# TITLE: Comparing Two Types Of Insurance Policies.





1. Life insurance: **Life Insurance is a contract**

## between an insurance policy holder and an insurer, where the insurer promises to pay a sum of money to the beneficiary when the insured person dies or after a pre-determined period in exchange for the premiums paid by policyholder. In life insurance policy you need to pay premiums for a specified policy term and life insurance company provides you with a comprehensive life cover, in return. Life Insurance protects future of your loved by paying a lump sum amount referred to as death benefit if an unfortunate event occurs. Some life insurance policies provide you a Maturity Benefit after the end of the policy term.

1. Health insurance :**it offers you financial security when you're ill or hurt, giving you and your loved ones peace of mind and stability. Choosing the right plan means considering factors like coverage amount, in-network hospitals, policy details, additional benefits, and exclusions.**

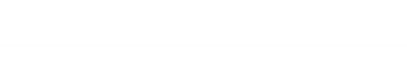
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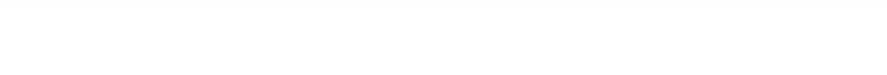
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| **BASIS** | **LIFE INSURANCE** | **HEALTH INSURANCE** |
| **COVERAGE** | 1. **Death Benefit: The primary**   **purpose of life insurance is to provide financial protection to beneficiaries in the event of the insured Persons death.**   1. **Total Permanent Disability: Some policies offer coverage in case the insured becomes totally and permanently disabled, either through illness or injury,and can no longer work.** 2. **Mortgage protection: Policies can be designed to pay off a mortgage or other debts upon the insured death ,ensuring that loved ones are not burdened with financial obligation.** | 1. **. Costs and Deductibles: Knowing your**   **out-of-pocket expenses like deductibles, copaym and coinsurance helps you budget for healthcar expenses. It's essential to understand how much you'll have to pay before your insurance kicks in.**   1. **. Network Providers: Many health insurance pla have networks of doctors, hospitals, and other healthcare providers. Staying in-network typicall means lower costs, while going out-of-network c result in higher expenses or even no coverage at depending on your plan.** 2. **.Coverage Limits and Exclusions: Health insura plans often have limits on coverage for certain services or treatments, as well as exclusions for specific conditions or procedures. Understandin these limitations can help you plan for potential expenses that may not be fully covered by your insurance.** |



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| **Benefits** | 1. **Financial Protection: Life insurance provides financial security to your loved ones by offering a death benefits payout upon your passing . this ensures they can maintain their standard of living and meet financial obligations, such as mortagage payments education expenses and daily living expenses.** 2. **Tax Benefits: the death benefits received by beneficiaries is generally tax-free, providing a**   **tax-efficient way to transfer wealth to heirs.**   1. **Supplemental Retirement Income: Cash value life insurance policies can be used as a supplemental source of retirement income, providing tax-advantaged savings that can be accessed later in life.** | 1. **.Financial Protection: Health insurance provide safety net against high medical costs. It helps co expenses for doctor visits, hospital stays, surgeri prescription medications, and other healthcare services. Without insurance, these costs can qui accumulate and lead to financial strain or even bankruptcy.** 2. **.Access to Quality Healthcare: With health insurance, you have access to a network of healthcare providers, including doctors, specialis hospitals, and clinics. This ensures that you can receive timely medical care when needed, impro your overall health outcomes and quality of life** 3. **.Preventive Care and Wellness Services: Many health insurance plans offer coverage for preven care services such as vaccinations, screenings, annual check-ups. By seeking preventive care, yo can detect and address health issues early, potentially avoiding more serious and costly me problems in the future.** |

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| **Exclusions** | 1. **Suicide Clause: Many life insurance policies have a suicide clause stating that if the insured person dies by suicide within a certain period after the policy inception the death benefit will not be paid out ,only a portion of it will be paid.** 2. **Illegal Activities :Iftheinsured dies whileparticipating in illegal activitiesor** | **1 . Pre-existing Conditions: Some health insuranc plans may exclude coverage for pre-existing conditions, which are health issues that existed b you enrolled in the plan. While regulations vary, c conditions may not be covered or may have waiti periods before coverage begins**  **2 . Experimental or Investigational Treatments: Insurance plans often exclude coverage for treatments that are considered experimental or investigational. These are medical interventions haven't yet been proven effective or approved by regulatory bodies. As a result, insurers may refus cover the costs associated with such treatments** |
| **criminal behavior, theinsurer maydeny** |
| **the deathbenefits**  **3. Aviation Exclusion: Somepoliciesmay haveexclusionsrelatedtodeathsthat occurasaresultofflyinginprivateplanes especially if theinsured is thepilotor crew member.** |





