

# PAK Flash Cards

Group and Health Design and Pricing (DP) Exam  
Spring 2024 Edition



# PAK Flash Cards

## GHDP Spring 2024 Exam

- They summarize the key points in outline format to quickly refresh all the important topics in the readings.
- The PAK flash cards are in **PDF** formats. You can upload them in your handheld device (e.g. iPhone, Android, HTC, iPad, etc).
- **Printed copy is available** (please send an email to [services@pakstudymanual.com](mailto:services@pakstudymanual.com) for more details).
- **Bonus materials include PAK Condensed Summary and PAK Anki Flash Cards.**

# What are common optional benefits for LTD?

(Group Insurance: Chapter 12)

1. Cost-of-living adjustment (COLA) linked to inflation index
2. Survivor benefit
3. Child care reimbursement
4. Retirement
5. Portability
6. Conversion option
7. Spousal benefits
8. Catastrophic benefits

# What are the advantages and disadvantages of self-funding?

(Online Reading: Level Funding: An Alternative to the ACA for Small Groups)

## Advantages and Disadvantages of Self-Funding Arrangements

<b>Advantages</b>	<b>Disadvantages</b>
Group avoids premium taxes, state health coverage mandates and certain ACA-related fees	Less predictable cash flows
Group directly benefit from its favorable claims experience	Bear financial responsibility for unfavorable claims experience
Group will forgo paying an insurance company risk charges	Need for the group to obtain and pay for the advice of insurance professionals to help manage the plan
	Potential need for the group to buy stop-loss insurance