



Terms You Should Know

Having an understanding of these insurance terms can help you make better employee benefit decisions, be financially prepared for the unexpected, and more effectively use your benefits when you need them.

Costs to Understand

Deductible	The dollar amount you're responsible for paying before the insurance plan starts to pay.
Coinsurance	Your share of the cost of a service (usually a percentage), after you've met or paid the plan's deductible.
Copayment	A fixed dollar amount for things such as a doctor visit or prescription drug that you must pay at the time you receive the service.
Out-of-pocket maximum	The limit or the most you'll pay out of your own pocket for services during your insurance plan period (usually one year).
Pre-tax/post-tax deductions	The basis for how certain insurance premiums will be deducted from your wages, which affects your take-home pay.

Features to Know

Guarantee Issue	If you apply for insurance, you're not required to answer health questions to qualify for coverage up to a certain amount.
Elimination Period	Also known as the waiting period, it's the period of time before you're eligible to receive benefits.

Options to Consider

In-Network	These are the doctors, dentists, and health care facilities who have contracted to be part of the insurance company's network and have agreed to provide care at certain discounted rates.
Buy-up	In addition to offering employees a base insurance plan, some employers may also offer plans that allow employees to obtain greater coverage—or "buy up" to a higher level of insurance on a voluntary basis.
Portability	If you leave your employer, you can keep your coverage and pay the insurance company directly.

See other side for more of what you need to know when you're making decisions about your workplace benefits—whether it's during your company's annual open enrollment period or any other time of the year.

More of What You Need to Know

Costs to Understand

There's more to be aware of besides insurance premiums.

- With medical and dental plans, look at a plan's **copayments, deductible, and coinsurance**.
 - If you visit your doctor or pharmacy often, consider the **copayment** you'll pay for each office visit and prescription. Copayments for less routine care like emergency room (ER) visits will be much larger.
 - Plans with a **high deductible** usually have lower monthly premium payments. However, you'll need funds to cover your or any family members' deductible (often thousands of dollars), as well as your share of **coinsurance** after you meet the plan's deductible.
- Funding a Health Savings Account (as part of a high deductible health plan) and taking advantage of supplemental health insurance can help make paying these expenses easier. Supplemental health benefits, like accident, cancer, critical illness, and hospital indemnity insurance can help cover unexpected expenses because the benefit amount you would receive can be used any way you choose.
- You may choose to pay for certain employee benefits through payroll deduction on a **pre-tax** or **post-tax** basis. While the premium amount is the same, money deducted on a pre-tax basis isn't subject to income tax, so you'll see more take-home pay compared to when money is deducted on a post-tax basis. However, for disability insurance, if your employer pays the insurance premium, or the premium is paid on a pre-tax basis, the disability benefit may be subject to tax, reducing the benefit amount you receive.

Features to Know

Make sure you understand coverage eligibility and limitations.

- With medical and dental plans, look at a plan's
When you apply for some employee benefits like life, medical, and disability insurance, the insurance

company may review your health and medical history to determine your eligibility for coverage. If you get coverage through work, **guaranteed issue** usually applies up to a certain amount. Additional amounts of coverage may require:

- **Simplified underwriting**, which requires you to answer health questions, or
 - **Full medical underwriting**, which may require in-depth health questionnaires and physical exams, including lab work.
- During the **elimination period** for disability insurance, you would not receive benefits, so be sure to create an emergency fund to pay for your mortgage and everyday expenses until your disability benefits start. Once in effect, disability benefits usually reimburse around 40%–60% of your salary.

Options to Consider

Explore ways to maximize your benefits.

- Look for **buy-up** opportunities for coverage like disability or life insurance to get extra protection to meet your specific needs.
- Consider who's in your medical, dental, or vision plan's **network** and use an in-network doctor, dentist, or health care facility to save money.
- Know which of your company benefits are **portable** and what the cost will be to you if you choose to continue coverage.

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