

# Life, Health, & Wealth

## Health Insurance – Don't Leave Home Without It

Most of us began our life in a hospital, and many of us will spend our final days being cared for by medical professionals. And in the years between, the vast majority of us will experience numerous doctors' visits related to illness or preventive care. The cost of all this medical attention can place a heavy toll on a person's finances.

Health insurance is designed to protect individuals and families financially in the event of unexpected serious illness or injury. Depending on the plan design, covered medical expenses incurred can be settled in various ways, including managed care or reimbursement arrangements.

Health insurance comes in a variety of shapes and sizes, and, as with life insurance, there's no one-size-fits-all plan. While group health insurance, typically provided by employers, may limit plan options – or provide certain benefits a person might not require, individual health plans allow flexibility in choosing coverage for personal situations and budgets. After all, the insurance needs of a healthy twenty-year-old are different from the needs of a fifty-year-old.

Here are some key points in choosing an individual health plan:

### **Understand your needs.**

Your age, medical history, future plans (e.g., starting a family) should be considered when you purchase health insurance. Will you need maternity coverage? How will your pre-existing health issues be treated? Are your current medications covered? Will your plan pay for preventive services (e.g., annual physicals, immunizations)?

**Buy what you need and can afford.** When you've considered the factors above, you'll be in a better position to buy the health plan suited to your circumstances and financial position. Depending on your age and health status, you can consider a policy with a higher deductible (the amount you personally pay before benefits

apply) which will reduce the premium rate.

**Understand your share of costs.** Health plans feature co-pay or co-insurance benefit structures, each requiring you to pay a small, pre-determined percentage of the cost of your medical care. This formula helps keep premium rates at affordable levels, but the percentage you will have to bear should be understood at the outset. Your choice of plan determines how much you will pay out of pocket each time you receive medical attention or purchase prescription drugs.

**Understand maximum benefits and lifetime limits on coverage.** Health plans usually come with stated maximum benefits for specific

services and a cap on the lifetime coverage. With the increasing cost of medical care and advances in procedures and treatments, maximum coverage and limits should be considered when purchasing health insurance.

**Review the provider network.** Most health insurers work with a network of local and overseas healthcare providers who agree to supply medical care to plan members according to the terms of the policy contract. When you consider your insurance options, ask your agent about the insurer's directory of physicians, hospitals, and pharmacies in the company's provider network. If you have a preferred doctor, you'll want to confirm if he/she will be

available to you through your insurance plan.

**Know if your prescription drugs will be covered.** Health insurers have a list of medications they cover and you'll want to know if your prescription drugs are included in the plan's formulary.

Having the right health insurance coverage is key to peace of mind when it comes to accessing health services. The protection is vital when unexpected illness or injury occurs, but research also shows that people with health insurance tend to manage their routine and preventive health care more effectively. Talk with an insurance professional to learn more about the individual health plans available to you.



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