

# Step 03 : **HEALTH** Insurance – **COMPLETE HANDOUT** for Cram Course *by SAF LicenseCoach*

What exactly is \_\_\_\_\_? (**MORBIDITY**)

- Insurance designed to \_\_\_\_\_ against the \_\_\_\_\_ of \_\_\_\_\_ due to \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ or \_\_\_\_\_ – term \_\_\_\_\_, \_\_\_\_\_ while \_\_\_\_\_ or \_\_\_\_\_, & \_\_\_\_\_ expenses.

\_\_\_\_\_ Health insurance policies that provide \_\_\_\_\_ such as \_\_\_\_\_ & \_\_\_\_\_ ( \_\_\_\_\_ & \_\_\_\_\_ ) and \_\_\_\_\_.

\_\_\_\_\_ (**aka** \_\_\_\_\_)

In health insurance \_\_\_\_\_ covered by \_\_\_\_\_ . (*Synonymous w/ **Member = Subscriber***)

## **Types of Provider Situations**

➔ How medical providers are paid Varies... And it is \_\_\_\_\_ for us to understand the difference situations and how those \_\_\_\_\_ arrangements are \_\_\_\_\_.

\_\_\_\_\_

Medical Providers are paid a set amount \_\_\_\_\_ regardless of how \_\_\_\_\_ they treat.

**(Also called prepaid basis)**

\_\_\_\_\_ — \_\_\_\_\_ — \_\_\_\_\_

Medical Providers are paid for \_\_\_\_\_ they provide.

**(They are \_\_\_\_\_ a \_\_\_\_\_ for \_\_\_\_\_ they \_\_\_\_\_.)**

### \_\_\_\_\_ **Plans**

Medical expense plans may \_\_\_\_\_ benefits based on the \_\_\_\_\_ of \_\_\_\_\_ or \_\_\_\_\_ amount.

→ They have set \_\_\_\_\_ for how much money they will \_\_\_\_\_ for an \_\_\_\_\_, an \_\_\_\_\_, or a set amount per year they provide \_\_\_\_\_ for.

As \_\_\_\_\_ (aka \_\_\_\_\_, *Field Underwriters*) it's \_\_\_\_\_ for us to understand the \_\_\_\_\_...

\_\_\_\_\_, \_\_\_\_\_ **and** \_\_\_\_\_

This refers to the \_\_\_\_\_ who \_\_\_\_\_ an \_\_\_\_\_ for \_\_\_\_\_ or \_\_\_\_\_ based on the average charges \_\_\_\_\_.

→ *This is used for a payment \_\_\_\_\_ for nonscheduled plans.*

*In lay terms this just means the insurance company will look at what is the **norm for a** geographic area and charge that amount. It must be Usual, Reasonable and Customary. Plain and Simple.*

\_\_\_\_\_ insurance is provided by \_\_\_\_\_  
\_\_\_\_\_ and the \_\_\_\_\_. Health insurance  
provided by the \_\_\_\_\_ is also referred to as  
\_\_\_\_\_ and includes programs such as:

- \_\_\_\_\_ (for \_\_\_\_\_ & \_\_\_\_\_ *Individuals*)
- \_\_\_\_\_ (for \_\_\_\_\_)
- \_\_\_\_\_ (for \_\_\_\_\_)

When filing a Claim... Notice of \_\_\_\_\_ must be given to the  
insureR within \_\_\_\_\_ of \_\_\_\_\_. *(In most cases.)*

If *(after the notice has been given)* the insureR does **not** provide  
claims forms within \_\_\_\_\_ of receiving notice, the  
insureD may submit \_\_\_\_\_ on \_\_\_\_\_.

\_\_\_\_\_  
A \_\_\_\_\_ for \_\_\_\_\_ and  
\_\_\_\_\_, stating that grace period of at least  
\_\_\_\_\_ is \_\_\_\_\_ for non-payment of premium  
during which period the policy \_\_\_\_\_.

