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Insurance Types

September 23, 2023

Sharing information
today for your future
use!

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• TODAY'S PRESENTATION

- Practical example/sample process
- Insurance Types defined
- Questions

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What Insurance Types will we cover?

- Today we will be looking at two primary insurance functions:
 - **Personal** (insurance that supports our lives daily)
 - **Small businesses** (insurance that support our business needs)

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Types of Personal Insurances?

- Life Insurance
- Auto Insurance
- Homeowners Insurance
- Health Insurance
- Disability Insurance
- Long-Term Care Insurance
- Others (i.e., Travel, Pet, etc.)

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Types of Life Insurances?

- Term Life Insurance
- Whole Life Insurance
- Universal Life Insurance
- Variable Life Insurance
- Burial Insurance

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Types of Life Insurances

This type of insurance provides financial protection for your loved ones in the event of your death. There are two main types of life insurance: term life and permanent life.

- **Term** – Best for most people. Is simple, low-cost policy, and its main purpose is to replace your income when you die.
- **Whole** – Best for those who want a straightforward permanent policy and can afford the higher premiums.

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Types of Life Insurances

- **Universal** – Best for people who want permanent life insurance that can be flex to future needs.
- **Variable** – Best for those with a higher risk tolerance who want greater control over their cash value investments.
- **Burial** – Best for people who want to cover their own funeral, burial and other end-of-life expenses

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Types of Auto Insurances?

- Liability Coverage
- Uninsured/underinsured (UM) Coverage
- Personal Injury Protection (PIP) Coverage
- Medical Payment Coverage
- Comprehensive and Collision Coverage



Types of Auto Insurances

This type of insurance is mandatory in most states and covers the cost of damages and injuries caused by a car accident. It can also provide coverage for theft, vandalism, and other types of damage to your vehicle.

- **Liability** – This type of car insurance pays for property damage and injuries you cause to others if you're at fault. Pays for your legal defense and judgments or settlements if you're sued because of a car accident.
- **Uninsured/underinsured** – If a UM driver strikes your vehicle, this coverage pays for you and your passengers' medical expenses. Can also pay for lost wages and compensate for pain and suffering.

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Types of Auto Insurances

- **Personal injury protection (PIP)** – Regardless of who is responsible for an accident, PIP can cover injuries to you and your passengers. May also reimburse you for lost wages, rehabilitation costs and services.
- **Medical payment** - MedPay coverage helps pay for medical expenses for you and your passengers if you're injured in an accident, regardless of fault.
- **Comprehensive and collision** – Coverage types work together to pay for damages to your vehicle. Collision insurance pays to repair or replace your car after an accident, no matter whose fault. Comprehensive insurance covers theft and damage to your car due to flood, hail, fire, vandalism, falling objects and animal strikes.

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Types of Homeowners Insurances?

- Dwelling Coverage
- Personal Profit Coverage
- Liability Coverage
- Other structures on the property Coverage
- Additional living expenses Coverage

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Types of Homeowners Insurances

This type of insurance provides coverage for your home and personal property in the event of damage or loss due to fire, theft, or other covered events. Can also provide liability coverage if someone is injured on your property.

- **Dwelling Coverage** – From your roof to your floors, dwelling coverage protects the structure of your house from unexpected events like fire, wind, theft or vandalism.

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Types of Homeowners Insurances

- **Personal Property Coverage** – This type protects your personal belongings, such as furniture, appliances, and clothing. Problems covered include theft, fire and explosions.
- **Liability Coverage** – Pays for injuries or property damage you accidentally cause to others. Additionally covers your attorney fees if someone sues you.
- **Other structures on the property** – Structures on your property like a tool shed or fence are covered under this type of coverage.
- **Additional living expenses** – If temporarily displaced from your home because it's been damaged by a problem covered by your policy.



Types of Health Insurances?

