**What is Employer Health Insurance?**

Employer-Sponsored Health Insurance is a healthcare plan that employers provide for the company’s workforce and their dependents. The employer is responsible for choosing the plan and determining exactly what it covers. Employers and employees typically share the cost of health insurance premiums.

Employers and employees share the premiums. There are also major tax advantages to participating in employer health plans —employee contributions, for example, can be made pre-tax, reducing federal and state taxes on the employee end.

Small businesses with fewer than 50 full-time employees are not required to provide a healthcare plan. As a result, personal Health Savings Accounts (HSAs) have become popular. Contributed funds are not subject to federal taxes.

As we all now, insurance providers will only pay out the promised amount only if they absolutely have to. They protect their money using the fine print in their offer document, and pay out what they promised only once they have no more fine print to hide behind. While getting the insurance providers to honour their agreements for regular insurance policies is hard enough, it’s even harder when claiming through an employer-group policy.

Companies and employers, too, seek to minimize costs, by providing bare-minimum coverage insurance policies to their employees. Policies that include co-pay clauses, for example, are usually cheaper, and more attractive to companies who focus on the bottom line of the P & L account, rather than their employee’s wellbeing. Even a bare minimum insurance policy can still be used as an “insurance benefit” to lure or retain employees.

A recent report by ICICI Lombard Insurance Company revealed that as many as 76% of insurance policies offered by employers have co-pay and room-rent limiting clauses. The fine print is a tool that insurance providers use to limit or even nullify their liability.