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Private Health Coverage: Association Group Health Coverage

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What is association health insurance?

Association health insurance is a type of group health insurance available to members of a certain organization, such as a church, professional organization, trade association, chamber of commerce, or social group. Although the insurance premiums may be subsidized or even paid entirely by the association, this is not always the case. Sometimes, the association simply buys the policy, and covered members are responsible for the entire cost. Associations may offer group insurance coverage to all members, or they may designate that only certain groups of members are eligible. For example, an association may offer group health insurance coverage only to those who have been members for three years or more. However, anyone who meets these criteria must be eligible for coverage immediately with no further prerequisites.

What are the advantages of association health insurance?

Association may pay all or part of the premium

In some cases, the association will pick up some or all of the group insurance premium. Thus, association health insurance may be your most affordable option, if it is available. However, in some cases, the association simply purchases a group policy, and the covered members are responsible for the entire premium. Even in this situation, association insurance will typically be less expensive than individual insurance, since it is a group policy.

Individual health is not evaluated in determining insurability

Because association health insurance is a type of group insurance, the insurance company agrees to insure all eligible members, regardless of current physical condition or health history. The only condition is that members must apply for insurance within the specified eligibility period. Clearly this is advantageous to those with chronic health conditions who might be considered uninsurable if applying for individual insurance.

What are the disadvantages of association health insurance?

Less freedom to customize policy

When you get association health insurance, the provisions of the policy are negotiated between the insurer and the association, who is the policyowner. You don't have the freedom to have certain provisions included or excluded, and your deductible amount and co-payment percentage are determined in advance.

Policies may be extremely limited

Sometimes, organizations offer extremely limited policies with the sole objective of making a profit. For example, an association may offer a policy that only covers a specific illness, such as cancer, or a policy that pays you a minimal, predetermined amount for each day you spend in the hospital. Although these policies are less expensive than comprehensive health insurance, they are generally not worthwhile.

How do you get association health insurance?

Simply sign up for coverage during the specified eligibility period

As with any group health insurance, you must apply for coverage within the specified eligibility period to receive coverage without consideration of your current physical condition or health history. Find out how long you have to sign up for coverage, and take the appropriate steps prior to this deadline. Failure to do so could mean an extensive series of health-related questions and examinations, and the insurer has the option not to cover you if you are discovered to be a poor risk. In the case of employer-sponsored coverage, late enrollees may still be able to obtain

coverage, but the preexisting condition period can be extended.

Do you get a copy of the insurance policy?

Only the owner of the master policy (in this case the association) receives a copy of the actual policy. You will, however, receive a certificate that proves that you are covered by the association's health plan. The certificate contains such information as the insured's name, other beneficiaries' names (if any), and the amount and type of coverage.

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