SECTION 11-1 Health Insurance Premiums

An accident or illness could cut off your income, wipe out your savings, and leave you in debt. To protect against overwhelming medical expenses, many people have health insurance. One way to get health insurance is by joining a group plan where you work. Your employer may pay part or all of the premium. Health insurance companies also offer non-group plans for people not enrolled in a group plan.

Employee's Percent = 100% – Employer's Percent
Employee's Contribution = Total Premium × Employee's Percent

1. Paul Woonan, a self-employed accountant, is married and enrolls in a non-group health insurance plan. The plan costs $7,710 per year for the family coverage. What will he pay each month in premiums?

2. Donna Ray is employed at Stone Manufacturing. Her total annual health insurance premium is $5,976. Her employer pays 70 percent of the premium. How much does she pay per month?

3. Chandara and Kobe Martin are self-employed motel operators. They pay 100 percent of the PPO insurance premium of $6,510 annually. They also have a dental plan that costs $546 annually and a vision plan that costs $244 annually. The premiums are paid quarterly (every 3 months). How much do they pay each quarter?

4. Hermosa Menendez is employed by Chemical Industries. She has a family membership in the group preferred provider organization (PPO). The annual premium is $6,180. Her employer pays 75 percent of the premium.
   a. How much does the employer pay annually?
   b. How much does she pay annually?
   c. How much is deducted each week from her paycheck?

5. Oscar Ankebrandt is employed by Bargain Department Store. He has a single membership in a commercial health maintenance organization (HMO) and is enrolled in the company sponsored life insurance program. The annual premium is $4,880 for the HMO and $940 for the life insurance. The company pays 60 percent of the HMO premium and 80 percent of the life insurance premium. How much is withheld from Ankebrandt’s bi-weekly paycheck for insurance?

6. You are employed by Research Laboratories as a chemical technician. You are single and pay into the Research Laboratories Super Med Plus HMO. The total cost is $5,175 annually. The employer pays 90 percent of the total cost. You also pay 60 percent of the optional annual dental premium of $462 and 55 percent of the optional vision premium of $188.
   a. How much is deducted weekly for the HMO?
   b. How much is deducted each week for dental coverage?
   c. How much is deducted each week for vision coverage?
   d. What is the total weekly insurance premium?