medical Group Model)

- Under the group model arrangement, the HMO contracts with an independent medical group composed of physicians of various specializations practicing in one facility or location. The HMO pays the medical group entity. The medical group will determine how to pay the individual physicians. Frequently, the HMO pays the medical group a **capitation fee, a fixed monthly fee for every member (per capita) of the HMO**. The group receives this fee even if a subscriber has received no services. However, the group could stand to lose money on a subscriber who makes frequent visits.
- Group practice models can be either open panels or closed panels. When the medical group provides services to HMO members only, it is called a **closed panel**. In a closed panel, the doctors are normally salaried employees of the HMO and work at a clinic owned by the HMO. When the medical group provides services to members of the HMO as well as non-member patients, it is called an **open panel**. In this latter case, the doctors are not salaried employees of the HMO and treat patients in their own facilities.

HMOs--Basic and Supplemental Services

- Services that HMOs are required to provide are referred to as basic services. Any services an HMO provides that are in excess of the basic services are referred to as supplemental services.
- Basic Services Include:
 - Inpatient Services
 - Outpatient Services
 - Preventative Services
 - Emergency Services
- Supplemental services that may be offered by an HMO are prescription drugs, vision care, dental care, and home health care. Subscribers who desire these services may purchase them from the HMO as an addition to their basic services.

Medical Expense Insurance

- **Basic Medical:** Referred to as first dollar coverage, insurer pays from first dollar of expenses incurred without requiring a deductible
 - **Basic Hospital**
 - **Basic Surgical**
- **Comprehensive Major Medical:** Covers essentially all medical expenses under one policy (requires deductible & coinsurance)
- **Supplemental Major Medical:** Supplements a basic medical policy. Deductible must be paid after benefits of basic medical policy have been exhausted and before a supplemental major medical policy will apply

Deductible: Stated dollar amount of medical expenses that insured must pay before policy benefits are paid

- **Per cause:** Deductible must be satisfied for every separate claim
- **Calendar:** One deductible needs to be satisfied for the calendar year (regardless of number of claims submitted)
- **Family:** Two or three family members can satisfy the deductible for all family members
- **Corridor:** Must be paid after basic medical benefits are exhausted and before supplemental major medical benefits will apply

Coinsurance: Feature of a major medical policy where insurer and insured share in the cost of medical expense (usually on an 80/20 basis)

Copayment: Fixed payment for a covered service or visit paid when an individual receives medical services

Cost Sharing: Deductibles, copayments, and coinsurance are all part of cost sharing

Stop Loss Limit: Limits the insured's out of pocket expense. Once the insured has paid the specified dollar amount towards medical expenses, there is no more coinsurance on the part of the insured

Usual, Customary, Reasonable Charges: Surgical benefits are not listed by dollar amount, instead insurer will pay based on the amount physicians in the same geographical area normally charge for the similar procedures

Hospital Confinement Policy: Pays a specified dollar amount for each day the insured is in the hospital

Dread Disease/Specified Disease Policy: Covers a specific disease such as cancer or heart disease (only provides coverage/benefits for diseases specifically listed on the policy)



DISABILITY INSURANCE

The Only Way To Protect
Your Paycheck

Own Occupation: Defines total disability as the insured's inability to perform any/all of the duties of their own occupation as a result of sickness or accident

Any Occupation: Defines total disability as the insured's inability to perform the duties of any occupation for which the insured is reasonably qualified by education, training, or experience

Occupational Policy: Covers losses due to work related or non work related injuries

Non-Occupational Policy: Will cover the insured only while not working

Total Disability: The insured's inability to do his/her own occupation or any occupation for which qualified

Partial Disability: Insured's inability to perform one or more important duties or the inability to work on a full time basis

Presumptive Disability: Loss of use of any two limbs, total and complete blindness, and loss or speech or hearing

Accident Definition: Cause may be intentional, but the result is accidental

Tax Considerations (Disability Income): Non-deductible premiums, tax free benefits

