

University of Nebraska - Lincoln

DigitalCommons@University of Nebraska - Lincoln

Historical Materials from University of
Nebraska-Lincoln Extension

Extension

1991

NF91-8 Individual vs. Group Health Insurance

Kathy Prochaska-Cue

University of Nebraska--Lincoln, kprochaska-cue1@unl.edu

Follow this and additional works at: <https://digitalcommons.unl.edu/extensionhist>



Part of the [Agriculture Commons](#), and the [Curriculum and Instruction Commons](#)

Prochaska-Cue, Kathy, "NF91-8 Individual vs. Group Health Insurance" (1991). *Historical Materials from University of Nebraska-Lincoln Extension*. 608.

<https://digitalcommons.unl.edu/extensionhist/608>

This Article is brought to you for free and open access by the Extension at DigitalCommons@University of Nebraska - Lincoln. It has been accepted for inclusion in Historical Materials from University of Nebraska-Lincoln Extension by an authorized administrator of DigitalCommons@University of Nebraska - Lincoln.



NebFact



Published by Cooperative Extension, Institute of Agriculture and Natural Resources,
University of Nebraska-Lincoln

Individual vs. Group Health Insurance

Kathy Prochaska-Cue, Family Economics and Management Specialist

Health insurance costs represent a growing part of the household budget. To cover these costs, many rely on health insurance. Health insurance is available as an individual household and as part of a certain group with which one household member is affiliated.

Individual Health Insurance

The advantages of having an individual health insurance policy include being able to tailor the policy to one's particular situation. For example, added protection not available under a group plan may be included in an individual plan or additional protection over and above that available plan or additional protection over and above that available through group plan may be part of one's individual health policy.

Selecting one's health care provider including doctors is another advantage individual health care policies have over some group policies.

But individual health policies do have disadvantages. Requirements to be met before being fully covered may be more restrictive. Individual policies are usually more expensive than group policies. Claims must be filed which is not the case with all group policies. Preventive health care may not be covered. A higher deductible may be part of the individual health care policy, and lower limits for some coverages including major medical, mental health, and chemical dependency treatment may be part of the individual health policy.

Group Health Insurance

Group health insurance coverage through an employer or other group also has both advantages and disadvantages. Advantages include part or all of the premium being paid by the employer or other policy holder. Group policies are usually less expensive than individual policies. Usually everyone is eligible for coverage regardless of health. Group health insurance coverage is typically comprehensive, and premiums can be deducted from paychecks if the policy holder is the employer. Coverage generally cannot be cut off because of the number of claims someone has. With most group health insurance

policies, you can select your own health care providers.

Disadvantages of group health insurance policies include losing coverage when you no longer belong to the group. However, the Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985 requires a continuation privilege meaning that you can keep group insurance coverage by paying the premium yourself if you leave the group for a specified time period. Widows with dependent children, and divorced or separated spouses and dependent children, and divorced or separated spouses and dependent children may do so for three years. Retired people, their spouses and dependent children may do so for 18 months as can unemployed and reduced-hour employees and their dependent children.

Other disadvantages of group health insurance include not being able to tailor the policy to individual needs. Group policies usually require that claims must be filed and may have high deductibles. Generally preventive care is not covered. Low limits for major medical, mental health, and/or chemical dependency treatment may also be part of group health policies.

Group or Individual Health Care Coverage?

Whether group or individual health insurance makes more sense for you depends on your situation. If you or one of your dependents have special or unusual health care needs, a group policy may or may not offer the coverage you need. Evaluate carefully your situation and available alternatives for covering health care costs.

***File NF8 under HOME MANAGEMENT
B-3a, Insurance
Issued February 1991***

Issued in furtherance of Cooperative Extension work, Acts of May 8 and June 30, 1914, in cooperation with the U.S. Department of Agriculture. Elbert C. Dickey, Director of Cooperative Extension, University of Nebraska, Institute of Agriculture and Natural Resources.

University of Nebraska Cooperative Extension educational programs abide with the non-discrimination policies of the University of Nebraska-Lincoln and the United States Department of Agriculture.