**NOTE:** The time period can vary on this and the best way to know for sure is to check the schedule of premium payments. Once we have this we can determine how long the **Grace Period** is. **Generally it's \_\_\_\_\_ or \_\_\_\_\_.**

\_\_\_\_\_ Payments the \_\_\_\_\_ makes for \_\_\_\_\_ or \_\_\_\_\_ provided under the \_\_\_\_\_. Sometimes called "\_\_\_\_\_" these \_\_\_\_\_-dollar \_\_\_\_\_ are usually small ranging from \$5 to \$40.

\_\_\_\_\_ The \_\_\_\_\_ the \_\_\_\_\_ must pay \_\_\_\_\_ the insureR will \_\_\_\_\_ for \_\_\_\_\_ insurance \_\_\_\_\_.

**REMEMBER:**

- That a \_\_\_\_\_ is used for services like \_\_\_\_\_'s visits and \_\_\_\_\_ care.
- And \_\_\_\_\_ are used for \_\_\_\_\_ claims, like for \_\_\_\_\_.

\_\_\_\_\_ provides for \_\_\_\_\_ of \_\_\_\_\_ by the insure**R** (*the insurance company*) and insure**D** (*the policy owner*), usually \_\_\_\_\_% (**R**) and \_\_\_\_\_% (**D**)

AGAIN... \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_ help keep down the cost of insurance by preventing \_\_\_\_\_. Because you are invested each time you go see a doctor or have a procedure performed it \_\_\_\_\_ every little thing from causing an insurance claim, keeping the cost down for everyone.

**Example** helping to Understand \_\_\_\_\_:

- Nick is confined to the hospital for \_\_\_\_\_ days. His hospital bill is \_\_\_\_\_ on discharge. He has not had previous medical bills. His \_\_\_\_\_ has a \$500 \_\_\_\_\_, 80/20 \_\_\_\_\_, and a \$2,000 maximum \_\_\_\_\_ of \_\_\_\_\_ (Stop Loss).

**What is Nick's share of the bill?**

- Nick's share of the bill is \_\_\_\_\_.
- Remember — How much Nick pays is determined as follows. \_\_\_\_\_ minus the \_\_\_\_\_ deductible is \_\_\_\_\_. \_\_\_\_\_ X \_\_\_\_\_ percent is \_\_\_\_\_.00. Adding back the \_\_\_\_\_ which must be \_\_\_\_\_ in \_\_\_\_\_ makes the total \_\_\_\_\_.

\_\_\_\_\_  
They are the \_\_\_\_\_ on certain \_\_\_\_\_  
\_\_\_\_\_ 's within a \_\_\_\_\_.

**TYPES OF \_\_\_\_\_ WE'LL SEE**

❖ \_\_\_\_\_

These \_\_\_\_\_ provide insured the \_\_\_\_\_ to \_\_\_\_\_ of \_\_\_\_\_ by making \_\_\_\_\_ of premiums.

→ No changes in coverage or premiums are permitted without the \_\_\_\_\_'s \_\_\_\_\_.

*These are the \_\_\_\_\_ of the \_\_\_\_\_ for \_\_\_\_\_ . But do note that You \_\_\_\_\_ your \_\_\_\_\_ in order to \_\_\_\_\_ coverage.*

❖ \_\_\_\_\_

Policies provide \_\_\_\_\_ of \_\_\_\_\_ to a specified age subject to payment of premiums, but allows \_\_\_\_\_ by \_\_\_\_\_.

❖ \_\_\_\_\_

These policies allow the insureR the right to \_\_\_\_\_ renew for any reason specified in the \_\_\_\_\_ and premiums \_\_\_\_\_ be increased.

*Have your Noticed a \_\_\_\_\_? As we go along, there less \_\_\_\_\_ and the **insureR** can alter or end the policy the farther we get from \_\_\_\_\_.*

❖ \_\_\_\_\_

policies allow the insureR the right to \_\_\_\_\_ for \_\_\_\_\_ and the premiums \_\_\_\_\_ be increased.