* 1. TypeofPolic**ifferenttypesof**

### 1 . Cost Determination: health insurance premiu

lifeinsurancepolicies, such astermlife

### are determined by various factors, including your

insurance, wholelifeinsurance, or

**location, tobacco use, family size, and the type o**

**Premium**

universallifeinsurance, havevarying premiumstructures. Termpolicies generallyhavelowerinitialpremiums comparedtopermanent policieslike

### plan you choose. Younger individuals typically p lower premiums than older adults, and premium vary significantly between states and regions.

wholelifeoruniversal life insurance.

### 2 .Payment Frequency: Premiums are usually pai

**a monthly basis, but some insurers offer other**

* 1. Occupationand Lifestyle**:**

### payment frequencies like quarterly or annually. It

Certainoccupationsorhigh-risk

### essential to pay your premiums on time to maint

activitiesmay leadtohigherpremiums dueto theincreased likelihood of accidents orprematuredeath.

* 1. CoverageAmount**: Theamount of coverage, orthedeathbenefit, also**

### continuous coverage and avoid any lapse in ben

1. **Subsidies and Assistance: Depending on income leveland eligibility, youmay qualify forsubsi orfinancialassistanceto helploweryourhealth**

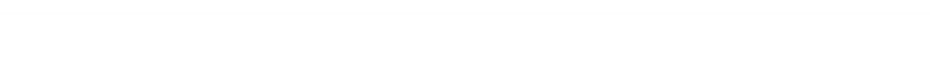
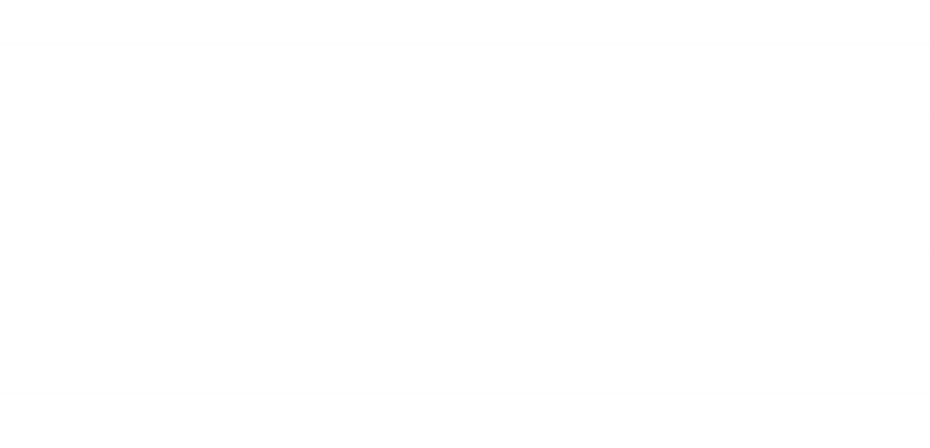
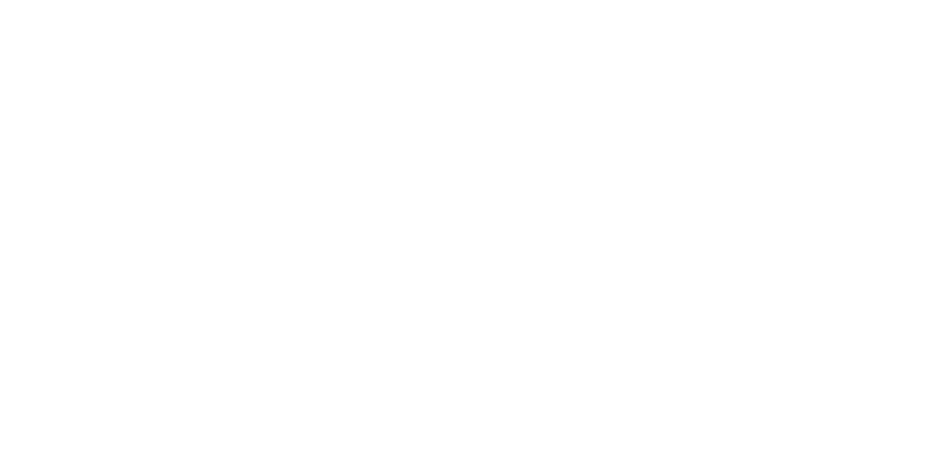
insurancepremiums. These subsidiesare oftenavai

