

## Break a Leg [Teacher Key]

Name: \_\_\_\_\_

Date: \_\_\_\_\_

### Instructions:

Read each policy and calculate what Billy's parent's financial responsibility would be with their \$20,000 bill.

Example: An insurance policy with a \$50 deductible clause and a 90%-10% co-pay requirement on covered charges with a maximum coinsurance amount of \$500 in a calendar year after the deductible. Monthly premiums for this policy are \$400.

$$[\$50 \text{ deductible} + \$500 \text{ co-pay} + \$4,800 \text{ annual premium}] = \$5,350$$

### Scenarios:

- A. An insurance policy with a \$500 deductible clause and an 80%-20% co-pay requirement on covered charges with a maximum coinsurance amount of \$2,000 in a calendar year after the deductible. Monthly premiums for this policy are \$250.

$$[\$500 \text{ deductible} + \$2,000 \text{ co-pay} + \$3,000 \text{ annual premium}] = \$5,500$$

- B. An insurance policy with a \$200 deductible clause and a 70%-30% co-pay requirement on covered charges with a maximum coinsurance amount of \$3,000 in a calendar year after the deductible. Monthly premiums for this policy are \$175.

$$[\$200 \text{ deductible} + \$3,000 \text{ co-pay} + \$2,100 \text{ annual premium}] = \$5,300$$

- C. An insurance policy with a \$100 deductible and an 80%-20% co-pay on covered charges with a maximum coinsurance amount of \$1,000 in a calendar year after the deductible. Monthly premiums for this policy are \$325.

$$[\$100 \text{ deductible} + \$1,000 \text{ co-pay} + \$3,900 \text{ annual premium}] = \$5,000$$