❖ \_\_\_\_\_

These policies allow the insureR to cancel he policy \_\_\_\_\_, provided the InsureR returns \_\_\_\_\_ unearned \_\_\_\_\_.

What rider allows the insured to \_\_\_\_\_ amount of insurance \_\_\_\_\_ proof of insurability.

\_\_\_\_\_ (Fantastic because You are Guaranteed Future Coverage!!)

An there are limits of course... What ages must the insured be for the Guaranteed Insurability Rider?

**Ages** \_\_\_\_\_

\_\_\_\_\_ The face amount of AD&D coverage which is paid out if the insured loses \_\_\_\_\_ limbs, \_\_\_\_\_ hands, \_\_\_\_\_ feet, vision in \_\_\_\_\_ eyes, or dies as a result of an \_\_\_\_\_.

How must an insured **die** in order for the beneficiary to receive \_\_\_\_\_? → **by** \_\_\_\_\_

\* **To Collect...** Insured Must die within \_\_\_\_\_ days of the Accident Or it is considered dying from \_\_\_\_\_. (No Double)

\_\_\_\_\_

A medical \_\_\_\_\_, whether \_\_\_\_\_ or \_\_\_\_\_,  
resulting from \_\_\_\_\_ or \_\_\_\_\_ \_\_\_\_\_  
a person from being able to \_\_\_\_\_.

\_\_\_\_\_ \_\_\_\_\_

Is a time between the \_\_\_\_\_ of the policy and  
the \_\_\_\_\_.

\_\_\_\_\_ \_\_\_\_\_

Optional \_\_\_\_\_ in \_\_\_\_\_ insurance policies which  
states the length of \_\_\_\_\_ between when \_\_\_\_\_,  
\_\_\_\_\_, or \_\_\_\_\_ begins and when \_\_\_\_\_  
\_\_\_\_\_.

Often referred to as a "\_\_\_\_\_ deductible."

The \_\_\_\_\_ is the length of \_\_\_\_\_ the  
policy \_\_\_\_\_ to the disabled person. Policies with  
\_\_\_\_\_ benefit \_\_\_\_\_ are more \_\_\_\_\_.

\_\_\_\_\_ **requires** a disabling condition  
to return within a certain period of \_\_\_\_\_ (*usually \_\_\_\_\_ days*)  
to be an extension of prior disability and \_\_\_\_\_ require another  
\_\_\_\_\_.

(Remember → if **within 90 days** of previous disabling condition,  
for the **same disability** the **elimination period** is **waived.**)



\_\_\_\_\_ is a \_\_\_\_\_ such as loss or \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, or loss of use of \_\_\_\_\_ or \_\_\_\_\_, which qualifies as \_\_\_\_\_ disability, regardless of \_\_\_\_\_ to work.

→ So it is \_\_\_\_\_ that a person is \_\_\_\_\_ disabled even if they can still technically \_\_\_\_\_.

\_\_\_\_\_ is the \_\_\_\_\_ to perform \_\_\_\_\_ or \_\_\_\_\_ or the inability to \_\_\_\_\_.

→ \_\_\_\_\_ benefits \_\_\_\_\_ the portion of the lost \_\_\_\_\_ (usually \_\_\_\_\_% of total disability benefits) for up to \_\_\_\_\_.

\_\_\_\_\_ is the \_\_\_\_\_ when the insured returns to \_\_\_\_\_ after \_\_\_\_\_ disability, but is unable to \_\_\_\_\_ of their prior duties.

→ \_\_\_\_\_ pays the difference in the \_\_\_\_\_'s \_\_\_\_\_ before and after disability or \_\_\_\_\_% of total disability benefits.

\_\_\_\_\_ is a \_\_\_\_\_ for which the insured is \_\_\_\_\_ expected to recover, while...

