

The Under Age Business Unit Introduction:

It is always healthy to stay updated on how consumers are being educated about insurance products. We understand that limited benefit plans receive mixed reviews, mostly because we feel they are misunderstood. This is why we stress the importance of truly educating customers on what a limited benefit plan is all about. As Gloria Taylor (Agent, Memphis, TN) says, "I always share the good, the bad and the ugly with my prospects and customers."

As you know, no two products are the same. When reading this article, remember the benefits of our Hospital/Medical/Surgical plan. You will see that our plan is significantly stronger than the limited benefit plans this author is describing.

In particular, our Hospital/Medical/Surgical plan:

- **Has no lifetime maximums on benefits paid**
- **Pays miscellaneous benefits associated with inpatient and outpatient expenses to help close gaps**
- **Has no deductible to meet**

As this author says, many consumers simply cannot afford the premiums or deductibles associated with more traditional health insurance plans. Others only want coverage for more common medical expenses. Our Hospital/Medical/Surgical plan offers meaningful coverage to consumers, especially for those medical events they are most likely to experience, at very competitive premium rates.

<http://investment-tutorials.com/2007/07/25/limited-benefit-health-insurance-is-it-a-good-deal/>

[Limited Benefit Health Insurance Is It A Good Deal](#)

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These days, everyone is looking for ways to save money. Some have found that buying cheap health insurance is one way to go. And while this has its upside, you should be careful, because you may end up with a health crisis.

For many folks in Dallas, Houston or throughout Texas with no health insurance, a policy known as "Limited Benefit" sounds like an appealing choice. Premiums are as low as \$10 a week. But there's a big catch: these policies pay as little as \$1,000 a year or \$10,000 for a lifetime - so little that some health insurance experts question whether they really amounts to health insurance at all.

Even insurance industry executives and agents are highly skeptical of such plans. At one insurance-company meeting last year, a roomful of agents burst into laughter when an executive described a Limited Benefit plan. But plan defenders say the simple act of giving low-income workers an insurance card can encourage them to seek routine

preventive care. They contend that some measure of health coverage, however small, is better than none.

Currently, Limited Benefit policies are among the fastest-growing health insurance offerings for temporary and hourly workers. Sold by half a dozen insurance companies, they cover an estimated 750,000 employees and family members. Wal-Mart Stores Inc., McDonald's Corp. and Lowe's Cos. are among major companies making them available to their employees. For the nearly 47 million uninsured people in the United States today, having Limited Benefit health insurance would be better than having no coverage at all.

Limited Benefit plans place severe financial caps on benefits such as inpatient care, hospital room and board and other critical services. One of the bigger selling points for Limited Benefit plans, however, is that they often cover at least part of the insured's everyday medical expenses. Still, even with respect to every day care, the policies have restrictions such as waiting periods for "wellness checks" and exclusions for the treatment of pre-existing conditions. Limited Benefit plans typically also have deductibles that policyholders must pay each year before benefits kick in.

Some insurance companies have tried offering low-cost policies that cover "catastrophic" health costs. But industry officials say low-income employees haven't shown much interest because such plans require high deductibles - perhaps a couple of thousand dollars - before coverage kicks in. Low-wage workers are more interested in something that covers basic expenses.

While many employers who sponsor Limited Benefit health plans for their employees reluctantly concede that the plans offer little to no help with a serious illness, the employers and their insurance agents say that they make sure workers understand what this particular insurance will and will not do.

Enrollment in Limited Benefit health plans has grown about 20% in each of the past few years. Employers make them available mostly to hourly workers, either full- or part-time, and collect the premiums through payroll deduction. Many companies in the service sector typically find that 10% to 30% of eligible workers elect to purchase the Limited Benefit coverage.

Limited benefit plans may have their place in today's health insurance market, but it's important that consumers know exactly what they're getting up front. So if you're looking for an affordable health plan that offers catastrophic coverage, without a high deductible, you should take a look at the revolutionary, comprehensive individual health insurance solutions created by companies specifically for young, healthy individuals.

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