

HEALTH INSURANCE

**50%
LESS**

50% LESS PREMIUM 100% BETTER COVERAGE

Recent legislation now makes it possible for Florida's small business owners to save thousands of dollars on their health insurance premiums each year.

W. Adam Clatsoff, ChFC, CFP, RHU, CLU

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First Person Accounts

Paying 50% Less For 100% Better Coverage

- **Antonio Musibay, Licensed Insurance Agent, Coconut Creek, FL**

\$7,200 Savings

- ★ *I came into a law firm, where the owner, a 39-year-old male, was on a group plan, paying \$1,283/month for himself, his 49-year-old wife, and their 12-year-old son. I was able to come in with a plan for \$643 a month. He was thrilled to save over \$7,200/year and has recommended other people.*

- **Jennifer Adams, Licensed Insurance Agent, Royal Palm Beach, FL**

\$36,000 Savings

- ★ *A small business was not doing very well and the owner began looking for a way to get out from under paying over \$120,000 per calendar year on group health insurance. He was aware that cancelling group insurance might cause him to lose his key employees. At first, he seriously considered a consumer driven health plan and wanted to try to keep group insurance, but one that would be affordable for the company. I told him that the only way he could save drastically was to take plans with no co-pay for doctor visits. I told him that he should really consider a consumer driven health plan with a 100% after deductible. If you're sick you're sick! It doesn't matter what deductible you have if you are going to need to have a procedure done, diagnostic test, maybe even surgery. He finally decided on a \$1,500 calendar year deductible, with savings of \$36,000 annually for him and his family.*

\$5,330 Savings

- ★ *A client was paying an extra \$773.24 per month for his wife and two children on their group plan. I put them on an individual plan with a family calendar year deductible of \$3,000 for \$329 per month. They were approved within 10 days with no problems. He saves \$444.24 per month or \$5,330.88 annually guaranteed and more, because the group renewal just went up by 11%. Worst case scenario - he's out \$3,000 for the entire family and he still saves \$2,330.88. It's very nice to do things like this, I love what I do for a living.*

\$18,000 Savings

- ★ *An alarm service decided to fund all employees' accounts @ \$1,500 each for individual and \$3,000 for employee with family, and they still saved about \$18,000 per year. This is truly 100% better coverage.*

• Lee R. Amster, Licensed Insurance Agent, Coral Springs, FL

\$8,000 Savings

- ★ *A 59-year-old man and his 56-year-old wife were on a group policy and were paying a monthly premium of \$2,100. We went to the individual policies and were able to save them over \$8,000 annually. The results and benefits for these clients were a hefty savings in their premiums and a far better and more recognized health insurance company, which fits into their future travel plans made possible by their savings.*

• Michael R. Tinsley, Licensed Insurance Agent, Davie, FL

\$17,892 Savings

- ★ *A doctor and his wife own a property management business. He was previously paying \$2,095 per month for a small business group plan. The plan included him, his wife, four children and a \$5,000 deductible, plus co-pays. He and the wife are in their late thirties, and the kids range from 6 to 13 years old. They had the plan for five years. I placed them in a new family consumer driven health plan for \$604, saving them \$1,491 per month. This adds \$17,892 back to the bottom line per year. 71% less... he could not write the check fast enough.*

• Jack Hellman, Licensed Insurance Agent, Deerfield Beach, FL

\$6,012 Savings

- ★ *A couple was on an individual plan with a child at \$1,025 per month, a plan they'd been with for almost 10 years. I presented a consumer driven health plan. The total cost of the new plan for all 3 was \$524 per month, a savings of \$501 per month or \$6,012 per year. I also showed them a nursing care plan, and they decided on a plan costing about \$112 per month. We certainly cut their premium in half and I believe we improved coverage by more than 100%.*

\$7,344 Savings

- ★ *I suggested a client in an existing group move his spouse and children to an individual plan as the company he works with pays for employees, but contributes \$0 to families. This is not uncommon. The company has a very good benefits plan, running about \$500 for employees, but the family price*

is \$1,500, or \$1,050 for the remaining family members. I signed up the wife and 2 children at a total cost of \$438 on an individual plan, a savings of \$612 per month or \$7,344 per year. Many people don't even realize that the family rate is the same with one child as it is for six children. This is one of four other members in the group that I have saved significant dollars.