\_\_\_\_\_ prevents \_\_\_\_\_ during recovery or rehabilitation, but the insured **is** expected to recover.

\_\_\_\_\_ Restricts the insured to \_\_\_\_\_, while...

\_\_\_\_\_ allows \_\_\_\_\_.

→ So even in a wheel-chair it could be considered nonconfining because you are able to \_\_\_\_\_.

\_\_\_\_\_ Requirement for full disability \_\_\_\_\_, typically inability to \_\_\_\_\_. Each policy defines it \_\_\_\_\_.

\_\_\_\_\_ in disability \_\_\_\_\_ policies which \_\_\_\_\_ the benefit period to the \_\_\_\_\_ of the \_\_\_\_\_'s \_\_\_\_\_.

→ \_\_\_\_\_

*(this will \_\_\_\_\_ the cost of the \_\_\_\_\_ because of the longer \_\_\_\_\_, but can be worth it in many cases.)*

**The \_\_\_\_\_ of \_\_\_\_\_**

→ Guards against \_\_\_\_\_, is an Increasing \_\_\_\_\_ Rider. (Meaning the \_\_\_\_\_ stays the same, but the \_\_\_\_\_ systematically \_\_\_\_\_ over time.)

The \_\_\_\_\_

→ Optional benefit which \_\_\_\_\_ the \_\_\_\_\_  
of a \_\_\_\_\_ income policy if the insured requires  
\_\_\_\_\_.

*(So if you're required to be in a hospital, it could waive the  
elimination period.)*

\_\_\_\_\_ insurance can be written \_\_\_\_\_ or on a  
\_\_\_\_\_ basis. Most insurance is offered through...

\_\_\_\_\_ because it is often \_\_\_\_\_ than \_\_\_\_\_  
coverage.

### **Why is this?**

*Because in a \_\_\_\_\_ **Plan** we are spreading the risk over a  
large \_\_\_\_\_ of people. Remember when we talked about  
\_\_\_\_\_ and \_\_\_\_\_...*

*This is what we mean by that. We share the risk so \_\_\_\_\_ of us  
can \_\_\_\_\_ less for \_\_\_\_\_.*

*→ The insureR loves this because the risk is much lower over a  
\_\_\_\_\_ of people, so the premiums of the many wind up  
more than paying the \_\_\_\_\_ of the \_\_\_\_\_.*

The \_\_\_\_\_'s ability to pay \_\_\_\_\_ and \_\_\_\_\_  
coverage.

→ \_\_\_\_\_

*(This is one of the ways we look at group rates & their viability.)*

\_\_\_\_\_ of \_\_\_\_\_  
are the \_\_\_\_\_ of \_\_\_\_\_ by \_\_\_\_\_ insureRs.  
The \_\_\_\_\_ insureR is \_\_\_\_\_ for \_\_\_\_\_  
of \_\_\_\_\_ according to its \_\_\_\_\_, while...  
\_\_\_\_\_ insureRs \_\_\_\_\_ the remainder up to it's limits.

*Many Employee-Sponsored \_\_\_\_\_ Plans offer savings plans now.*

(Health) \_\_\_\_\_ plans allow \_\_\_\_\_ to  
\_\_\_\_\_ — \_\_\_\_\_ to accounts that  
pay or reimburse the medical \_\_\_\_\_ of the person.

**These include:**

- \_\_\_\_\_ (HSAs),
- \_\_\_\_\_ (FSAs),
- \_\_\_\_\_ (HRAs),
- \_\_\_\_\_ (CDHPs),

Much like Credit Life insurance, \_\_\_\_\_ can take out a  
health or disability policy on a debtor to make sure they are paid.

\_\_\_\_\_ insurance \_\_\_\_\_ used to \_\_\_\_\_ a \_\_\_\_\_.  
If the debtor becomes disabled, \_\_\_\_\_ are \_\_\_\_\_ to a  
\_\_\_\_\_ until the insured can \_\_\_\_\_.

