



# TIPS

from the Consumer Health Action Network

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## Individual Insurance Plans: What to Look Out For

Searching for insurance on your own can be difficult and confusing. Individual insurance policies can seem like affordable options, but make sure to do your research before getting trapped in a plan that doesn't work for you. Companies offer many different plans at different prices, so it's important to shop around. Often they can be very expensive for a good plan that covers most services. There are many possible traps; these are just a few of them

Insurance companies base the premiums on your health. The application will ask many questions about your health history and problems. If you aren't truthful on your application and the insurance company finds out, they can cancel your policy even if you've paid the monthly bills.

If you have a pre-existing condition, many companies will not offer you coverage. A pre-existing condition can be anything from a history of cancer to a single high blood pressure reading or being pregnant. If you can get coverage with a pre-existing condition, it may be very expensive. Connecticut has a program for people with pre-existing conditions who have been denied coverage by insurers called the Health Reinsurance Association of Connecticut. Coverage through this program can be very expensive, but it is available. They can be reached at 1-800-842-0004 or at [www.hract.org](http://www.hract.org).

If you pass the review process, the insurance company might offer you a plan for a great price. But remember if it sounds too good to be true... it might be. Insurance companies can offer low-priced plans because they don't cover many services, they may not have many doctors in their network, or charge high deductibles. A deductible is the amount of health care costs you have to pay out of your pocket each year before the company will begin paying any bills.

Another way the insurance company can offer you a low rate is by giving you a plan that will cover most things except your particular health problem. For instance if you have diabetes, the insurance company can offer a plan to cover your basic medical needs except anything related to your diabetes. They can offer you family coverage but deny one member of your family if they think that person may have a health problem. Make sure everyone in your family is covered for all health services.

The insurance company can also increase your rates or deny you altogether when your policy ends if you have a health problem.

By law insurance companies are not allowed to re-evaluate anybody who they've already sold a policy to. However, they are allowed to re-examine anyone who might want to change their

insurance plan. If you were younger and healthier when you first got insurance and now want to change your plan to meet your needs as you've gotten older, the insurer can then re-examine you and increase your premiums based on what health issues they find.

Be aware of the start date of your policy. Sometimes there is a waiting period between the time you bought your policy and the time it begins. If something happens and you get sick during this time, the insurance company will not cover the costs of your medical care.

Make sure your plan gives you at least 10 days to look over your policy. If it doesn't work for you, you can return it and get a refund for your premiums.

Know what you need and what you're buying. For example, if you plan to have children soon be sure that your plan will cover maternity and child health.

Don't get confused and sign up for dishonest insurance plans that you find over the internet through searches and ads. Some of these deals are really medical discount cards that won't cover any of your bills. Medical discount cards can sound like insurance, but all they offer is a discount off the prices of health services. You still have to pay the doctor when you get the care.

Researchers have found that the discounts offered by these cards don't equal what the cards cost. A real insurance company won't offer you a last chance or one time deal. The Connecticut Insurance Department has a list of companies with approved individual insurance plans which can be found on their website [www.ct.gov/cid/](http://www.ct.gov/cid/). They can also be reached at (860) 297-3800.

Be aware, be careful and find the plan that works best for you.

**If you have questions about whether an individual insurance plan will work for you, contact us toll free at 1-888-873-4585.**