• **Lowell Richard, Licensed Insurance Agent, Coral Springs, FL**

\$24,000 Savings

- ★ *Small company in Ft. Lauderdale, two employees, twin brothers, 50-years-old, one with full family coverage, the other employee and spouse. Covered by a top of the line HMO plan - \$5 co-pays, \$5 Rx, the works. Premium for both was \$3,800 per month. Was able to move them to a consumer driven health plan (\$3,000 deductible per family). Premium was reduced to \$1,800 per month. Annual savings of \$24,000. Plus they have a Preferred Provider Organization instead of an HMO.*

\$8,000 Savings

- ★ *Condo association in Pompano Beach with 8 employees, all blue collar types. All had single coverage. They had a Preferred Provider Organization with a \$500 deductible and co-pays for all the normal routine stuff. Was able to move them to a consumer driven health plan, and with the savings the association was able to fully fund each employees \$1,500 deductible and still save \$8,000 in annual premium. Now employees had a plan with NO deductible/NO co-insurance/NO out of pocket expense.*

\$14,400 Savings

- ★ *Attorney in Palm Beach County was covering his wife and kids through the group plan at the firm. The dependent cost was \$1,500 per month. Removed the dependents from the group and wrote a consumer driven health plan with a \$3,000 family deductible. Monthly premium \$331 per month. Annual savings \$14,400.*

\$3,000 Savings

- ★ *Family of four in Broward County had a \$5,000 per person deductible and a premium of over \$700 per month. Existing agent had not contacted them in four years. Suggested moving to a \$3,000 deductible consumer driven health plan, one deductible for the family. Premium reduced to \$450 per month.*

\$7,200 Savings

- ★ *Family of four in Broward County was paying \$1,200 per month on COBRA. Wrote a consumer driven health plan for family with a \$3,000 deductible;*

monthly premium \$600 per month. Savings of \$7,200 per year. Referred me to everyone on her block. Ending up writing two other families, two nursing care policies and a small group.

\$10,500 Savings

- ★ *Small business owner covered under an association plan, rate was going up to \$14,000 per year. Was able to move to a consumer driven health plan with the same company, no underwriting, including \$3,000 annual contribution to a health savings account, annual outlay of \$10,500.*

• Philip M. Weinstein, Licensed Insurance Agent, Tamarac, FL

\$27,000 Savings

- ★ *I am working with a hardware company with 7 employees. I am saving the owner over \$27,000 in premiums and giving them 100% better coverage.*

\$18,000 Savings

- ★ *I was also able to save a 60-year-old female over \$18,000 a year in premiums. She selected a consumer driven health plan. I am now her very best friend.*

• Anthony Cappellino, Licensed Insurance Agent, Port St. Lucie, FL

\$3,720 Savings

- ★ *A doctor insured himself and his family with a medical plan that was tied into the Small Businessman's Association. They marketed through this association to small businesses for many years, taking advantage of the association name, catering to all small business owners offering health insurance through the association, avoiding Florida rate regulation law. Well, the end results ended a few months ago with a letter to all policy holders informing them that they were leaving the State of Florida and all plans would be cancelled in the state. The doctor's SBA plan had a \$10,000 deductible and cost \$785/mo. The doctor, 58, wife, 43, daughter, 21, all in good health with recent medical check-ups, all normal results qualified for an individual consumer driven health plan \$3,000 deductible, and integrated prescription drug coverage, total monthly premium - \$475. The doctor was/is very grateful for my service.*

• Judi Hall, Licensed Insurance Agent, Lighthouse Point, FL

\$6,000 Savings

- ★ *We saved a small group, with four employees plus families, approximately \$500 a month, and we haven't even completed the process of writing the balance of the group, which we believe will save them substantially more by the time we are finished.*

• **Laurie Green, Licensed Insurance Agent, Jupiter Farms, FL**

\$7,200 Savings

- ★ *I asked my neighbors one day (a 62-year-old male and a 62-year-old female) what they were paying for their health premiums. He was self-employed and they had a small group plan. They had been paying a whopping \$1,400 a month for years, not to mention it was going up again at their renewal. I wrote them on an individual plan and they were approved in less than 3 weeks. Putting them on that plan saved them \$600 per month, and they were extremely happy. Since then, they have sent me a referral and had me over for dinner.*