✓ \_\_\_\_\_

Maximum benefits limits \_\_\_\_\_ made by the insurer, and they can be:

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

*Each \_\_\_\_\_ will be different so it is \_\_\_\_\_ to make sure that you \_\_\_\_\_ what each does and what the \_\_\_\_\_ are.*

\_\_\_\_\_ → \_\_\_\_\_

A gatekeeper \_\_\_\_\_ what \_\_\_\_\_ are necessary \_\_\_\_\_ can \_\_\_\_\_ to other physicians and \_\_\_\_\_ if deemed necessary.

It allows \_\_\_\_\_ to consult other medical \_\_\_\_\_ to obtain \_\_\_\_\_ and \_\_\_\_\_ opinions regarding the necessity of surgical procedures.

→ \_\_\_\_\_

*(This is \_\_\_\_\_ because it allow the patient to \_\_\_\_\_ the \_\_\_\_\_ care and have others evaluate their situation before a final \_\_\_\_\_ is \_\_\_\_\_.)*

\_\_\_\_\_ area to which \_\_\_\_\_ services and medical providers are \_\_\_\_\_.

→ \_\_\_\_\_

Cost control program used by \_\_\_\_\_s which \_\_\_\_\_ primary care physicians, also referred to as "\_\_\_\_\_,", \_\_\_\_\_ reviews and \_\_\_\_\_ drug formularies.

→ \_\_\_\_\_

***Basically they can look in an area and see that there are some doctors who do not see many patients and move them to other areas where they could be better served to the community of the HMO.***

*And then the HMO can look for generic drug options. Basically **this helps keep costs down for all parties involved.***

Arrangement in which medical \_\_\_\_\_ **may** \_\_\_\_\_ patient (*they want, not just those covered by the Managed Care Plan*).

→ \_\_\_\_\_

Arrangement in which medical \_\_\_\_\_ **may only treat** patients that are \_\_\_\_\_.

→ \_\_\_\_\_

\*\*\* **EARLY NOTE** \*\*\*

Be sure you know all the differences between these **organizing methods** → **You'll be asked this on Your State Exam.**

\_\_\_\_\_

Is the payment method in which medical \_\_\_\_\_ are paid a \_\_\_\_\_ no matter how many \_\_\_\_\_ are performed.

Method of organizing an \_\_\_\_\_. Physicians are employees of the HMO.

→ \_\_\_\_\_

**Method of organizing an HMO**

The \_\_\_\_\_ contracts with one independent medical \_\_\_\_\_ to provide medical \_\_\_\_\_ to HMO \_\_\_\_\_.

Synonymous with \_\_\_\_\_ and \_\_\_\_\_.

→ \_\_\_\_\_

Method of organizing an \_\_\_\_\_. Similar to the \_\_\_\_\_, it contracts with \_\_\_\_\_ **or more** \_\_\_\_\_ (instead of one) to \_\_\_\_\_ medical \_\_\_\_\_ to HMO \_\_\_\_\_.

→ \_\_\_\_\_

Another Method of organizing an HMO.

Functions like the group model except the HMO \_\_\_\_\_ with medical groups, physicians' associations and \_\_\_\_\_ providing \_\_\_\_\_.

→ \_\_\_\_\_

*Be sure you know all the differences between these **organizing methods** → **You'll be asked this on Your State Exam.***

\*\*\*

\_\_\_\_\_s operate on this basis \_\_\_\_\_ to use medical providers \_\_\_\_\_ by the \_\_\_\_\_.

→ \_\_\_\_\_ **HMO**

*(Those not in the HMO are more \_\_\_\_\_ but it does give the members \_\_\_\_\_.)*

### Example

- Bobby's employer has a group plan that requires him to have a primary care physician that he must see before getting help from a specialist. **What type of plan is this?**
- This type of plan is a... \_\_\_\_\_



**REMEMBER:** \_\_\_\_\_ ( \_\_\_\_\_ )  
is also known as a \_\_\_\_\_ plan. All service is  
directed through a \_\_\_\_\_ who must  
\_\_\_\_\_ the patient \_\_\_\_\_ specialists. There may be an  
\_\_\_\_\_ to the \_\_\_\_\_ to  
control referrals to control costs.

