

# INSURANCE TERMS TO KNOW

**Annual Maximum** - The total dollar amount that a plan will pay for care incurred by an individual enrollee or family (under a family plan) in a specified benefit period.

**Benefit Year** - A period in which covered expenses are accrued and are counted toward the annual maximums, deductibles, and/or out-of-pocket limits.

**Beneficiary** - A person or entity entitled to receive the claim amount and other benefits upon the death of the benefactor or on the maturity of the policy.

**COBRA** - A federal law that may allow the insured to temporarily keep insurance coverages after employment ends.

**Claim** - A request for payment under an insurance plan. A claim will list the services rendered, the date of service, and an itemization of cost.

**Coinsurance** - Insurance in which the insured is required to pay a fixed percentage of the cost of expenses after the deductible has been paid.

**Copayment (Copay)** - A fixed amount that the insured is required to pay before receiving the service.

**Deductible** - An out-of-pocket amount that an insured must pay prior to an insurance plan paying a claim.

**Elimination Period** - A period of continuous disability which must be satisfied before you are eligible to receive benefits.

**Flexible Spending Account (FSA)** - A type of account that provides the account holder with specific tax advantages on qualified medical and/or dependent care expenses (ex. Medical Reimbursement, Dependent Care, and/or Limited Purpose FSA).

**Medically Necessary** - A covered health service or treatment that is mandatory to protect and enhance the health status of a patient, and could adversely affect the patient's condition if omitted, in accordance with accepted standards of medical practice.

**Network** - The facilities, providers and suppliers your insurance plan has contracted with to provide health care services (i.e. "in-network").

**Non-Preferred Provider** - A provider who does not have a contract with your insurance carrier or plan to provide services to you. You'll pay more to see a non-preferred provider. (i.e. "out-of-network").

**Out-of-Pocket Maximum** - The maximum amount of money you may pay for services in a benefit year.

**Pre-Existing Condition** - A medical condition that is excluded from coverage by an insurance company because the condition was believed to exist prior to the individual obtaining a policy from the insurance company.

**Premium/Rate** - The amount you pay for your insurance coverage each pay period.