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.

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

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.

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

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.

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

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.

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