- **This type of insurance covers the cost of medical care and can help protect you from high medical bills.**
- **HMO Plans** — One of the most common types of health insurance is an HMO, which stands for health maintenance organization. HMOs are known for being one of the most affordable health insurance plans, but they don't offer the flexibility found in other plans. An HMO is a [health insurance](#) plan that contracts with a network of physicians, hospitals and medical specialists. An HMO plan covers only the cost of medical services involving an in-network doctor or hospital, except for emergency care. HMOs typically require that you work with a primary care physician who coordinates your care. HMOs generally require a referral from your primary care doctor if you need to see a specialist, like a dermatologist or cardiologist.



Types of Health Insurances?

- **PPOs Plans** — Preferred provider organization (PPO) plans are the most common type of health plan in the employer-sponsored market.
- A PPO is a type of health insurance plan known for its flexibility. Insurance companies contract medical care providers and health care facilities to create networks. If you receive care from a doctor in the PPO's network, the insurance company provides the highest level of coverage, and you pay the lowest out-of-pocket cost. PPO plans allow you to get medical care from a provider outside the network, but the services are covered at a much smaller percentage. In addition, a PPO doesn't usually require you to get a referral from your primary care doctor to see a specialist, like an orthopedic surgeon or dermatologist.

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Types of Health Insurances?

- **POS Plans** – POS plans are health insurance that combines elements from an HMO and PPO.
- With a POS plan, you can receive care from an in-network or out-of-network provider, but you pay less for going in-network. It's similar to the PPO model in that respect.
- Most POS plans require you to work with a primary care provider to coordinate your treatment and get a referral if you want to see a specialist. This is similar to the way an HMO works.

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Disability Insurances

This type of insurance provides income replacement if you become disabled and are unable to work.



Long-Term Insurances

This type of insurance provides coverage for long-term care services such as nursing home care, assisted living, and home health care.



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Types of Small Business Insurances?

- Commercial General Liability Insurance
- Business Owner's Policy
- Workers' Compensation Insurance
- Cyber Insurance
- Personal Liability (E&O) Insurance
- Commercial Auto Insurance
- Hired and Non-Owned Automobile (HNOA) Insurance

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Commercial General Liability (CGL) Insurances

The most common business insurance type that small business owners purchase. May be required by certain leasing agreements and other contracts. Typically covers claims made by third parties alleging bodily injury, property damage, and advertising injury caused by your business or its employees.

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Business Owner's Policy

The convenience of commercial property and general liability insurance bundled together in one policy. This popular policy typically covers a broad range of claims, such as: property damage to your office and its contents, theft of equipment, damage to a client's property caused by your business or its employees, lost income due to a covered event, injuries to clients while in your office, and lawsuits that arise from advertising claims.

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Workers' Compensation

Most states require this coverage. Workers' compensation insurance typically helps pay for medical bills and lost wages if an employee is injured while working on the job or suffers an illness as a result of working on the job. It also eliminates your business's liability if the injured worker files a lawsuit. Not maintaining this insurance for your small business may also result in harsh penalties and fines depending on your state and business type.

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Cyber Insurance

Cyber insurance can help your business recover from a cyber attack on your business.

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Personal Liability (E&O) Insurance

An errors and omissions (E&O) insurance policy can help pay for legal fees and damages if a client sues a service provider for financial losses. Having this coverage can mean less worry about closing your business due to mistakes in rendering professional services.

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Commercial Auto Insurance

Commercial auto insurance can help cover the vehicles owned by your business



Hired and Non-Owned Automobile (HNOA) Insurance

HNOA insurance can help your business with resulting claims if you or your business's employees ever rent or use their personal cars for business purposes and cause an accident.

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Questions?





Suggested Sources of Information

- <https://www.nerdwallet.com/article/insurance/types-of-life-insurance>
- <https://www.forbes.com/advisor/insurance/types-of-insurance-policies/>
- <https://www.usatoday.com/money/blueprint/insurance/types-of-insurance-policies/>
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