affectsthe premium. Highercoverage

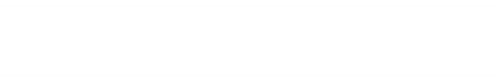
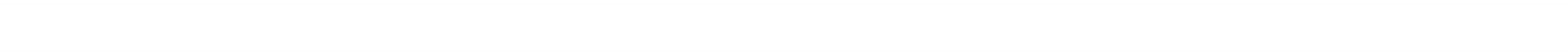
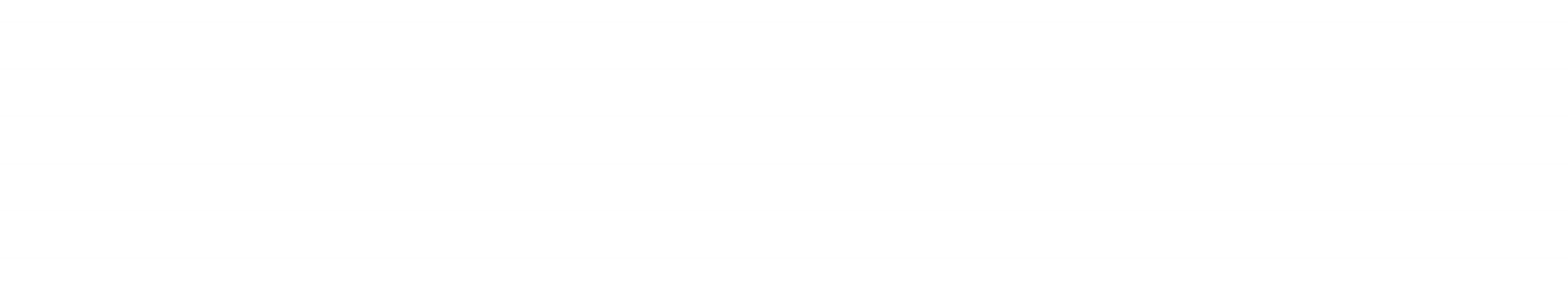
through government programslikethe Affordable Ca

amounts typically result inhigher premiums.

Act'spremiumtaxcredits, whichaimtomakehealth insurancemore affordableforindividuals and famili withlowerincomes.