Elimination Period: Number of days after disability occurs in which no benefits are payable

Benefit Period: Amount of time for which benefits will be paid

Income Amount: Policy is not designed to replace 100% of a worker's income

Waiver of Premium Rider: Allows insured to waiver premium during a period of total disability

Guaranteed Renewable: Guaranteed the right to renew at each renewal date regardless of insurability. Insurer cannot change the terms of the contract, but may change the premium

Non-Cancellable: Cannot be cancelled for any reason besides non payment



Patient Protection and Affordable Health Care Act (2010)

Referred to as **Health Care Reform Bill**-Comprehensive health insurance reforms to take place in the next 4 years after act was passed.

1. Prevents insurers from denying coverage to children under 19 due to a pre-existing condition and Adults in 2014
2. It requires that at least 85% of all premium dollars collected for large employer plans and 80% for small employer or individual plans be spent on health care services and health care quality reform. **If insurance companies do not meet these goals due to administrative cost or profits being too high, those companies must refund excess premiums** for all plans in a given market segment (individual or group) to the consumers enrolled in plans in that market segment.
3. Gives coverage for dependents to age **26**
4. Prevents companies from imposing lifetime dollar limits on essential services
5. Bans annual \$ limits on patient coverage
6. Makes plans provide preventative care without deductibles, co-pay or coinsurance
7. The maximum out-of-pocket cost limit for any individual marketplace plan in 2018 can be no more than \$7,350 for an individual plan and \$14,700 for a family plan. **(2020 limits will be: \$8,150 (individual) and \$16,300 (family))**

Health Plan Actuarial Values (Metal Tiers)

Under the ACA health insurance plans are organized by "**metal tier**"--- **bronze, silver, gold, and platinum**. These metal tiers provide consumers with a **standard measurement to help in comparing and understanding which plans will offer more comprehensive coverage and cover a greater portion of their health care costs**.

California has made comparison shopping even easier by standardizing the plans insurers can sell as the deductible, coinsurance, and co- payments are all the same in standardized plans.

- **Bronze** – 60%
- **Silver** – 70%
- **Gold** – 80%
- **Platinum** – 90%

Each metal tier is assigned an actuarial value which refers to the share of health care expenses the plan will cover

For example, a plan with an actuarial value of 70% (referred to as a "silver" plan in the ACA) means that for a standard population, the plan will pay 70% of their health care expenses, while the enrollees themselves will pay 30% through some combination of deductibles, copays, and coinsurance. The higher the actuarial value, the less patient cost-sharing the plan will have on average. The percentage a plan pays for any given enrollee will generally be different from the actuarial value, depending upon the health care services used and the total cost of those services. And, the details of the patient cost sharing will likely vary from plan to plan.

ACCESS FOR INFANTS AND MOTHERS PROGRAM (CIC 12695)

- If you don't have insurance to cover your pregnancy and you are not receiving no-cost Medi-Cal or Medicare Part A and Part B, the Medi-Cal Access Program (MCAP) may be the helping hand you and your baby need. MCAP can also help if you have other health insurance that doesn't cover maternity services or with a maternity-only deductible or copayment greater than **\$500**. Check with your other health insurance plan to see if your deductible or copayment is for maternity-only services.
- Access for Infants and Mothers Program provides for the comprehensive management of all physician services, both primary and specialty, and arrangement for hospitalization, post-discharge care, and follow-up care as well as emergency first aid, perinatal, obstetric, radiology, laboratory, and nutrition services. These services include preventive, screening, diagnostic, and treatment services to patients who stay less than 24 hours in a clinic for an illness or injury, advice, counseling, outreach, or needed translation.

Women's Health and Cancer Right Act

The Women's Health and Cancer Rights Act was signed into law In October 1998 and is overseen by the United States Departments of Labor and Health. **It is to protect women who elect breast reconstruction in connection with a mastectomy.** Despite its name, nothing in the law limits WHCRA rights to cancer patients. There can be other medical reasons that bring about the need for a mastectomy. The WHCRA applies to group health plans, health insurance companies, and HMO's if the plans provide medical and surgical benefits with respect to mastectomy.