\_\_\_\_\_ disease detection and health \_\_\_\_\_.

Examples: \_\_\_\_\_ exams & \_\_\_\_\_.

→ \_\_\_\_\_

### Be Clear On This:

\_\_\_\_\_ medical \_\_\_\_\_ for which the insured  
sought (*previous*) medical treatment or advice \_\_\_\_\_ to  
the policy issuance.

→ \_\_\_\_\_

*\*There are specific stipulations on this but \_\_\_\_\_, that  
if they do not seek treatment or advice beforehand, then it is  
generally not considered a **preexisting condition**.*

\_\_\_\_\_ health \_\_\_\_\_ coverage for \_\_\_\_\_  
**over** the Age of \_\_\_\_\_, **and** \_\_\_\_\_ individuals.

→ \_\_\_\_\_

\_\_\_\_\_ Parts \_\_\_\_ and \_\_\_\_ providing only \_\_\_\_\_ and \_\_\_\_\_ coverage.

→ \_\_\_\_\_

Medicare \_\_\_\_\_ . Formerly known as \_\_\_\_\_ + \_\_\_\_\_. Also referred to as \_\_\_\_\_.

→ \_\_\_\_\_

Medicare \_\_\_\_\_ coverage.

→ \_\_\_\_\_

Medicare \_\_\_\_\_ :  
\_\_\_\_\_ — \_\_\_\_\_ period spanning \_\_\_\_\_ prior to reaching Age \_\_\_\_ to \_\_\_\_\_ after a person's \_\_\_\_th birthday.

→ \_\_\_\_\_

Medicare \_\_\_\_\_ :  
\_\_\_\_\_ 1<sup>st</sup> through \_\_\_\_\_ 31<sup>st</sup> \_\_\_\_\_.

→ \_\_\_\_\_

→ \_\_\_\_\_

\_\_\_\_\_ **15<sup>th</sup>** — \_\_\_\_\_ **7<sup>th</sup>**

- \_\_\_\_\_ / \_\_\_\_\_ in Medicare
- \_\_\_\_\_ Medicare \_\_\_\_\_

Care provided in an \_\_\_\_\_'s \_\_\_\_\_.

It usually includes \_\_\_\_\_ or \_\_\_\_\_ care.

→ \_\_\_\_\_

*This is used for parents who need to work that have children with special needs. It can also be used for elderly people who need help at home with custodial things.*

\_\_\_\_\_ **Health Care** can be \_\_\_\_\_ only, or \_\_\_/\_\_\_ coverage. *Each plan is different.*

\_\_\_\_\_ and \_\_\_\_\_—funded medical \_\_\_\_\_ program for \_\_\_\_\_ individuals.

→ \_\_\_\_\_

**NOTE THE BIG DIFFERENCE:** Medicare is only Federally—Funded,  
**while** Medicaid is Both State and Federally—Funded.

These \_\_\_\_\_ are \_\_\_\_\_ to help individuals with \_\_\_\_\_ they are no longer \_\_\_\_\_ of performing themselves. Policy \_\_\_\_\_ provide \_\_\_\_\_ for at least \_\_\_\_\_ months. (some states — \_\_\_\_\_ months)

→ \_\_\_\_\_ — \_\_\_\_\_

The \_\_\_\_\_ is the \_\_\_\_\_ between \_\_\_\_\_, \_\_\_\_\_ or \_\_\_\_\_ occurs and benefits \_\_\_\_\_.

**Elimination Periods** are used

in \_\_\_\_\_ and \_\_\_\_\_ — \_\_\_\_\_ care policies.

Tax Examples -- Your state exams will also test your knowledge of the various taxation principles associated with insurance.