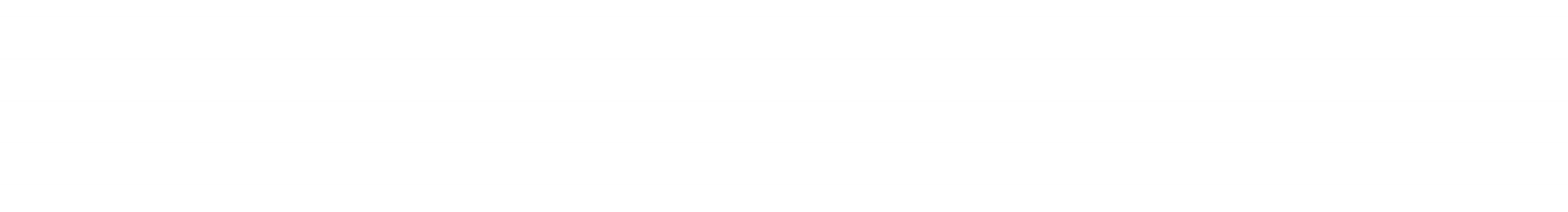


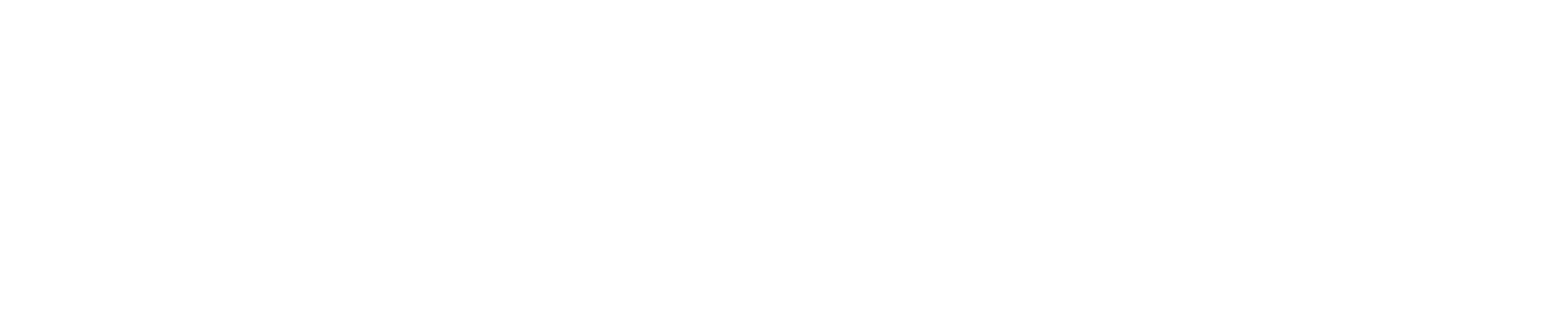
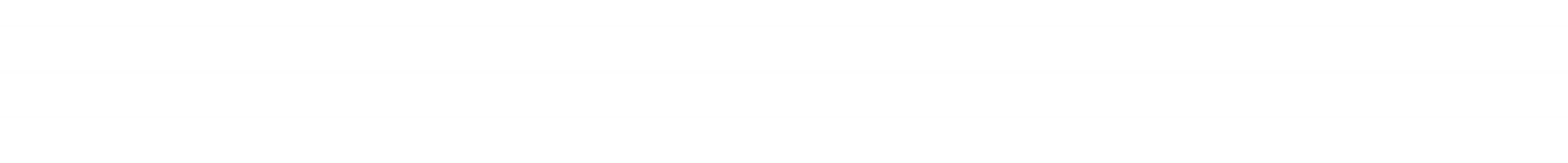
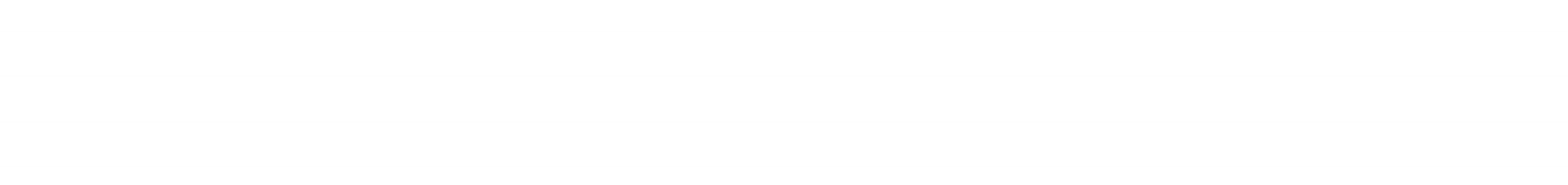
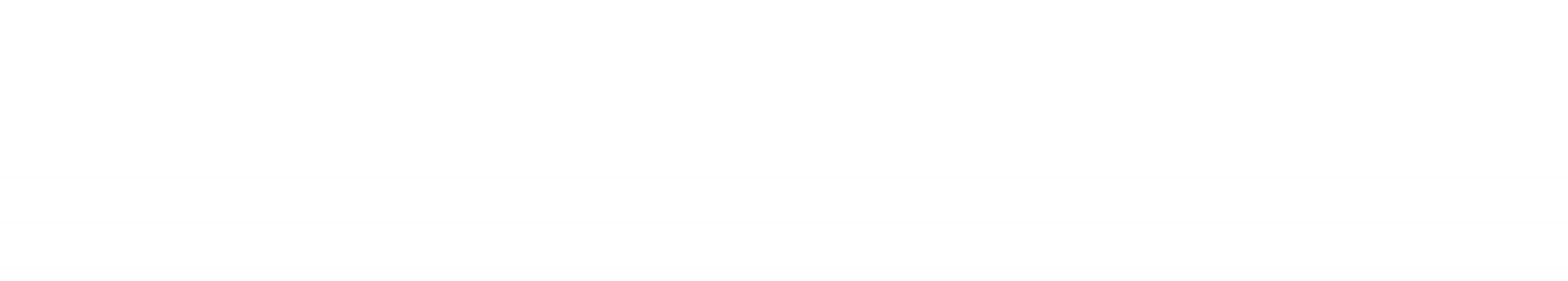
