

## Best Health Insurance Options for the Self-Employed

Health insurance is confusing, even for those who receive coverage through their employers. Selecting between insurance plan options can drive even the savviest consumers crazy. And the confusion surrounding health insurance only increases for those who are self-employed or contract workers.



Individuals looking for health insurance outside an employer, like those self-employed, will need to do even more research and comparison shopping than a typical W-2 employee. Luckily, Opolis is here to help you wade through the weeds of selecting your own self-employed health insurance.

In this article, we'll detail the top seven options for self-employed health insurance. Plus, we'll breakdown a few of the particulars you'll need to know before you finalize your insurance plan purchase. So, keep reading to find out what kind of health insurance would work best for you.

### Details to Know About Insurance Before You Buy

There are a handful of details every consumer should know before finalizing their health insurance purchase. Some of these details will vary based on what type of health insurance you decide to buy.

#### **a) Is there a Guaranteed Issue for Self-Employed Individuals?**

Federal law requires all health plans sold to small groups (2-50 employees) to be sold on a guaranteed issue basis. Guaranteed issue these employers cannot be turned away by an insurer based on their group's health status.

But federal law doesn't require guaranteed issue for the self-employed. Still, some states do apply broader guaranteed issue requirements. Make sure you know whether your state has guaranteed issue for self-employed individuals or not.

## b) Difference Between Group and Individual Coverage?

If you recently became self-employed or are used to having insurance through your employer, you may not know the difference between individual and group coverage. Unlike traditional employer-sponsored coverage, with individual coverage, you'll be responsible for:

- Shopping for and choosing a plan
- Purchasing your plan
- Understanding the coverage and benefits of your plan

## c) The ABCs of Health Insurance

If you've received coverage through your employer, chances are you may not have paid close attention to the details of your insurance plan. As you search for individual coverage, you must understand the coverage and benefits of the plan you're comparing.

Here are a few of the basic terms you'll need to know as you shop:

- Copayment = A fixed payment you pay for a covered healthcare service to offset some of its cost to the insurer.
- Coinsurance = The amount or percentage of a covered health service you pay after you've met your deductible limit.
- Deductible = The amount of money you pay for medical expenses before your insurance starts to pay.
- Premium = How much you, or your employer, must pay for an insurance policy. Generally, premiums are paid every month.



#### d) Do you Need an Agent's Help?

Insurance, like taxes or the law, can be confusing for those who aren't professionals in the field. So, as you search for coverage, or even before you begin your search, it may be helpful to contact an insurance agent. Health insurance or employee benefits professionals can help you determine what plan would work best for you and/or your family based on your specific situation.

## Self-Employed Health Insurance

Here are the seven top options for those searching for individual health insurance. Each of these choices comes with unique and different advantages and disadvantages. Keep reading to learn the distinct characteristics of these self-employed health insurance options.

#### 7.) Short-Term Health Insurance



If you're outside an open enrollment period, don't qualify for a special enrollment, or want to wait before choosing a permanent plan, short-term health insurance may be right for you. Short-term health insurance offers individuals limited coverage for typically higher premiums than traditional plans.

A short-term insurance plan can help in a pinch if you've recently lost coverage through an employer or spouse. These plans are often less expensive than traditional insurance options. Still, it's essential to know short-term coverage often carries a plethora of restrictions and exclusions.

This difference in coverage is because short-term plans don't have to follow Affordable Care Act (ACA) guidelines. For example, short-term health plans don't have to cover the essential benefits typical insurance plans must, can have restrictive maximum limits, high copays/deductibles, or may offer no coverage for pre-existing conditions.

## 6.) Standalone Telemedicine Services

Today, many health insurance plans offer a telemedicine service as a supplemental option to your plan. Still, for those without access to telemedicine through their individual coverage, there are standalone telemedicine services. These services grant you access to a network of telemedicine providers, usually at a small cost.



## 5.) Private Health Insurance

There are numerous websites you can use to compare individual health insurance plans in your area. Sites like [eHealthInsurance](#), can help you determine which insurance plan would work best for your specific scenario. Simplify your search for insurance and compare multiple plans at once.

## 4.) A Professional Employer Organization (PEO)

A [Professional Employer Organization](#), or PEO, is a type of comprehensive human resource outsourcing. Also known as co-employment, a PEO performs various employee administrative tasks on behalf of a group of employers. One of the primary benefits of a PEO for self-employed individuals is getting health coverage at a lower premium than would be possible by yourself.

## 3.) Associations

Association Health Plans (AHPs) allow small businesses and self-employed individuals to band together to purchase insurance. These associations allow those who are self-employed to combine their purchasing power with other self-employed individuals or small businesses to obtain coverage at a lower rate than would be possible on your own.

Unlike short-term health plans, AHPs must follow certain ACA guidelines. Recent association health plan regulations prevent these plans from screening applicants based on previous claims or charging higher rates to those with pre-existing conditions.



## 2.) Healthcare Marketplace

Created by the ACA, the [healthcare marketplace](#) allows you to comparison shop and purchase health insurance with the federal government's secure backing. Use [healthcare.gov](#) to determine whether you can enroll and choose which plan would work best for you.

## 1.) Self-Employed Organizations



There are multiple organizations created specifically to fill the insurance and employment benefits gap that exists for self-employed individuals. Here are a few well-known organizations newly self-employed individuals should check out when searching for self-employed health insurance.

### a) The National Association for the Self-Employed (NASE)

Founded in 1981, the [NASE](#) has long been a resource for individuals seeking to compete with large corporations. This association provides day-to-day support and access to a robust glut of benefits. One of these primary benefits is the ability to partner with a large group of self-employed individuals to achieve purchasing power you could never match by yourself.

### b) The Freelancers Union

Since 1995, [The Freelancers Union](#) has served as an advocate and resource for countless independent workers. The Freelancers Union can help self-employed individuals with every aspect of independent work, from networking with other freelancers to obtaining health insurance. \*Note – The Freelancers Union only offers health insurance to those in New York, California, Colorado, Connecticut, Florida, Georgia, New Jersey, Pennsylvania, and Texas.



### c) Opolis Employment Commons

While newer than the previous two organizations, [Opolis](#) offers numerous unique benefits to self-employed individuals looking for employment benefits. Opolis is a unique and future-facing Employment Cooperative. This cooperative provides high-quality, affordable employee benefits and shared services for independent contractors, freelancers, gig workers, and all self-employed individuals.

Besides traditional employment benefits like health, dental, and vision insurance, Opolis offers rare benefits other organizations and associations don't. For example, using Opolis, you can create a customized PTO & Holiday policy to keep your compensation consistent throughout the year. Additionally, Opolis gives you the option to receive payroll or invest in your IRA in digital currencies.

Plus, Opolis gives independent contractors a list of shared services to help simplify your life and streamline your business. Like a PEO, Opolis offers members access to:

- Automated Payroll
- Discounts on Accounting/Tax software and integrations
- Tax Simplification
- Employee Protection
- Payroll Compliance

[Learn more about Opolis here.](#)



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