\* Occasionally **Reimbursed Medical Expenses** *could potentially* require an Amended Tax Return.

→ *One instance where Health Benefits could be taxable – Taking deductions for Medical Expenses in which later are reimbursed.*

In order to best maintain control of one's retirement account, they should have their funds \_\_\_\_\_ to the \_\_\_\_\_ **without** taking possession of the funds.

\* Anything other than \_\_\_\_\_ to the \_\_\_\_\_ they could have \_\_\_\_\_ tax consequences.

→ **(IF NOT THEN)** The \_\_\_\_\_ Trustee is required to withhold \_\_\_\_\_% of the funds and send them to the IRS even if you re-invest the money within 60 days. If they don't send the 20% it will become an early distribution and be subject to \_\_\_\_\_ and \_\_\_\_\_.

A \_\_\_\_\_ becomes due and payable at \_\_\_\_\_.

\* ***IF it is not paid, then it will also constitute an early withdraw and create a Tax Liability.***

Leaving funds with a previous employer can be \_\_\_\_\_

- Could have dormant account fees assessed
- If the company decides to change providers, they may not have the same options going forward, and there will be a FREEZE PERIOD that will prevent them from making any transactions for \_\_\_\_\_ days.

**NOTE** → A \_\_\_\_\_ **is usually the** \_\_\_\_\_.

Taxation on \_\_\_\_\_ : What is used to calculate taxes?

Taxes are \_\_\_\_\_ using the \_\_\_\_\_

When a person \_\_\_\_\_ an NON-Qualified \_\_\_\_\_, part of the money returned is considered \_\_\_\_\_ and part is considered \_\_\_\_\_.

The \_\_\_\_\_ is used to determine which part of the payment will be excluded from \_\_\_\_\_ tax \_\_\_\_\_. Once that number is \_\_\_\_\_ it remains \_\_\_\_\_.

Tax implications involved when an insurance policy is surrendered

→ Upon policy \_\_\_\_\_ cash \_\_\_\_\_ than the amount of \_\_\_\_\_ is subject to \_\_\_\_\_.

Taxation of Life Insurance \_\_\_\_\_

- Beneficiaries pay \_\_\_\_\_ Taxes on Death Benefits when they are received in a \_\_\_\_\_.
- \_\_\_\_\_ is part of the Death Benefit and therefore it is \_\_\_\_\_ taxable.
- If proceeds are received in \_\_\_\_\_ a portion of the proceeds will contain \_\_\_\_\_, which is \_\_\_\_\_.
- Proceeds of Life Insurance that result in a \_\_\_\_\_ of \_\_\_\_\_ or were \_\_\_\_\_ to another party, may be taxed.

The \_\_\_\_\_ of \_\_\_\_\_ **Rule does not apply** when a Life Insurance policy is \_\_\_\_\_ as \_\_\_\_\_ on your \_\_\_\_\_.

Tax Implications for Group Insurance Policies:

For Group policies premiums paid by the \_\_\_\_\_ are \_\_\_\_\_ Tax-deductible, but the \_\_\_\_\_ can \_\_\_\_\_ it pays as a \_\_\_\_\_.

Proceeds from a \_\_\_\_\_ Life Policy are Tax-\_\_\_\_\_ if taken in a \_\_\_\_\_.

**A DISTINCTION TO MASTER:** → *The Difference Between* \_\_\_\_\_ and \_\_\_\_\_ - \_\_\_\_\_ Plans

\_\_\_\_\_ Plans are... \_\_\_\_\_ employer retirement accounts that provide \_\_\_\_\_ for account \_\_\_\_\_ and \_\_\_\_\_.

→ Qualified Plan \_\_\_\_\_ contributions are \_\_\_\_\_ as a business \_\_\_\_\_ and employer contributions are \_\_\_\_\_ until \_\_\_\_\_.

→ Any interest earned on contributions is also \_\_\_\_\_ until \_\_\_\_\_ upon retirement.