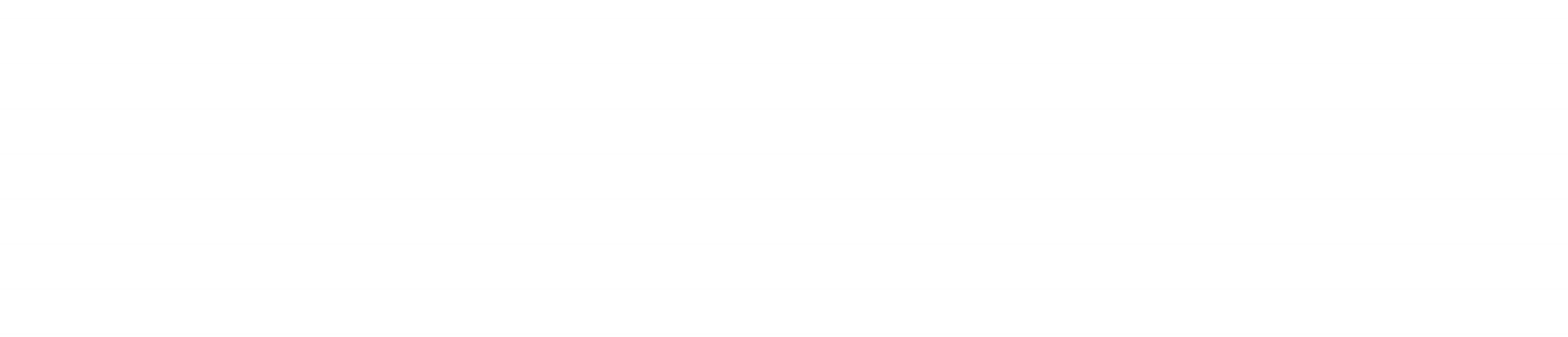
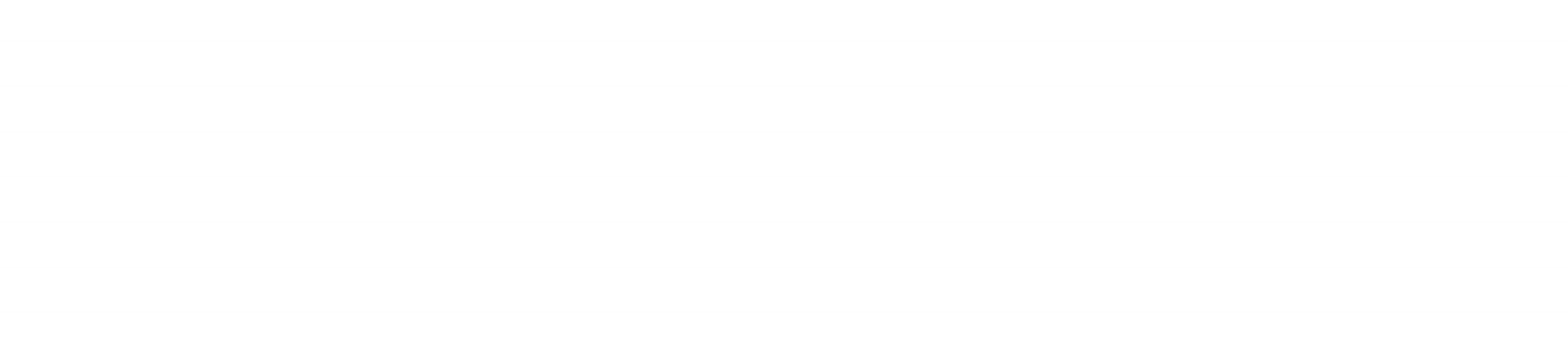
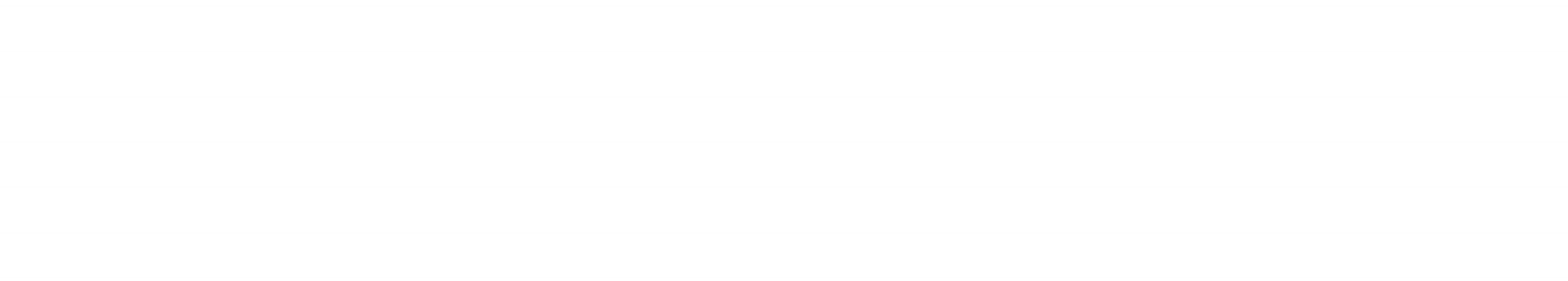
* + **Creating hypothetical scenario representing life insurance needs and assessing sustainability.**



