



ASSURANT
Health

COBRA alternatives - Assurant Health individual coverage options

Why COBRA isn't always the best option

The newly unemployed is a growing group, and they now find themselves in a place they may have never expected to be in – trying to find affordable health insurance protection for themselves and their families.

Even with federal subsidies, COBRA is a temporary and sometimes expensive solution that may not always be the better value.

- **Unemployment** – Laid-off workers who are eligible for COBRA are allowed to maintain coverage under the previous employer's policy for up to 18 months, provided they pay the premium along with a 2% administration fee. In some states, employees at companies with fewer than 20 employees are **not eligible** for continuation coverage at termination. In any case, it's important to research the options.
- **Just nine months** – The full 65% premium subsidy from the government on COBRA and state continuation applies for a maximum of nine months.
- **Income levels** – The full 65% premium subsidy from the government on COBRA and state continuation is only available to individuals with modified adjusted gross incomes lower than \$125,000 single/\$250,000 family.
- **Coverage needs** – Your clients who don't need all the benefits their specific group plan offers may find that an individual plan, tailored to their needs, is a more affordable option that better fits their new budget.

Plan alternatives

For extended unemployment, younger singles and families are likely to find savings by choosing individual health plans instead of COBRA. You can adjust the amount of the deductible and coinsurance to get coverage at an affordable amount. And for your clients who anticipate being employed again within a year, affordable and flexible Short Term Medical (STM) plans may be another good option.

Your client will spend \$140/month (individual), \$377/month (family) for an average COBRA plan* after the federal subsidy. This is the average. For some it's much more; for some it's less.

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Looking *beyond* COBRA or *instead* of COBRA, consider these plan alternatives:

Individual Medical

- For 30-35 year olds, preferred rates average \$87/month (individual) or \$277/month (family) for a plan with a \$3,500 deductible and a two-year rate guarantee*
- For 40-45 year olds, look for savings with higher deductible plans. Preferred rates average \$82/month (individual) and \$250/month (family) on a plan with a \$10,000 deductible, 100% coinsurance and a two-year rate guarantee*

Short Term Medical

- For 30-35 year olds, rates for an STM plan average \$65/month (individual) and \$177/month (family of four) for coverage up to six months with a \$2,500 deductible

Also, keep in mind that many Assurant Health plans have unique features like TelaDoc™, Patient Care, and access to convenient retail health clinics that provide services at network rates. These features add to the value without adding cost to the plans.

Summary

Talk to your clients about their choices. Extending a former employer's coverage with COBRA may be a good choice for some, but not for all. **When the alternatives make sense, offer your clients an Assurant Health Individual Medical or Short Term Medical plan as a better option.**

* Rate guarantee availability varies by state.

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As a reminder, COBRA and state continuation provides individuals with certain rights under HIPAA and may be more appropriate for certain people such as those currently undergoing treatment or with chronic conditions. Short Term Medical is often a lower-cost alternative to COBRA. However, if you purchase Short Term Medical rather than maintaining COBRA coverage, you may give up your rights to coverage for pre-existing conditions or guaranteed health insurance in the future.

Source for COBRA plan rates is the 2008 Kaiser Family Foundation report on Employee Benefits. Assurant Health rates shown are for illustration only. Rates are valid as of 3/11/09. Preferred rates are subject to final underwriting approval. Assurant Health is the brand name for products underwritten and issued by Time Insurance Company.
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