

Insurance

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Insurance

Insurance-when a customer pays a premium to a company in return for a guarantee of payment in the event of some kind of loss (disaster, illness, death, injury, car wreck, etc.)

Claim-a request the customer files with the insurance company for payment under the terms of the plan (ex. You are in a car wreck, you file a claim for the damage to you car)



Types of Insurance



Life insurance-pays out upon death

Health insurance-pays out to help pay medical costs

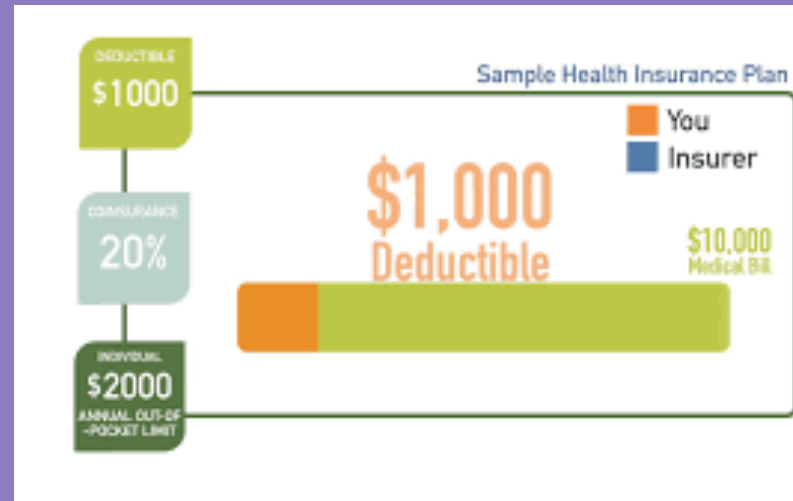
Homeowners insurance-pays out in the event of damages or losses related to a home or the property (fire, break-in)

Car insurance-pays out in the event of damage to an automobile

Deductibles

Deductible-the amount you pay before your insurance starts to pay (ex. \$10,000 medical bill-\$1,000 deductible=insurance pays \$9,000 and you pay \$1,000)

Plans with low deductibles usually cost more.



Premiums and Co-pays



Co-payment-common insurance practice where the customer pays a set amount (ex. \$40) and the insurance company covers the rest

Premium-the payment a customer makes in return for insurance coverage (how an insurance company makes money) usually charged monthly or yearly

Other Kinds of Insurance

Liability insurance-covers the policyholder for damage they cause to people or property (automobile liability insurance is required under NC law)

Disability insurance-covers the policyholder in the event they are unable to work due to an injury or illness (ex. Major surgery)



End of Life Plans

Will-a legally binding plan for what will happen to your property (and body) upon death

Beneficiary-the person or persons chosen to receive the benefits from a life insurance policy or will

