Premium

A premium is the money a person pays, typically each month, to maintain his or her insurance policy.

Insurers may decide how much to charge you in premiums based on their prediction of potential costs of providing coverage. For example, when you apply for coverage, an insurer may ask about your current health status, prior medical history, age, gender and other characteristics. This process is known as medical underwriting and it is not allowed in some states.

Keep in mind; insurance plans that offer the most extensive coverage are often associated with higher premium costs. For example, a high deductible health plan (HDHP) is usually less expensive than traditional medical coverage.

Talk with your benefits or HR representative to learn if your company offers insurance products with lower premium options.