• **Keats Soder, Licensed Insurance Agent, Parkland, FL**

\$11,000 Savings

- ★ *Parents with two adult daughters working for them were paying \$2,328 a month for a group policy when they learned of an increase to \$2,760 a month coming up in two months. This policy also had a \$2,000 annual deductible, \$15/\$30 doctor co-pay, 20% of costs and prescriptions. Total annual cost was estimated at about \$36,000. I was able to put the parents on a group consumer driven health plan (pre-existing health issues disqualified them from having individual plans) for \$1,366 a month. The daughters qualified for individual consumer driven plans. The total annual cost is now estimated at \$25,000 with a maximum worst case cost of \$28,000, saving them about \$11,000 a year.*

• **George Preacher, Licensed Insurance Agent, Plantation, FL**

\$17,472 Savings

- ★ *A 38-year-old dentist has a practice with 7 employees. Three employees, one of which is the dentist's wife, waived group coverage because of other coverage. His co-pay HMO platform plans with large out-of-pocket exposures covered him, his two children, his 63-year-old father and mother, and two female employees, age 44. The dentist and his family were paying \$950 per month, the father and mother \$1,650 per month, and the two female employees \$451 each. Utilizing individual coverage combined with group, and the consumer driven health plan concept, I saved them \$17,472.12 in annual premiums and improved their coverage 100%.*

\$7,000 Savings

- ★ *A retired couple, a 56-year-old male and a 55-year-old female, came to me because of a 14% increase on a plan they held. The policy had a \$1,000*

deductible, 90/10 co-insurance and out-of-pocket maximum of \$3,000. Both the deductible and the \$3,000 out-of-pocket exposure are per each Insured, totaling \$8,000, plus Rx drug expenses, which are unknown. They switched to a \$6,000 consumer driven health plan family deductible with 100% coverage totaling only a \$6,000 exposure, including Rx coverage. The result was a \$7,000 per year savings.

• **Renee Itts, Licensed Insurance Agent, Boca Raton, FL**

\$24,000 Savings

- ★ *I transferred a group from another agency after they were quoted over \$5,000 a month. I put the owner and his wife on a consumer driven health plan and the others on a very rich plan that gave them more than they had before. The savings was \$24,000 a year*

• **Neal A. Nazinitsky, Licensed Insurance Agent, Palm Beach Gardens, FL**

\$21,348 Savings

- ★ *A 60-year-old businesswoman had the same one-person group plan for over 15 years. She thought it was expensive and wanted to know her options. There was concern regarding her medical history, because she was using several prescription medications. Boniva was used to prevent osteoporosis, tramadol and clonazepam were to provide relief and treat occasional shoulder pain, and estradiol was being used for hormone replacement therapy. After educating her of the plan differences and providing her with her options, she decided the consumer driven health plan made the most sense. She was paying \$2,175 per month for the one-person group coverage through her previous carrier. After underwriting approval, her consumer driven health plan monthly premium was only \$396. No rating and no restrictive riders.*

• **Heather Rodger, Licensed Insurance Agent, Jupiter, FL**

\$12,000 Savings

- ★ *I walked into an auto body shop and asked the business owner if he was interested in saving money on his health insurance. He stated that he had taken out a small policy six months earlier to replace an old contract for him and his two children. He had no idea that all of his hard work to keep his business and family surviving could be wiped out. He understood the concept of 100% better coverage while paying 50% less premium, but ultimately chose a hospital/surgical plan for himself while covering the children with the best co-pay plan, a decision made solely due to struggling finances, not because he was an uninformed buyer. I still saved him about \$100 a month... that's \$1,200 a year.*

