

The Importance Of Health Insurance After Divorce

By Tom Norton, CPA, CDFA

Insurance has been described as making a bet you hope to lose. If the bet pays off, that means something bad has happened.

Unfortunately, bad things do happen. Insurance is one way to make sure you're not wiped out financially when they do.

Health insurance is one of the biggest concerns of many families these days. If you can get it through your work, that is almost always the best option, especially if your employer pays for all or part of it.

If you were covered by your spouse's plan, you probably know you are entitled to continue on that plan for up to 36 months after your divorce through something called COBRA (**C**onsolidated **O**mnibus **B**udget **R**econciliation **A**ct of 1985 for you trivia buffs). You'll have to pay the entire cost of the policy, but at least you'll be covered.

But you may not want to wait 36 months to find a new policy. Especially if you are healthy, you should start shopping for new health insurance right away. When you're healthy, you are an attractive customer to insurance companies, so you'll get the best rates. If you wait and wind up getting sick, getting new insurance will be a more expensive proposition.

Naturally you'll want to make sure your kids are covered, too. Again, it's best if they are covered under either yours or your ex-spouse's plan through work. Otherwise, you'll have to shop around for the best rates. If you need help, look into special programs that may be offered by your state. You can ask about them at your children's school.

Health insurance is a must-have in this day and age. One illness can easily wipe you out financially. Make sure you take care of it, before it's too late.

For more information:

[The Divorce Financial Survival Series](#)