

Name _____

Finance

Unit 4 – Risk Management & Insurance
Health Care Costs Calculation

Assignment: For each of the following scenarios, determine the policyholder's cost and the insurance company's cost. **Show your work** as partial credit will be given.

Example:

1. Jackson was in a motorcycle accident. The total cost of his medical bills was **\$14,372.11**. He has health insurance through his employer. He has a **\$6,000** deductible, and his co-insurance is **80/20**.

Jackson pays: _____

Insurance pays: _____

2. Patrice suffered a massive heart attack and needed triple bypass surgery. Her medical bills were **\$43,187.15**. She has health insurance through her employer. Her plan has a **\$1,000** deductible. Her co-insurance is **80/20**.

Patrice pays: _____

Insurance pays: _____

3. Jennifer goes on a trip to San Francisco with her best friends. While she is there, she sees all the sites, but on the final day of the trip, she catches her foot on her suitcase and stumbles down the hall. Jennifer breaks her right leg and left arm. The total cost of her medical bills was **\$17,381.44**. She has health insurance through her employer. Her plan has a **\$1,500** deductible. Her co-insurance is **80/20**.

Jennifer pays:

Insurance pays:

4. While at a party, Justin falls off a 4th story balcony. He breaks both legs, six ribs, and suffers from internal bleeding. His medical costs were **\$220,000**. He has a **\$1,000** deductible. His co-insurance is **80/20**.

Justin pays:

Insurance pays:

5. Jayne fell down the steps and broke her hip. Her total medical costs were **\$31,382**. She has a **\$2,500** deductible. Her co-insurance is **70/30**.

Jayne pays:

Insurance pays:
