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TO BE OR NOT TO BE ... INSURED

Jane is excited to start her new job. She has been to Human Resources and has a package of information to go through. Emergency contact – easy. W-4 for Federal Income Tax Withholding – no problem. Insurance forms – ugh!

Jane likes her current benefits from her previous employer and the COBRA premium is affordable, so she thinks to herself, "If it ain't broke, why fix it?" She checks off the box to decline coverage and hands in all of her paperwork.

A couple of months later she receives a letter from her former employer. They received their annual renewal and her COBRA premium has increased 25%! The next day she goes to Human Resources to inquire about enrolling in her new company's medical plan.

Unfortunately, an increase in premium is not considered a triggering event (defined later in the article) so Jane cannot enroll at this time. Who knew that employees can only join a company's medical plan at certain times? Those are:

An **Initial Opportunity** occurs when an employee has satisfied the new hire waiting period.

An **Annual Open Enrollment Period**. This usually occurs the month prior to the plan's anniversary.

An employee may also qualify for a **Special Enrollment**, which follows a triggering event. Generally, a triggering event is one that results in a change in your family, location or one that results in an involuntary loss of minimum essential coverage for a family member. A loss of coverage due to non-payment of

premiums is not considered a triggering event.

Jane will need to pay the higher premium until the next Annual Open Enrollment or Special Enrollment, whichever comes first.

John has started his own business. He has many items on his "to do" list. Health insurance is one of them; however, he decides that it really isn't a necessity at this time.

John understands that he will incur a penalty on his 2014 taxes, but he is just starting out so the penalty will not be prohibitive. Furthermore, he is a single, fit, young man, so why waste money on something he will probably not use?

Being an entrepreneur is demanding. John has been working from sun up to sun down. It is a beautiful day, so he decides to take some well deserved time off to play basketball.

He goes down to the court and joins in a game. This is just what he needed to rejuvenate himself. Swish, nothin' but net and then ouch ... a twisted ankle.

Accidents do happen. John realizes that it is too risky to go any longer without insurance. He will call an insurance broker first thing Monday morning.

John learns that he does not qualify for a group health plan since he is a Sole Proprietor. In addition, he learns, just like Jane did, that people can only purchase coverage at certain times.

His Initial Opportunity to enroll in the Individual Marketplace ended on March 31, 2014. Since there are no Special

Enrollment opportunities in his future, he must wait until the next Open Enrollment.

People may purchase insurance for the first time or replace coverage that they already have once a year. For 2015, the Annual Open Enrollment Period starts November 15, 2014, and continues through February 15, 2015.

Without coverage, John will be responsible for all of his medical bills until he can enroll. What if he breaks his ankle next time or gets seriously ill and has to go to the hospital? John now believes that insurance premiums are definitely worth having peace of mind.

Risk and reward are concepts that should pertain to the stock market, not your health benefits. It is true that carriers are no longer allowed to impose any pre-existing condition limitations so you will have immediate coverage for any medically necessary claim. However, if you wait to enroll, you may not have it when you need it most.

In 1985, Ed Gaelick established PSI Consultants, LLC, located in Glen Rock, NJ, where he specializes in company sponsored employee benefits, business planning and personal insurance. Throughout his career, Ed has received many of the highest professional honors awarded in the insurance industry. His dedication, integrity and fortitude have earned him great respect from his clients, staff and peers.

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