• **Stefan Fatseas, Licensed Insurance Agent, West Palm Beach, FL**

\$29,140 Savings

- ★ *A doctor's office with six employees and five dependents was paying 100% for all employees/dependents. The total health billing was \$43,230 per year for a \$500 deductible traditional plan. The solution was that two employees and their four dependents qualified for individual/family consumer driven health plans, leaving four employees and one dependent automatically switching to a consumer driven group health plan coverage. All employees also opted for a supplemental hospital/accident plan to cover their deductibles in the event of an over-night hospitalization or serious accident. The total billing for better coverage was reduced to \$29,140/year... a savings of \$23,090/year.*

• **Luis Bestieva, Licensed Insurance Agent, Wellington, FL**

\$51,000 Savings

- ★ *A doctor's office is now paying \$84,000 for a group health plan. The agent of record just added spouses and children to the plan. Only one out of the five doctors has a spouse that would not qualify for an individually underwritten plan. I proposed taking all healthy employees, spouses and children to individual plans and leaving the doctor with his spouse on the group. My proposal will create a savings of \$51,500 a year, which they are going to use to hire a new person to handle their billing. This will still leave \$20,000 of disposable income to the business.*

• **R.G. Gonstead, Licensed Insurance Agent, Singer Island, FL**

\$20,000 Savings

- ★ *During 2007 I was able to move a seven-person law firm from a rich benefit healthcare group plan to a consumer driven group health plan and saved the attorneys \$20,000.*

• **Bill Slavin, Licensed Insurance Agent, Coral Springs, FL**

\$8,040 Savings

- ★ *A 52-year-old auto service business owner in Davie and two daughters were covered on his wife's plan at work. Her employer provides medical benefits for employees at no cost, but makes no contribution for their dependents. She was responsible for the full cost of her family's insurance through payroll deduction. She was paying premiums of \$1,088 per month. Once they learned how a Consumer Driven Health Plan work, they selected a plan with a \$3,000 family deductible for him and the children.*

- ★ *The premium for the policy was only \$366 a month. A dental Preferred Provider Organization was added for \$52 a month for a total of \$418. The total savings was an astounding \$670 a month. The entire deductible could be pre-funded from the premium savings alone in less than 5 months. These clients now have 100% medical coverage, no co-pays, no co-insurance, and no deductible, for less than half the premium.*

- **Debby Drutz, Licensed Insurance Agent, Hallandale, FL**

- ★ *A 40-year-old woman in perfect health was trapped in a company with escalating premiums. After a visit to the doctor for her annual check up, she began receiving bills, bills, and more bills. Not only were her premiums expensive, but nothing was covered. We reduced her premiums and out of pocket costs immensely, and she is now thrilled to be a member of the “50% less premium and 100% better coverage club.” There’s more... I covered her husband approved on a \$500K life insurance policy. It’s just another great day where better coverage costs 50% less!*

- **Jan Hartough, Licensed Insurance Agent, No. Palm Beach, FL**

- **\$17,112 Savings**

- ★ *A veterinarian in Palm Beach Gardens, treats very expensive sports horses in Wellington. When we met he showed us a group policy for 3 people for which he had been paying \$2,143 per month. We arranged a consumer driven health plan for him and his wife and a plan for his 23-year-old daughter who is not currently in school. The new premium amount for those policies is \$717. Not only were the premiums less but their “out of pocket” exposure was reduced significantly from \$16,500 to \$4,500. They are thrilled. This client was concerned, realizing he had been spending over \$1,400 a month too much and was grateful he had agreed to meet with us. We did, indeed, improve his coverage significantly and reduced his premiums by almost 67%. We hope to help many more people in the Palm Beach Gardens and North Palm Beach areas by getting them off the Titanic of over priced group insurance.*

- **Enrique Massens, Licensed Insurance Agent, No. Miami Beach, FL**

- **\$12,000 Savings**

- ★ *A family of 5, a 43-year-old husband, 34-year-old wife and 3 children, were paying over \$1,600 a month for an HMO one man group. I wrote the consumer driven health plan with a monthly premium of \$626 and saved them over 40% a month in premium.*

- **Steven Falzack, Licensed Insurance Agent, Davie, FL**

- **\$6,000 Savings**

- ★ *A client with a wife and three children bought a conventional plan four years ago where the premium was running about \$1,300 a month. He was very concerned paying that high premium every month and was afraid he might have to drop his coverage. After showing the client a Consumer Driven Health Plan where the premium was \$794 a month, saving of over \$6,000 a year plus an out of pocket maximum savings of \$5,000 a year, plus the tax savings on his account, the client was very grateful. He has been referring me to all his friends and business associates*

