

John's Backup Plan Summary

Age 28 • On Medicare because of a disability • Has a Medicare Advantage plan • Example only

The 3 plans John chose

Plan	Level chosen	What it covers	Monthly premium*
Hospital indemnity	Premier	\$2,000 per day in the hospital • \$4,000 per admission • \$1,000 ambulance • \$1,000 ER	\$143.93
Specified disease	\$5,000 deductible, then 100%	Pays 100% of covered expenses for a covered disease (like a stroke or cancer) after a \$5,000 yearly deductible, up to \$1 million per year	\$44.24
Home health care	2 units	\$200 per nurse visit • \$150 per therapy visit • \$100 per aide day • up to \$500 a day	\$54.25
Total premium			\$242.42/mo \$2,909/yr

All three plans pay cash **in addition to** his Medicare Advantage plan. Money goes to John to use however he needs.

Example: John has a stroke

Plan	How the payout is figured	Pays John
Hospital indemnity	\$1,000 ambulance + \$1,000 ER + \$4,000 admission + 5 days × \$2,000	\$16,000
Specified disease	\$30,000 covered expenses – \$5,000 deductible, paid at 100%	\$25,000
Home health care	4 nurse visits × \$200 + 8 therapy visits × \$150 + 20 aide days × \$100	\$4,000
Total paid to John		\$45,000

John owed his Medicare Advantage plan

\$2,500

Backup plans paid John

\$45,000

Left over for John

\$42,500

Compared with one year of premiums (\$2,909), this one claim paid John about **15 times** what he paid in.

*Sample premiums from a real October 2026 quote, shown for illustration only. This quote was not run for a 28-year-old; premiums are based on age and vary by state and benefit level. Not everyone qualifies. Bill amounts are made up for this example. Benefits shown are summaries; the policy determines exact coverage, limits and exclusions. These plans are not Medicare supplement policies and do not replace health insurance.