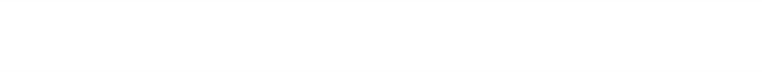
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| Scenario: | **John and Sarah areamarried coupleintheirearly 30s with twoyoung** | |
| **children. Johnworksfull-timeasan ITconsultant, while Sarahisafreelancegraphic designerwhoworksfromhome. Theyhaveamortgageontheirhouseand some outstandingstudentloandebt. Theyalso have monthly expensesforchildcare,**  **groceries, utilities, andothernecessities.** | | |
| LifeInsuranceNeeds: | |  |

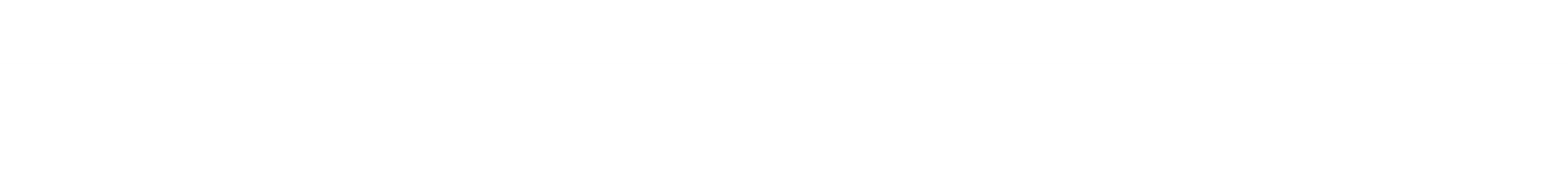
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| **1.** | IncomeReplacement: | **John'sincomeiscrucial forcoveringtheirhousehold expenses,** |
| **mortgage payments, anddebts. Ifheweretopassaway, Sarah wouldstruggle tomaintain theircurrent lifestyleandmeet financial obligations. Therefore, theyneed life insurance to**  **replace John's income.** | | |