- **Joe Budd, Licensed Insurance Agent, Boca Raton, FL**

- **\$51,000 Savings**

- ★ *At the time I purchased an individually underwritten policy 15 years ago, my family of five was young and healthy. Over time, some health issues developed, especially for my oldest son. A couple of years ago, our carrier introduced a new consumer driven health plan. I had a Preferred Provider Organization plan with a per person deductible of \$500 and 20% co-insurance. Between the insurance premium and the additional out of pocket expenses, I was spending over \$16,000 per year for the previous seven years. This new plan had a higher family deductible (\$6,000 for the whole family), but the premium was much lower, and I would not have any out of pocket expenses once the deductible was met. The savings were incredible! The new deductible and premium combined meant that my maximum out of pocket expenses would only be about \$11,000. I would save at least \$5,000 annually from what I was spending! In addition to the \$5,000 of savings, I would get an extra tax deduction from funding the health savings account, saving me an additional \$2,000 in self employment/income tax savings. The money I have saved is great, but there is something even more important. I know that regardless of any health conditions my children may develop, they will be allowed to convert to their own policy and will have the coverage they need. If I was on a group plan they would have to medically qualify for their own policies. My oldest son would not qualify and would not be able to purchase affordable coverage. I don't have to worry about that.*

- **Dave Knapp, Licensed Insurance Agent, Wellington, FL**

- **\$15,828 Savings**

- ★ *A one-man group owner came into the office upset. The premium for him and his wife (dependent) was \$2,539.66 per month. Their solution*

was to simply drop the coverage and go with nothing. Considering that they both have health issues, including diabetes and blood pressure problems, I convinced them that we needed to find another answer. After reviewing a number of possible plans, they decided that the maximum out of pocket was too high for them, so I requested an Consumer Driven Health Plan. They liked what they saw. By switching their plan to an CDHP we were able to reduce their monthly premium 52% from \$2539.66 to \$1,220.64 per month and still gave them better coverage.

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FOREWORD

The 21st Century economy has been anything but certain so far. Consumers are dug into trenches, preparing to hold off the onslaught of gas prices, inflation, monetary instability, housing devaluation and job worries.

For the small business owner, arguably the most vital part of the American economy, you can add healthcare costs to the aforementioned list of concerns. While America continues to enjoy the highest quality of healthcare delivery in the world, paying for it is another matter entirely.

That said, there are some steps business folks can take to rein in that particular expenditure that is wreaking havoc with bottom lines everywhere. It's time to take back control of this issue and put it in the hands of the consumers who utilize our medical resources.

W. Adam Clatsoff has fashioned a blueprint for Florida's small business owners to follow. This easy-to-read book gives you some insider knowledge that can help you generate tremendous savings in the financing of one's future healthcare needs. The tips in this volume can mean the difference between survival or not in this uncertain world.

So – you want to do something about your high healthcare costs? Stop blaming doctors, hospitals, insurance companies, malpractice attorneys and the government for

skyrocketing healthcare premiums. Raging against the machine may make you feel momentarily better, but it does not solve the long-term problem. This book can be your action plan to implement a better solution.

It will take less than two hours to read this, but the simple advice Mr. Clatsoff provides for you can last you a lifetime. Seize the moment!

~Jeff Sadler

[Jeff Sadler has been an underwriter since his graduation from the University of Vermont in 1975. He has authored a number of insurance books, including The Long Term Care Handbook (3 editions – 1996, 1998 and 2003), How To Sell Long Term Care Insurance (2001 and 2006), Disability Income: The Sale, The Product, The Market (2 editions – 1991 and 1995), How To Sell Disability Income (2005), and The Managed Care and Group Health Handbook (1997), all published by the National Underwriter. Other books include Business Disability Income (1993) and Understanding LTC Insurance (1992). Jeff is a past president of the Central Florida Association of Health Underwriters, the Florida Association of Health Underwriters, and the Central Florida General Agents and Managers Association. He is a past winner of the Stanley Greenspun Health Insurance Person of the Year Award and the NAHU Distinguished Service Award. He currently works for the Tri-State DI Center.]

