THINK CRITICALLY
Handwrite your responses in the space below; 2 sentences each.

1. Why do many people need health insurance?

2. What types of health insurance plans are available?

3. Describe the types of coverage available in health insurance plans.

4. What are some things you can do to help manage health care costs?

5. What is the purpose of disability insurance? How is short-term disability insurance different from long-term disability insurance?

6. List some reasons why people buy life insurance.

7. What is the main difference between term and permanent life insurance?

8. What is the face value of a life insurance policy?

9. Why are premiums for a group life insurance policy lower than for an individual life insurance policy?

IN DEPTH: Income Protection

You should consider several factors when deciding what type of insurance to buy. Read the following situations, and identify the type of insurance or insurance plan feature you think is right for each one.

1. You want a health insurance plan that will have low premiums and will allow you to self-insure for routine medical costs. What insurance plan feature should you request?

2. You want a health insurance plan that will pay 100 percent of covered medical expenses after a certain amount of money is paid toward medical expenses. What feature should you request?

3. You want a health insurance plan that will provide coverage should you get cancer or some other disease or condition that might cost hundreds of thousands of dollars to treat. What type of policy should you buy?

4. You want a life insurance policy on which the premiums will be as low as possible for the next 10 years. What type of insurance should you buy?

5. You want to choose how part of the premiums you pay for life insurance will be invested. What type of policy should you buy? What risk do you face with this type of plan?

6. You want a life insurance policy that will stay in effect for 10 years after you retire. However, you do not want to pay premiums after you retire. What type of policy should you buy?