

What You Need To Know Before You Purchase a Group Health Insurance Plan

Employers are faced with a plethora of choices when it comes to insurance companies, rates and policies. It can take years to develop a sound strategy that an employer can use, enabling them to not only find affordable coverage for their employees, but finding coverage that actually does what it's supposed to. It is rapidly becoming mandatory for businesses to provide employees with insurance, so finding coverage that won't bankrupt the company is of vital importance.

One way employers can achieve affordable rates is to work with their insurance professionals to find group health rates. Regardless of the company an employer ultimately chooses, being able to consolidate all their employees into one "basket" as it were enables insurance companies to offer a lower premium per employee price. That's because the ability to calculate costs to the company becomes easier to do the larger numbers that are involved. Companies that have over 100 employees can become their own statistical universe, which helps drop prices even further. However, those rates just aren't available for small companies or individuals. Even when they choose to become part of a "group plan" that makes it possible to reduce the initial cost, it still isn't that "best price" options that large companies receive.

When companies reach a certain size, it actually becomes cheaper for them to "self insure" than it is for them to seek out an insurance provider for group health coverage. At that point, it becomes a question of whether or not the company wants to deal with the headache and hassle factors involved by self insuring, or if it's easier and more cost effective to allow an HMO or other large insurance company to deal with all the paperwork and expense tracking. The only drawback is, very few companies are this size. Most of the companies are small to medium businesses and self insuring can wind up pushing them into bankruptcy. One major illness and the company just can't withstand the financial issues alone. Being able to work with your insurance provider to create a "group package" with other small companies can enable all of them to provide health care at an affordable rate.

All in all, the pressures being placed on all businesses to provide some kind of health coverage for employees has become enormous. Federal law is fast coming into play that will eventually force every business owner and company to provide health care somehow, so sitting down now with a reputable insurance professional will not only enable you to find the group coverage you need, but at a price you can afford. And you can have the coverage you choose now, when you can still choose it. Who knows what the government will force companies to have as minimums, and what those will ultimately cost the company in the long run.

About the Author

Rickey Pearce is an insurance agent who has worked to help employers and health care providers better understand [Colorado group health insurance](#) and the options available. This enables employers to offer the best [Colorado health plans](#) available to their employees and their families.

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