



## Individual Health Insurance Guide

# Understanding Individual Health Insurance

## What is Individual Health Insurance?

**Individual health insurance is private coverage that you can buy directly from an insurance company.**

If you don't have health insurance through an employer, association or government program, you may choose to purchase an individual health insurance policy for yourself and/or your family.

Individual health insurance:

- ✓ ensures you access to quality health care
- ✓ provides you with valuable major medical benefits
- ✓ protects your financial well-being from rising medical costs.

There are different types of plans you can choose from based on your needs.

Depending on the type of plan you choose, individual health can help you pay for both predictable health costs (such as doctor's office visits and prescriptions) and medical expenses you don't plan for (such as treating a serious illness or injury).

It provides peace-of-mind that your health needs are covered.

Individual health insurance is a good option for people who need coverage between jobs or who go into business for themselves.

It can also be a more affordable alternative to COBRA continuation coverage, and an economical solution for parents who need health insurance for their children.

## Do you belong to one of these groups of people?



Individuals in all of these groups buy individual health coverage:

- People between jobs
- Workers whose employers don't offer group coverage
- Self-employed entrepreneurs and freelancers
- Part-time, contract and temporary workers who are not eligible for group health benefits
- New employees waiting for their group health coverage to begin
- Early retirees who are not eligible for Medicare
- People paying expensive rates for COBRA coverage
- Families in transition due to job loss or divorce
- Parents who need affordable coverage for their child
- College students ineligible for their parents' coverage

**If you don't have major medical coverage to protect you from unexpected medical costs, you would be responsible for paying all of these medical bills on your own.**



**Q: "Do I really need insurance? Can't I pay out-of-pocket for any medical expenses that come up?"**

**A:** Being uninsured can cost more than paying premiums.

While you may be able to pay for doctor's visits, prescriptions, and other routine medical expenses on your own, you may not be able to afford the high medical bills resulting from an accident or illness.

If you don't have major medical coverage to protect you from

unexpected medical costs, you would be responsible for paying all of these medical bills on your own.

Plus, being insured can protect your health. Uninsureds can face serious health risks by delaying necessary medical treatments. This can result in even higher costs in the future if and when a medical condition has worsened.

## How Individual Health Insurance Works

If you have individual health insurance, you pay premiums to a health insurance company like Celtic in exchange for protection from high medical expenses. Your contract (or policy) with the insurance company specifies the extent of your coverage.

Before an insurance policy can be issued, you must submit an application. You must meet age, health, residency, and occupation/ avocation requirements for medical underwriting. This is the

process of determining whether or not a health insurance company will approve your application for coverage.

Because an individual health insurance policy is a contract between the insurance company and the individual insured, all underwriting decisions are made on an individual basis and take into account your entire medical profile.

That's why insurance companies must obtain complete

medical information on applicants through health questions on the application, and, as necessary, a combination of medical records and telephone verification.

Not everyone who applies is eligible for coverage. Some people don't apply until they know they have a medical problem that will require the use of benefits. This is called adverse selection. Also, a person with a pre-existing condition poses a greater risk of incurring high medical costs

(claims), which may impact the cost of insurance for the entire group of insureds.

Each state sets its own requirements for policies and regulates how they can be priced, marketed and sold. In some instances depending on the applicant's state, the insurance company will issue coverage with an exclusionary rider. Riders exempt an insurance company from covering a specific condition for a certain period of time or the life of the policy.

## How Much Does Individual Health Insurance Cost?

Premiums for individual health insurance policies are paid entirely by the insured person. The cost of a policy varies by the insured's age, zip code, and type of health plan they choose. Other factors, such as the insured's height/weight, health history, and tobacco use, also influence premium rates.

Depending on the insured's state of residence, they will experience periodic rate changes which are based on the claims experience in the insured's block of business or increases in the industry. (Rate changes are never based on an individual's claim history.)

Health insurance is designed to protect you from high medical costs; however, your insurance policy may require that you share in some of the costs of your medical care.

Cost-sharing may include copays, deductibles, coinsur-

ance, medical expenses that are not covered by your plan, and any out-of-network fees.

It's helpful to compare the plans you're considering and to think about how each feature affects the plans' cost. Things to think about:

- your benefit needs
- the impact of monthly premiums and out-of-pocket costs on your budget
- the convenience of each plan, ie: access to doctors and hospitals in your area
- any exclusions or limitations

You may find that you like the benefits on one plan more than another, but its monthly price is outside of your comfort zone. On the other hand, the lower-premium plan may require you to pay higher out-of-pocket costs for services you plan on using, such as prescription drugs or preventive care.

Finding the plan that hits the right benefit and budget balance for your needs takes some research and number-crunching, but it's a worthwhile effort to find the plan that fits best.

### Tips to Lower Premiums:

**Consider High Deductibles**  
Choosing a higher annual plan deductible will lower your monthly premiums!

**Mix-and-Match Plans**  
Mom and the kids may need a comprehensive plan but dad may be comfortable in a basic plan or HSA-eligible plan. The total premium you pay may be less than if everyone was on the same plan.

**Dependent-only Coverage**  
Individual health coverage is an alternative to group dependent coverage. Plans with child-only rates and optional kid-friendly benefits may cost you less than dependent coverage on a group plan.

**The cost of an individual health insurance policy varies by the insured's age, zip code, and type of health plan they choose.**



**Online quotes and secure enrollment at CelticEnrollment.com**



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## Celtic Insurance Company

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Suite 700  
Chicago, IL 60606

Onlineadviser enrollment  
support available at:

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[www.CelticEnrollment.com](http://www.CelticEnrollment.com)

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Celtic Insurance Company is a strong, committed, financially stable individual health insurance company specializing in quality individual health insurance. We aim to provide our customers with innovative, consumer-oriented products and services that are easy to understand, access and use.

Our plans offer customers of all ages essential coverage while giving them control over their health care decisions. We have a wide-range of benefits and options to meet the diverse needs of people in rural, suburban and urban areas.

With the help of technology, we make our application process fast and easy, provide learning tools so individuals can choose the right plan and understand their benefits, quickly find providers, refill prescriptions and email customer service representatives all online.



**Important Note:** The information contained in this document and in any accompanying literature is not intended to provide full details of Celtic plans and may change at the discretion of Celtic Insurance Company. Complete terms of coverage are outlined in the individual Certificate Booklets and set forth in the applicable insurance Policy and Trust agreement.

In applying for coverage, the primary insured agrees to be bound by the Certificate. The benefits described in these pages and any accompanying literature are the standard benefits offered by Celtic. Policy provisions vary in some states. Plan availability and benefits may vary by state.

Celtic Insurance Company does not provide tax, investment or legal advice. Federal and state tax laws may change and are subject to interpretation. If tax, investment or legal advice is requested, consumers should seek the services of a licensed professional.

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