Pregnancy Discrimination

The Pregnancy Discrimination Act amended Title VII of the Civil Rights Act of 1964. **The law forbids discrimination in any aspect of employment which includes hiring, firing, pay, job assignments, promotions, layoff, training, and fringe benefits such as leave and health insurance.** If a woman is temporarily unable to perform her job due to a condition of pregnancy or childbirth, she must be treated the same as any other temporarily disabled employee. This might include providing modified tasks, alternative assignments, disability leave or unpaid leave. **Furthermore, under the Family and Medical Leave Act (FMLA), a new parent—including foster and adoptive parents—may be eligible for 12 weeks of leave that may be used for care of the new child**

GROUP HEALTH INSURANCE



Group Insurance: Contract between insurer and sponsoring organization, covers multiple people under one policy

True Group: Minimum of 10 people

CA Group: 2 or more members

Blanket Insurance: Covers group of individuals exposed to the same risks (not named individually on policy)

Master Policyowner: Sponsor of group policy, responsible for applying coverage and providing information to insurer about the group, and making premium payment

Group Members: Individuals covered by group plan

Certificate of Insurance: Given to group members, describes benefits

Natural Group: Group formed for reasons other than purchasing insurance

Contributory: Employer and employee contribute to premium payment

Non-Contributory: Employer pays entire premium

Age Limitation for Dependents on Group Insurance

- **Group Life:** Age 26
- **Group Health:** Age 26

Probationary Period: Period of time an employee must work for an employer before being covered under the group insurance

Eligibility Period: Period of time employee has to enroll in the group coverage

MET: Provides benefits to employees of two or more financially unrelated companies

COBRA: Applies to employers offering group insurance with 20 or more employees, allows employee to stay under the group policy for a period of time if employee is terminated/loses coverage for any reason besides gross misconduct

COB (Coordination of Benefits): Provision that specifies which policy is primary and which is secondary

Employer Paid Premiums for Group Life Insurance

- Employers are allowed to deduct the premiums paid for group insurance as a business expense.
- **The employee does not have to report the employer-paid premium for life insurance as long as the coverage is \$50,000 or less.**
- Employees who have more than \$50,000 of coverage must declare the premium paid by the employer for the coverage in excess of \$50,000.

Social Security (OASDHI)

Social Security Benefits

- Retirement**
- Death & Survivor**
- Disability**
- Medicare**

NOTE: OASDHI IS OLD AGE SURVIVOR DISABILITY HEALTH INSURANCE

Social Security Eligibility

- A **“covered”** worker is one who participates in the Social Security program by making regular tax contributions.
- An **“eligible”** worker is one who has enough work credits to be either “fully insured” or “currently insured”.
- **To be fully insured, a worker needs 40 work credits.** However, persons born before 1929 need fewer credits. In 2016, a worker will earn one credit for each \$1,260 in earnings up to a maximum of four credits per year. Forty work credits translates to 10 years of working and is needed to obtain Social Security retirement and premium-free Medicare Part A benefits.
- **To be currently insured, a worker must have at least six quarters of coverage earned during a 13-quarter period** that ends with the calendar quarter in which the covered person died, became eligible for retirement benefits, or became disabled.
- **FULLY INSURED – FULL BENEFITS**
- **CURRENTLY INSURED – LIMITED BENEFITS**

Social Security Benefits

- **Retirement** - A worker who is fully insured is entitled to his/her full retirement benefits upon reaching age 65 if born before 1938. However, the age to receive full benefits is increasing in gradual steps from 65 to 67.
- **Death and Survivor Benefits** - There are two forms of death benefits paid to a worker's survivors. The first is a lump-sum death benefit of \$255 to offset the cost of burial. This benefit is paid only to a widow(er) or minor children. The second death benefit is monthly income payments to survivors. Family members who can collect benefits include:
 - A widow or widower who is 60 or older.
 - A widow or widower who is 50 or older and disabled.
 - A widow or widower at any age if she or he is caring for a child under age 16 or a disabled child who is receiving Social Security benefits. The widow(er)'s benefit will stop when the youngest child turns 16 and no benefits will be paid again until at least age 60. This period of time when no benefits are paid is called a **"Black Out Period"**.

