

## Health Insurance for the Self-Employed

With today's society allowing business to be performed easily with a click of a mouse, it is no wonder the Internet has grown to allow the entire world to be connected 24 hours a day. It has allowed many people to quit their jobs, move across the world, and become self-employed. Individuals, who would have normally worked for a company, have now found the pleasures of being their own boss. Technology has opened many new age business practices where email and instant messaging is the preferred source of communication with clients. Becoming your own boss takes self-discipline. The certain luxuries like health insurance and a 401K plan, which we may have taken for granted while working for a corporation; now is an extra added expense which has to be considered.

Things like health insurance which is automatically included in many full time positions, now must be researched, compared, and considered. Usually the monthly cost can be much more expensive since the self-employed individual is now paying the entire bill, not just a small percentage.

What are the options available for a person who chooses to work for themselves?

If the individual was working full time for a corporation, many health insurance companies would offer 18 months of Cobra after leaving the company. The cost for Cobra is 102 percent and the plans coverage stays exactly the same. If you had Cigna as the health insurance provider under their PPO plan, when Cobra begins, all your doctors and benefits do not change. Prices range from \$300 a month for an individual through \$2000 a month for family coverage.

Self-employment allows deductions to be taken out for health insurance as well. The general rule is the health insurance has to be established through the business; just paying Cobra to continue the coverage does not follow this rule. By taking the full income made and subtracting half for your self-employment taxes, plus taking out any other deductions (IRA), the left over money is the amount you are allowed for health insurance expenses. This can only occur when you are fully paying your own benefits.

Depending on the type of business can lead to different coverage options. For example, freelance writers have different organizations they can join. A benefit of associating with career groups is health insurance companies then offer discount plans to the organization and their members. This would be the first step to research after the Cobra option.

Another option is a discount health plan. Instead of health insurance coverage, the individual has a choice of medical, dental, and vision plans. A monthly fee is paid and certain doctors and practitioners are in the network. This means certain physicians participate in the discount plan and accept the partial payment. The individual is responsible for the remainder of the doctor's bill.

Other discount plans will have the patient pay the entire bill to the doctor, which is already at a discounted price, and then send a claim form into the company. For example, the doctor's bill with the discount is \$50.00, the patient pays the full amount before leaving the office. The claim form gets sent into the discount health plan by the patient, and two weeks later, a check for \$40.00 arrives. The total cost for the one doctor visit was \$10.00 out of pocket.

With many of the health insurance options being offered for self-employed workers, prescreening, referrals, and rules pertaining to the amount of visits allowed per year can apply. Researching all the options before deciding on the plan which best suits your individual or family needs is suggested. Websites can give free quotes for the health insurance companies or discount health plans.

If you find making a decision is too difficult with all the options on the Internet, there are insurance agents who can help explain the pros and cons of each. Finding an agent who is reputable can be found through referral services or by asking other self-employed businesses.

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### About the Author

Lisa Weinberger is the CEO and founder of PearlyWrites, LLC. Before embarking on the journey as a full time writer, Lisa was a teacher, private tutor, and English Professor. A member of NCTE, ASCD and providing instructional design to PBS and NAF, Lisa continues to be involved in the educational field; just from behind the scenes of the classroom. [www.PearlyWrites.com](http://www.PearlyWrites.com)