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I want to express my sincere appreciation
to Jeff Sadler for his invaluable help and input
in making this book possible.

I couldn't have done it without him.

INTRODUCTION

The small business owner has long been the backbone of the American economy. This country was founded on the entrepreneurial spirit of the early settlers. In today's financial climate, small businesses still dominate, making up the greatest percentage of all companies and employing a substantial portion of the workforce.

The small business owner lays it on the line every day to carve out a niche in a competitive economic world. For this risk-taker, it's worth the possibility and the consequences of failure to achieve success.

While talent and ability serve small business owners in their efforts to thrive in their field, other skills of running one's own firm can create difficulties that affect the entire enterprise. The purchase of health insurance is one such concern.

The cost of employee health insurance is one of, if not the largest expenditure a small businessperson faces. Most small business owners buy health insurance poorly. By purchasing health insurance properly, it is possible to drive thousands, even tens of thousands of dollars, to the bottom line. Imagine how many pizzas cooked, lawns cut, or cars washed a small business would have to deliver to add \$10,000 to the bottom line each and every year.

It is not the responsibility of insurance agents to teach their clients how to buy health insurance properly. It is not the responsibility of accountants to advise employers how to buy health insurance properly. This is for the business owners and the business owners alone to do.

Believe it or not, health insurance is often remarkably affordable. Sadly, too often it becomes unaffordable because it is both bought and sold badly.

Millions of people immigrated to America to carve out a new life for themselves – a life of control, choice and freedom, away from the tyrannical societies from whence they'd come. They envisioned a world where they could make their own way, plying whatever trade for which they were skilled and earning a living doing what they enjoyed.

The result was a country built on the backs of these pioneers – the first in a long line of small business people who simply wanted the liberty to work at what they wanted, where they wanted, when they wanted. Recent Presidents from John F. Kennedy to Ronald Reagan to George W. Bush have repeatedly noted that small business is the identity of America.

But these intrepid folks have struggled the last few decades with the growing costs of buying health insurance to pay for any unexpected healthcare costs that might arise for them, their families and their employees. The cost to buy health insurance today is eating away at the core of entrepreneurship in this country.

It makes good sense to protect one's livelihood by buying health insurance – a medical crisis can doom a business, and bring down the American dream of hard-working Americans. From the pizza storeowner to the cabinetmaker, each and every businessperson is frantically doing the math, trying to figure out a way to keep paying the health insurance bill as it constantly marches upward. For businesses of fewer than 10 people, these costs can reach 15 percent or higher of payroll. How does a business pay for this? How many more pizzas have to be sold? How many more cabinets have to be made and sold?

Raising prices to cover this cost might work for IBM or Coca-Cola, but how does the small businessperson do it? What kind of margin can be built into a large

pepperoni pizza to cover that 15 percent? How high can it go before the customer simply dials another pizza place?

People can no longer afford to buy health insurance coverage as it is presently sold.

- 50 percent of all bankruptcies are caused by medical bills.
- 75 percent of those who filed for bankruptcy owned health insurance coverage.

Why didn't insurance help?

Health insurance can help, but it is consistently bought badly because it is sold badly by insurance agents who don't know what they are selling. If bought correctly, health insurance can serve the purpose for which it was intended and help small business owners continue the tradition of generations before them who carved out a niche in this new land.

How important is it to buy health insurance properly?

A mistake or two made early on in the financing of healthcare can be trouble for the rest of one's working career. It doesn't have to be that way!

Running a small business is often like a high-wire act, with many owners operating without a safety net. One net that can be put up is health insurance coverage that can help save a business when a key person in that firm incurs a significant illness or injury.

Health insurance is an expense to the business. It follows that by minimizing the cost of this coverage, the better the bottom line for the company, and the greater likelihood of success. But if this cost factor is prohibitive, the owner faces a choice no businessperson should have to make: to pay the premium or not to pay.

Health insurance not only affects the bottom line, but the decisions made can also affect employees of the business. Selecting a health plan that is good enough

for employees is a guessing game at best and, at worst, can put those employees in a difficult situation.