Social Security Benefits (cont.)

- **Disability Income** - Social Security uses a very strict definition of disability. It is not intended for a temporary condition. Consequently, Social Security does not recognize partial disabilities, only total disabilities. To qualify for Social Security disability benefits, the disability must meet the following criteria:
 - The worker must have a physical or mental impairment that is expected to keep the worker from doing any substantial gainful work. This is considered to be the ability to earn \$1,130 or more monthly in 2016.
 - The disability is expected to last at least 12 months—or—
 - The disability is expected to end in death.
- **Medicare**: Medicare, which took effect in 1966, is a federal government program providing medical insurance for aged and disabled individuals and for those who suffer from chronic kidney disease. **Medicare is administered by the Health Care Financing Administration (HCFA)**, a division of the Department of Health and Human Services.

Medicare

For Medicare, the **Initial Enrollment Period (IEP)** is the 7-month period that begins 3 months before turning 65 and ends 3 months after the individual's 65th birthday. The General Enrollment Period is for beneficiaries who did not sign up for Part A and/or B when first eligible.

Medicare has two main parts: Part A and Part B.

- **Part A** is hospital insurance that helps pay for **inpatient** hospital care and certain follow-up services.
 - Hospital
 - Home Health care
 - Hospice
- **Part B** is medical insurance that helps pay for doctor's services, **outpatient** hospital care, and other medical service.
 - Doctor Visits
- Insured's are automatically enrolled in Part A and Part B, but can choose to opt out of Part B

4 Parts of Medicare

Part A

Hospital
Insurance



Part B

Medical
Insurance



Part C

Medicare
Advantage Plans



Part D

Prescription
Drug Plans



Medicare Part C & Part D

- **Medicare Part C** is not a separate benefit. Part C is the part of Medicare policy that allows private health insurance companies to provide Medicare benefits. These Medicare private health plans, such as HMOs and PPOs, are known as Medicare Advantage plans. If you want, you can choose to get your Medicare coverage through a Medicare Advantage plan instead of Original Medicare. Medicare Advantage plans must offer at least the same benefits as Original Medicare (those covered under Parts A and B) but can do so with different rules, costs and coverage restrictions. You can also get Part D as part of the benefits package if you choose.
- **Medicare Part D (outpatient Prescription Drug Insurance)** is the part of Medicare that provides outpatient prescription drug coverage. Part D is provided only through private insurance companies that have contracts with the government—it is never provided directly by the government (like Original Medicare is).

Medicare Vision Benefits

Medicare Vision Benefits Cover:

- Eyeglasses: One pair with an intraocular lens (after cataract surgery)
- Traumatic eye injuries
- Yearly glaucoma screenings for people who are “high risk”
- Cataract Surgery

Medicare Vision Benefits DO NOT Cover:

- Routine eye care
- Eyeglasses/Contacts/Reading Glasses
- LASIK/Laser eye surgery

Long Term Care & HICAP



ADL's: Walking, Eating, Toileting, Bathing and Dressing, Continence

Respite: Break/rest given to those providing home health care. The break cannot go more 5 consecutive days.

Elimination Period: Number of days which no benefits are payable. The Shorter the elimination the higher the premium.

Benefit Period: Period of time insurer will pay benefits. The longer the benefit the higher the premium.

Health Insurance Counseling and Advocacy - HICAP's mission is "to provide accurate and objective counseling, advocacy, and assistance with Medicare, health insurance, and related health coverage plans for Medicare beneficiaries, their representatives, or persons imminent of Medicare eligibility, and, to educate the public on Medicare and health insurance issues." Residents of the state who are 60 years of age or older may receive individual counseling and assistance **free** of charge from this agency.

