



spotlight on health care

Tips For Choosing An Individual Health Insurance Plan

(NAPSA)—With fewer employers offering health insurance to their employees, more people are turning to individual health plans to protect themselves and their families. These plans are offered by many health insurers, including the most recognizable names in the industry. But all plans aren't created equal.

Plans vary by more than just cost. Some cover catastrophic events, while others focus on day-to-day expenses. Some replace major medical plans. Others just help you get through a tough spot. Here are some tips for picking the best plan for your needs:

• **Take care of yourself.**

Unlike group health plans, individual plans are underwritten based on your specific health status. As a result, your costs are usually lower if you take better care of yourself. For example, non-smokers pay less under an individual plan than smokers. Some people may not be eligible for individual insurance because of risky behaviors and/or chronic disease.

“Keeping yourself in good shape is the single most important thing you can do to maintain your health care options,” said Steven DeRaleau, chief operating officer of HumanaOne, which sells individual health. “It's like the difference between someone with a good driving record searching for car insurance versus someone with a lot of tickets or accidents.”

Premiums typically vary by age, gender and location. It is important that you disclose any pre-existing conditions during the application.



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• **Inventory your assets.** Do you have enough cash on hand to cover your first \$5,000 to \$6,000 in health care expenses? If so, you might want to choose a high-deductible health plan. With these plans, the premiums are lower and you can add a health savings account to take advantage of tax-deferred savings. However, if you don't have enough cash on hand to cover a higher deductible, you'll want to consider a plan with a lower deductible, even though the premiums are higher.

• **Weigh risk vs. cost.** Insurance is really about peace of mind. If you're not comfortable taking some risk, then you'll want to

choose a plan that provides coverage against catastrophic events.

In contrast, if you're young, healthy and on a budget, then you might want to consider a less comprehensive plan. Annual maximum plans, for example, may allow you to select a \$1,000 deductible plan for about the same premium as a much-higher-deductible major medical product.

However, there's a limit to how much these plans cover in a year, typically around \$100,000 to \$250,000. In the event that the cost of treatment exceeds the annual cap, then you'll pay for the cost of additional treatment during the remainder of that calendar year.

• **Consider your time frame.**

If you're in need of coverage for less than one year, because you expect to be eligible for a group plan soon, then you might want to consider a short-term medical plan. Designed for people in transition, it can provide you with a bridge until you're able to get a more comprehensive plan.

With short-term medical, applicants can choose the length of their policy (typically up to a year), the deductible and the payment method. These plans are also notable for their easy application process and quick issue.

• **Look before you leap.**

Insurers, such as HumanaOne, offer free quotes on individual health plans, making it easier to compare plan design and costs. One word of caution: Always make sure you've been accepted into a new plan before canceling your old one. To learn more, visit humana-one.com.