



How to Obtain Health Insurance

What to Do First

Your first step in obtaining health insurance coverage should be to contact a health insurance agent in your area. A list of agents can be found in your local phone book, by contacting the National Association of Insurance and Financial Advisors (703-770-8100) or your [state insurance department](#).

A licensed insurance agent in your area can provide information and advice on coverage options and cost savings measures. Agents are familiar with insurance companies that do business in your state. Agents may represent one company ("Captive" agents) or several companies (brokers or independent agents). State insurance departments regulate all insurance companies and agents. While many companies operate in all 50 states, some do not.

When choosing an agent you should:

- Consult relatives, friends and business associates for referrals
- Look for an agent with specialized training in health insurance and other related subjects
- Determine if the agent has any professional designations [i.e. Registered Health Underwriter (RHU), Health Insurance Associate (HIA), etc.]
- Ask if the agent is a member of a professional association such as the National Association of Insurance and Financial Advisors (NAIFA)
- Talk with the agent yourself to determine compatibility. There are many licensed agents, talk to several if necessary. You should be comfortable with the agent you choose

How the Agent Will Help You

The agent will be able to evaluate your current coverage or lack of coverage, and make specific recommendations that suit your need for health insurance protection and your budget. You should ask the agent to give you an outline of coverage. It summarizes the policy's benefits and highlights important features.

Generally, it doesn't make sense to buy a policy primarily because it has the lowest price. Policy benefits vary among policies and it is often difficult to compare policies based solely on cost. Make sure you understand what the policy covers and what it does not. If you have any questions, ask the agent before you buy.

Health Issues to Consider

When comparing plans with your agent, think carefully about your own particular situation. Do you want coverage for your whole family or just yourself? Do you want protection from a catastrophic illness and disability? Are you concerned with preventive care and checkups? Do you want to choose your providers or would you be comfortable in a managed care setting that might restrict your choice somewhat? Are you over 65? Do you want the insurance to fill the gaps in Medicare? Do you want home health care coverage? These are questions that only you can answer. Discuss your answers with your agent to determine what type of health insurance policy is best for you and your family.

Report any and all health problems to your agent -- it is extremely important to accurately disclose your medical history. Check for pre-existing condition limitations that reduce or eliminate coverage of your current health problems for certain periods of time. Share prior insurance information with your agent, as you may be able to reduce any pre-existing limitations. Make sure you fill out the application completely and accurately. If any information about your health is misstated or incomplete, the company will refuse to pay your claims and can cancel your policy. Discuss any questions you may have with your agent before signing the application.

Additional Assistance Provided

In addition to advising you on the right insurance policy to fit your special needs, an agent will keep you informed of the latest insurance coverages and products that may be of interest to you. An agent will assist you in handling claims and help resolve any problems. Every few years, your agent will review your insurance with you to consider changes in your financial or family status, which may change your insurance requirements.

Qualities of a Professional Agent

Keep in mind that all agents are licensed and regulated by their state insurance departments and must carry proof of state licensing. If the agent cannot show proof, do not buy from that person. A business card is not a license. Many agents

belong to professional organizations such as the National Association of Insurance and Financial Advisors (NAIFA). Professional associations provide members with products and services to enhance their professional skills. You may want to ask if your agent is a member of a professional organization.

Most states also require agents to take continuing education courses to remain licensed in a given state. In addition to the courses required by the state, many agents take a series of courses and are awarded with professional designations. You may notice the following designations listed behind your agent's name indicating that a professional designation has been awarded for successful completion of a series of courses:

- CFP - Certified Financial Planner
- ChFC - Chartered Financial Consultant
- CLU - Chartered Life Underwriter
- HIA - Health Insurance Associate
- LUTCF - Life Underwriter Training Council Fellow
- MHP - Managed Healthcare Professional
- REBC - Registered Employee Benefits Consultant
- RHU - Registered Health Underwriter

Internet Considerations

Using the Internet as a research tool to learn more about health insurance may be helpful. However, purchasing a policy on-line can be risky. Health insurance policies are very complex. In most on-line instances, there is not a professional agent available to explain benefits, answer your questions, serve as your advocate or make specific recommendations based on your needs and budget.

Choosing the Best Insurance Company

You should only buy from a financially stable company. Several private companies ([Best Company](#), [Moody's Investor Service](#), [Standard & Poor's](#), etc.) conduct financial analyses of insurance companies. These rating can be found in most public libraries. However, your agent should be able to show you the recommended insurance company's rating. Remember to ask for the rating and its meaning before purchasing a policy.

Check with your state insurance department if you have any questions about the policy, the agent or the company he or she represents. The department cannot make a purchase decision for you, but it can tell you if the company you are dealing with is reputable and if the policy meets state standards.

