

The Dilemma of Health Insurance after Divorce

When looking at this issue it is easy to be misled into thinking that there are easy solutions to this problem. Current research gives some very pat answers to a question that is extremely complex. The key to understanding the insurance dilemma facing divorced spouses is to look at long term solutions and to understand the need for an advisor to negotiate the process.

Current literature leads many to believe that opting to continue their ex-spouses health care group plan under COBRA is an easy solution. Not only does it provide seamless coverage, but it eliminates the need to search for individual coverage. Indeed for up to 36 months you can maintain the coverage you have become accustomed to but the problem is that this coverage will cost substantially more than you were used to. Employers can charge up to 102% of their cost for this coverage and premiums can reach upwards of \$600 per month. And again, this is only a short term solution. At the end of the 36 month period, the divorced party will still be going to private insurers for individual coverage. You should also keep in mind that if you incur a long-term illness you may be unable to get private coverage as this will be considered a pre-existing condition. This is when, according to Alan Nadolna, a financial planner with The Associates Group, “finding an advisor who is sensitive to insurance needs is imperative.”

One of the most common scenarios is the woman who is facing divorce and finds it necessary to consult professionals to help her deal with the emotional consequences inherent to end of a marriage. These professionals can provide the therapy and medical support that can help women resolve these issues and move on with their lives in a productive way. But, once these women go into mental health treatment future insurers often decline coverage due to the nature of the treatment. So, by seeking healthy alternatives, women may be creating more problems down the road.

This is where, according to Alan Nadolna, the right advisor makes all the difference. “When submitting a health insurance profile to future underwriters, the way that profile is submitted is critical,” says Alan. Because exclusions and denials are common in the beginning of the process, “presenting the individual case in an aggressive way can overcome negative

responses,” adds Alan. Brian James, a divorce mediator with C.E.L. & Associates offers that, “finding a sensitive advisor who can direct and guide a woman’s search for health insurance can make the difference in obtaining coverage.”

The health insurance dilemma has no clear cut solutions but the situation is not without options. Trying to navigate this process alone can be time consuming and risky but utilizing the support professionals available can maximize your opportunities for success. Financial planners like Alan Nadolna and Divorce Mediators such as Brian James can use their considerable negotiation skills and expertise to guide your search and obtain suitable coverage. Insurance, like every element of the division and settlement process, can be tricky but relying on your advisors and remaining an informed consumer can pay off for long term solutions.