With the rising number of uninsured lives in this country and the publicity surrounding this segment of the population, it's clear that many people have chosen to try to go it alone in financing their healthcare and praying hard that they do not become sick or hurt badly.

It's time to learn a better way!

- It isn't necessary for a small business owner to agonize over covering an employee for health insurance.
- A business owner can have control over health insurance premium increases.
- Business owners can avoid putting themselves and/or employees in situations caused by coverage being canceled or changed (if possible) because a carrier priced them out of the market.
- Paying for health insurance can be the deciding factor in a firm's success or failure.
- Too many small businesses go without health insurance because it's an expense they can't afford.

Now there is a better way to buy health insurance – one that can save you thousands of dollars in premium and actually be an upgrade over what you have previously bought.

INVEST TIME IN THE DECISION TO BUY HEALTH INSURANCE!

Health insurance is perhaps the single most important buy in one's lifetime. Consider how much time is spent under normal circumstances analyzing and evaluating what could be the most important decision of your life. Most of us will spend more time considering buying a new car than purchasing health insurance. On average, a potential car buyer will spend three hours deciding on a choice of automobile whereas very little, if any, time is spent considering the purchase of health insurance. That responsibility is usually ceded to someone else, such as an employee or insurance agent.

Why? Would you let your insurance agent or an employee buy your car for you? How about your home? Your clothing?

Then, why transfer your decision on buying health insurance to them?

Purchasing a defective vehicle isn't a life altering experience. Bad automobile decisions are correctable. A bad car is replaceable, plus there are lemon laws. You buy a bad health insurance plan and you could be stuck for the rest of your life.

In letting your agent or your employee choose your health insurance, you have deferred one of the more important decisions for you (and your family) to someone whom you may or may not know particularly well. Does this make any sense?

Notes

Notes

Shouldn't health insurance be an individual choice? Everyone is different, both in the type of coverage needed and ability to pay for it.

The purchase of health insurance should be a decision made by you or you and your spouse.

THE URBAN LEGENDS OF HEALTH INSURANCE

There are a number of myths (or urban legends, if you will) that have materialized around the purchase of health insurance. Small businesspeople have long operated in the dark, and thus at a disadvantage, when purchasing this important insurance. It's more than likely that the insurance industry has been responsible for keeping these legends alive, adding an air of mystique to buying this coverage.

These myths are many. One of the most prevalent is that first dollar plans and co-pays are a good deal for the buyer. **In truth, these are highly profitable for the *insurance company*.**

Moreover, the long-standing urban legend that group health insurance is less expensive than individual health insurance is also completely wrong. Group insurance is the most oversold, misunderstood and most confusing product to ever exist. For small business owners group insurance will always end up being far more expensive than individual health insurance will ever be.

For small business employers, these are dangerous times to be making health insurance choices. **Selecting group insurance is mistake #1.**

- Group insurance could be responsible for most of the evils in the financing of healthcare through health insurance. Yet it's the largest method of obtaining health insurance coverage in the country today and has been for decades!

Notes

- Group insurance is so prevalent because it's championed by everyone from insurance companies to insurance agents to local Chambers of Commerce to the Small Business Administration! No wonder it's what everyone buys! Yet it can be a costly decision that can bring down your entire business, or leave you hanging out in the wind, self-insuring your healthcare costs.
- Consider that your health insurance agent comes back every year to rewrite your group health insurance. Does this make any sense to you? Do you operate this way with any other insurance coverage you own? Of course not! You know you have a problem when the insurance agent who sold you health insurance is back re-writing it every year to try to save you money. Eventually, you'll have a health problem and you won't be able to play musical chairs anymore because there are no more chairs.
- Group health insurance is a program that encourages sick people to work for you. Would you prefer to have healthy or unhealthy people in your employ? What would be better for your business? You have to sell a lot of your product to pay for unhealthy employees.

Know this: Group insurance is good business for health insurance carriers and bad business for small most business owners.

If you're healthy and covered on a group policy, you're on the Titanic. A rate regulated individual medically underwritten policy is your lifeboat. You can choose to stay on deck and sing "Nearer My God, To Thee" or get into a lifeboat, but you must act right away.