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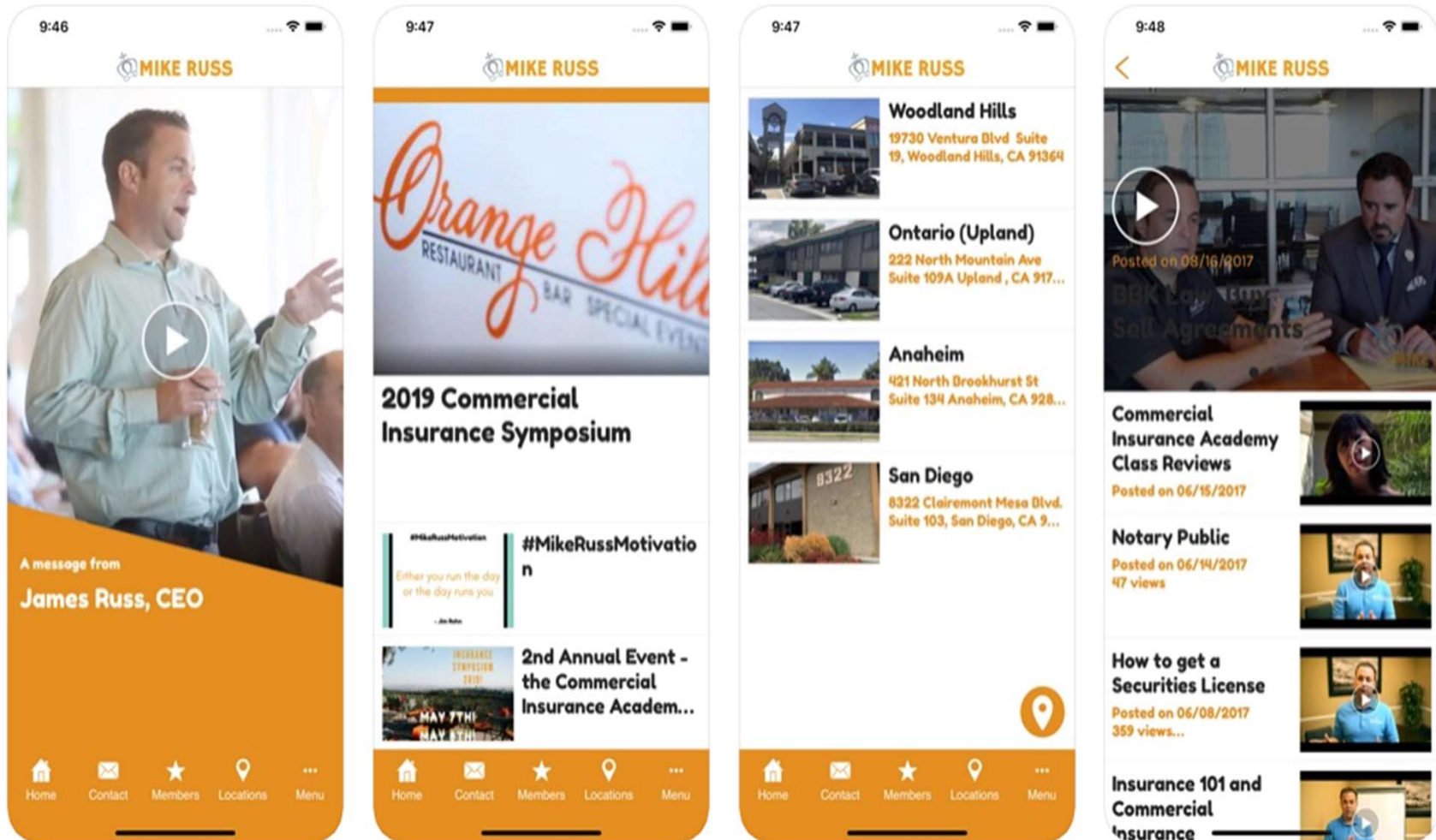


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