

GLOSSARY OF TERMS

Term	Definition
Coinsurance	The individual shares the cost of medications or treatments. Indicated as a percentage of the total cost. For example, if your co-insurer covers 75% of the total cost (\$100), you pay the remaining 25% of the cost (\$25).
Copayment	The individual pays a fixed amount (e.g., \$50) for the cost of medications or treatments. This amount can vary depending on the health care service.
Deductible	The individual must pay a certain amount for the health care service prior to your insurance plan's contribution. For example, if your deductible is \$100, your insurance company plan will not pay until you have spent the deductible amount.
Disability Insurance	Disability insurance pays a monthly income benefit if you are unable to perform the main duties of your occupation. Some Canadians have this coverage through their employer's group benefits plan. <i>Declined:</i> the insurer has chosen not to insure you.
“Declined” + “Rated” for Coverage	<i>Rated:</i> an insurer has increased the premium by a percentage (up to 500%) because it has determined there is a higher than normal risk.
Critical Illness Insurance	Critical illness insurance pays a lump sum tax-free benefit (up to two million dollars) 30 days after diagnosis of one of 28 named conditions. The main conditions (accounting for 83% of claims) are heart attack, stroke, cancer, and paralysis.
Guaranteed Issue and Simplified Issue Life Insurance	These products are very similar and offer a payout upon death of an individual to protect dependents, pay off debts, and/or to make final arrangements. Rather than requiring a medical exam, these products require only a few medical and lifestyle questions to be answered. These products are very similar to group benefits coverage provided by many employers.
Out-of-Pocket Costs	Costs incurred by the individual which are not covered by insurance (e.g., co-payments, deductibles, co-insurance).

Out-of-Pocket Maximum

This is the maximum amount of costs you must pay before your insurance company begins to pay the full cost. This limit does not include premiums or health care services which your plan does not cover.