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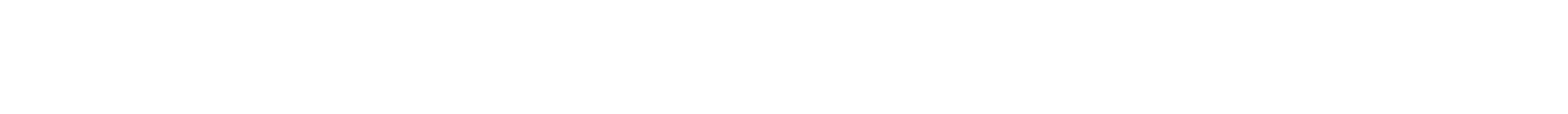
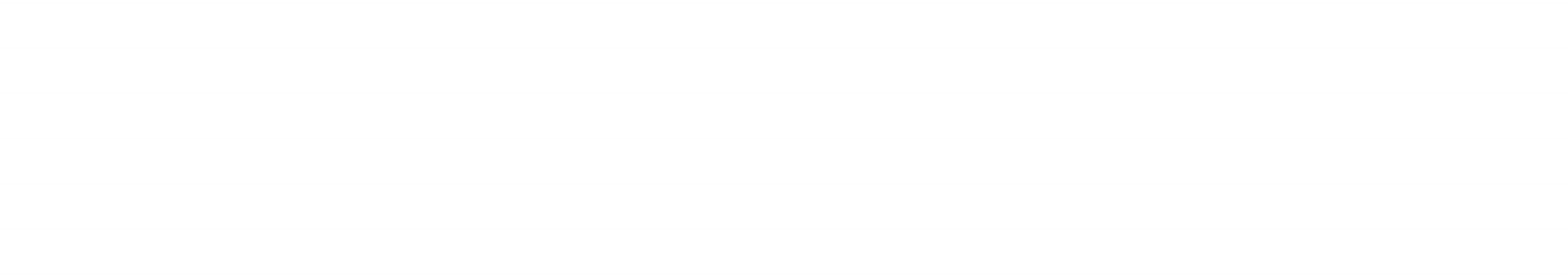
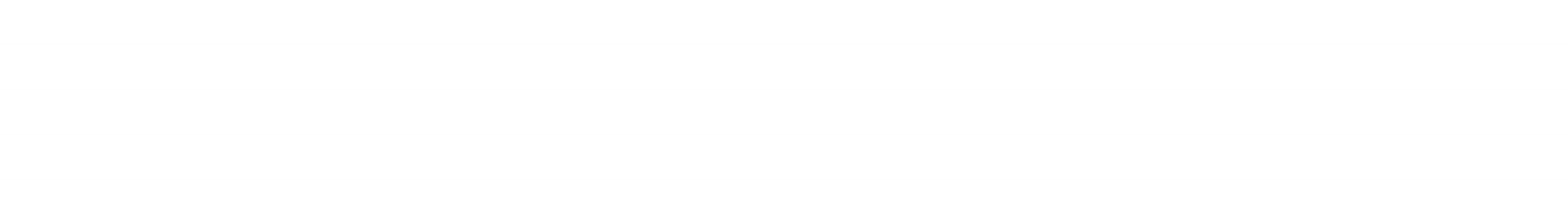
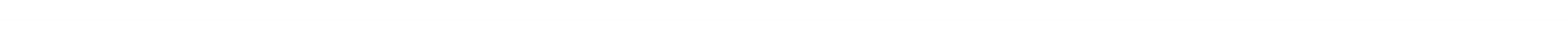
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| **2.** | MortgageandDebtRepayment: | **Intheevent of John's death, Sarah would needfundsto** |
| **payofftheremainingmortgage balanceandoutstandingdebts, suchasstudent loans Life insurance canprovide the necessaryfundstoensure Sarahandthechildrencan remainintheirhome without financial strain.**   1. PolicyTermandCoverageAmount: **Theyshould ensurethattheterm ofthelifeinsurance policyaligns with their financial obligations, such asthe durationofthemortgage and thetimeuntiltheirchildrenbecomefinanciallyindependent. Additionally, the coverageamount shouldbesufficienttomeet theirneeds, including income replacement, debtrepayment, childcare, andeducation expenses.** 2. FutureNeedsandAdjustments: **Astheircircumstances change overtime, suchas changesinincome, additional children, orpayingoffdebts, Johnand Sarahshould periodicallyreviewtheirlifeinsurance coveragetoensure itremains adequate. They may need to adjust thecoverageamount orpurchase additional policiesto accommodate changingneeds.** 3. PremiumAffordability: **Johnand Sarah should evaluatewhethertheycancomfortably afford the premiums fortheselectedlifeinsurance policy. Theyshould budgetforthe premiumsas arecurring expenseand ensurethattheyfit withintheiroverallfinancial plan.**  * **Creating hypothetical scenariorepresenting travel insurance needsand assessing sustainability.** * Scenario: Healthinsuranceofsarah   **1. Sarah, a 35-year-old freelance graphicdesigner, hadalwaysbeenhealthyand rarely neededmedical care. She considered herselfinvincible anddidn't see the needfor healthinsurance. However, oneday, sheexperiencedsevere abdominal painandwas rushedtotheemergencyroom. Afteraseriesoftests, thedoctors diagnosedherwith appendicitisandrecommendedimmediate surgery.** | | |





**2. Financial Strain Without Insurance: Without healthinsurance, Sarah facedadifficult decision. The costofsurgery, hospitalization, and follow-upcarewasdaunting, and**

**shedidn'thaveenoughsavingsto coverit all.**



1. **Enrollment in Health Insurance: Realizingtheimportance ofcoverage, Sarah researched health insurance plans and enrolledinacomprehensive policythat offered coverage foremergencies, hospitalstays, andsurgeries.**
2. **Securityand Preparedness: Withhernewhealthinsurance coverage, Sarahfelt more secureandprepared foranyfuturehealthemergencies. Sheunderstood the importance ofhavinghealthinsurance asasafetynet against unforeseenmedical expensesandvowednevertogo without itagain.**
3. **Thisbreakdownprovidesaclearoverview of Sarah'sjourneyandhighlights the importance ofhealthinsurance inherlife.**

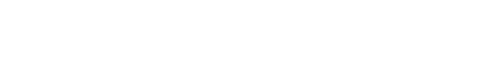
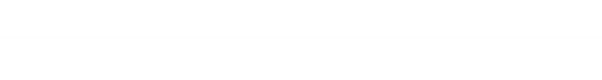
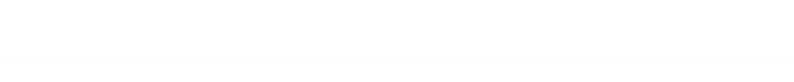
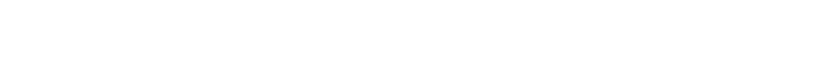
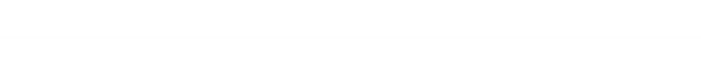
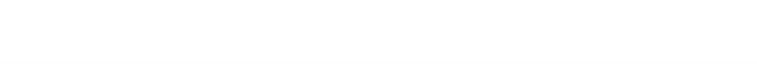
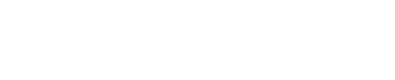
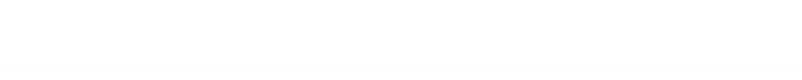
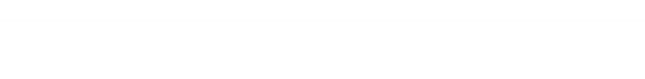
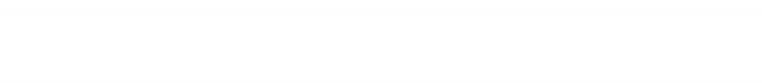
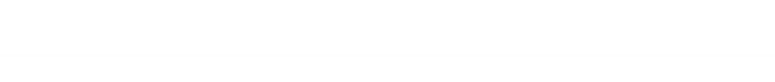
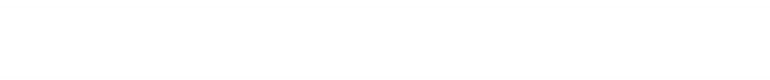
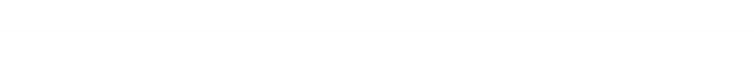
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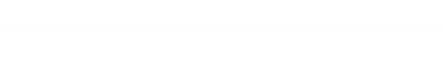




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| **BASIS** | **LIFE INSURANCE** | **HEALTH INSURANCE** |
| Purpose: | **Lifeinsuranceis designedto providefinancial protection tothe policyholder'sbeneficiaries inthe event oftheinsuredperson's death.Ithelpsreplacelost income, pay offdebts,cover funeral expenses,andprovidefor thepolicyholder'sdependents.** | **The purpose of health insurance is to provide financial protection and access to healthcare services It helps individuals and families afford medical care by covering or partially covering the costs of doctor visits, hospitalizations, prescription medications, preventive care, and other healthcare services.** |

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| CoverageDuration: | | **Lifeinsurancepolicies provide coveragefor the duration ofthe policyholder'slifeora specified term, depending on thetypeof policy(e.g., termlifeinsurance, wholelifeinsurance).** | **Health insurance policies typically have a defined term, which could be annual, semi-annual, or monthly. At the end of each term, the policy may be renewed if the premiums are paid on time and there have been no lapses .** |
| Beneficiaries: | | **Thebeneficiaries ofa life insurancepolicy aredesignated individuals or entities whowill receivethedeathbenefit payout upontheinsuredperson's death.** | **This is typically the person who**  **holds the health insurance policy. They are the main individual covered under the plan and are entitled to access healthcare services according to the terms of the policy.** |
|  | | **Lifeinsuranceprimarilycovers therisk ofprematuredeath, providing financial supporttothe insuredperson's beneficiaries.It does not typically cover**  **travel-relatedrisks.** | **Many health insurance plans provide coverage for prescription medications, either through a pharmacy benefit or as part of a comprehensive health plan.** |
| CoveredRisks: |  |
|  | |





Thank You

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