



Insurance: Staying Healthy & Wealthy by Being Wise

By Diane Dillett

The State of Wisconsin recently bemoaned a 12% health insurance increase. A small employer reports a 37% increase at renewal. A friend says her family policy was rated up 58% based on health conditions. Have you recently been hit with another rate increase on your health insurance premium? Or worse yet, as an entrepreneur, do you feel you can't even afford insurance? Can you afford to be without it?

It's important to know what is behind the way insurance prices are set. First, look at magazine, radio and TV ads that offer cures for your allergies, hair loss and even sexual dysfunction. Second, note the growth in medical technology – new procedures and equipment that not only extend our lives but enhance their quality. All of this contributes to a medical inflation rate that is racing along at 8-10%.

What can you do when that increase affects your family and business budget? How can you find a way to afford the coverage you need?

Take a look at your plan and your usage. Can you cover some of the smaller claims, such as doctor visits? Figure out what a higher deductible plan really costs. Add up the cost of last year's services. If you paid some of these yourself, would it offset the decrease in premium with a higher deductible? Ask your agent about a medical savings account – a plan that was designed to give self-employed individuals a tax break on medical services.

Sometimes such changes can be made within your current insurance company because a variety of plans are offered. An agent who specializes in health insurance can be an asset to you by researching a wide variety of plans and helping you compare important coverage and costs.

The only way to have a long-term influence on cost is to adjust your usage. Treatment in emergency rooms is expensive; instead use urgent care for minor injuries and ailments. Always check for the generic drug replacement – will it do the same job? Spend your insurance claim dollars as if they were your own money – because they are.

The Washington Business Group on Health estimates that up to 30% of health claims involve unhealthy behaviors. They also find that people with high blood pressure are more likely to file health care claims in excess of \$5000 per year than those who don't have hypertension. Taking care of you health has physical and monetary benefits.

Diane Dillett, LUTCF, (who happens to be my financial planner) is the owner of The Dillett Company, Inc. in Madison, WI. Diane specializes in selecting and implementing health and retirement plans for small businesses and individuals. She even understands all that investing stuff – and she explains it so that I can understand it. You can reach her at 800/775-2250 or dianed@chorus.net.