

HOW U.S. INSURANCE WORKS

You pay:

PREMIUM = \$\$\$

\$ per month x # months insured

DEDUCTIBLE = \$\$

\$ per accident or illness or per policy period

CO-INSURANCE = %

Percentage share of cost for each service
in US \$ (e.g., 20%)

COPAYMENT = \$

Set dollar share of cost for each service
(e.g., \$20)

OUT OF POCKET means:

\$ dollar amount **you** have to pay out of **your own pocket** for covered health care services during a set time period, e.g., yearly

EXAMPLE:

\$200 premium *per policy period*

\$ 50 deductible *per event or policy period*

+\$ 20 coinsurance *per injury/sickness*

= \$270 total **out of pocket** costs

INSURANCE COMPANY pays:

BALANCE after deductible and co-insurance or copayment, if any, for each service, subject to policy terms (the service must be a covered benefit to be reimbursed by insurer)