

Health Insurance Plans: How To Choose The Best Medical Insurance Plan

By BizMove Management Training Institute

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1. The Single Most Critical Factor in Getting the Best Health Insurance Plan.

The number one mistake made by health insurance seekers is approaching only the companies that are most heavily advertised. The first health insurance company that comes to mind is not necessarily the one that will offer you the best plan.

The single most critical factor in getting the plan that is best for you is shopping around for as many quotes as you can. Why? because different health insurance companies

charge different rates for the same coverage. In addition, insurance companies' competitiveness differ tremendously by customer location.

Only by obtaining several quotes that are specific to your situation and location you will be really able to discover the beat plan that is available to you. How many quotes? go for at least 3 quotes from different insurers, less than that will not do the job.

Now, usually shopping around for three quotes can be a tedious and time consuming task, however, you can make it easier and more effective by using a free online quoting service such as [Insurance-Me](http://www.liraz.com/health) (If the link doesn't work, copy and paste the following URL into a browser: **www.liraz.com/health**).

Insurance-Me will provide you with several competing offers from reliable health insurance providers that offer good plans in your area thus enabling you to compare and pinpoint on the best plan that is available for your location.

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2. Health Insurance Overview

Health care is expensive and few individuals can afford to pay the full costs. Having health insurance allows you to get the treatment you need without incurring huge medical bills.

Most Americans have private health insurance or participate in public programs, such as Medicare or Medicaid, but many Americans are uninsured due to finances and/or pre-existing conditions.

Under the Affordable Care Act (Obamacare), all Americans are able to get health insurance regardless of income or health history.

Affordable Care Act

The Affordable Care Act allows all Americans to get comprehensive health insurance and offers new rights and protections. Some provisions of the law have already taken effect while others will be implemented in the coming years.

You can now enroll in health insurance through your state's Health Insurance Marketplace. The Marketplace can help you compare plans and find one that fits your needs and budget.

Medicaid

States decide on the benefits provided under Medicaid, but Medicaid usually provides health care for low-income children and families, and people with disabilities. Covered services usually include doctor visits, hospital care, vaccinations, prescription drugs, vision, hearing, long-term care, and preventive care for children.

Medicare

Medicare is a government health insurance plan for people 65 or older, people under 65 with certain disabilities, and people with end-stage renal disease. Medicare helps to pay for care in hospitals, skilled nursing facilities, hospice care, and some home health care. Coverage can also include doctors' services and prescription drugs.

Under the health care law, Medicare benefits have been expanded for preventive care and drug coverage. Medicare is not part of the Health Insurance Marketplace, so—if you have Medicare—you will not need to take any action as a result of the new Marketplace.

COBRA: Keep Your Insurance If You Leave Your Job

The Consolidated Omnibus Budget Reconciliation Act (COBRA) can help you temporarily keep your health insurance even though you left your job. Eligibility for the program is based on the reason you left your job, and even if you get to keep your insurance, you may be required to pay the entire premium for coverage.

Health Insurance for Children: CHIP

The Children's Health Insurance Program (CHIP) provides free or low-cost health coverage for low-income children. Each state decides on the benefits provided under CHIP, but all states cover routine check-ups, immunizations, hospital care, dental care, and lab and x-ray services.

How to Appeal a Health Insurance Claim

If your health insurer has denied coverage for medical care you received, you have the right to appeal the claim, and ask that the company reverse that decision. You can be your own health care advocate. Follow these five steps:

Review your policy and explanation of benefits.

Contact your insurer and keep detailed records of your contacts (copies of letters, time and date of conversations).

Request documentation from your doctor or employer to support your case.

Write a formal complaint letter explaining what care was denied and why you are appealing through use of the company's internal review process.

If the internal appeal is not granted through step four, file a claim with your state's insurance department.

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3. 83 Great Health Insurance Tips and Ideas

1. Regardless of age, it is detrimental to purchase health insurance. No matter if you're younger or older, everyone may use the benefits offered by health insurance. Unfortunately, it can sometimes be difficult to know which health insurance policy is most suited to your life, or which insurance providers are trying to sell you unnecessary and expensive extra cover. The advice below will help you to get the best health insurance you can afford without straining your wallet.

2. Medical insurance can cut down on your taxes. The premiums that you pay for your health insurance are actually tax deductible! Health insurance premiums, prescription costs, deductibles and other expenses not covered by insurance may be deductible on your tax return. Deductions differ for taxes, depending on the state you live in, so double-check the guidelines.

3. If you are contacted by an insurance carrier in conjunction with your application, do not give information for which they did not ask. Only answer the questions they directly ask you. By volunteering extraneous details, it is likely that they will note them in your file and possibly increase your policy costs depending on the information you provided.

4. No matter what type of coverage you have, you are going to save money on your health insurance if you always opt for generic drugs. It's unlikely that your prescription will not have a generic option, and studies have proven that the efficacy of both name brand and generic prescriptions are equal.

5. When selecting a health insurance plan you want to pick one that serves your needs. HMOs and PPOs are common choices, but don't count out POS plans just because of their acronym. Each of these options offers different features and benefits, so you must compare each plan before agreeing to pay for coverage. Make sure that you have the option to keep the doctor that you currently use.

6. Remember that some insurance companies charge to carry a spouse on your insurance if they already can get health insurance through their job. It may sometimes be more economical for you and your spouse to obtain individual insurance plans through your employers, so compare costs under both circumstances.

7. HSAs (savings accounts designed specifically to cover your health needs) are a consideration when you only occasionally visit the doctor. The money saved can be set aside in case it becomes necessary to pay for a premium.

8. Even if your pet is indoors, you should have pet insurance. Hazards can occur even in the safety of your home, and these possibilities range from possible poisoning to the prospect of your pet slipping outside by accident. Even indoor pets can break a tooth or a bone that may require costly veterinary care.

9. Read over your health care handbook and it will give you a lot of knowledge that will be helpful in the future. You should get a booklet from your provider on what is in your policy, this way you can understand what can benefit you the most. Take this time to learn as much as possible about your policy, even though it may seem a little tedious.

10. There are lots of different options available with different health insurance plans. Before setting up a meeting with an agent, or just using the insurance available from your job, take your time and get acquainted with all the options. Understand all your costs, and all your benefits, before enrolling in a health insurance plan.
11. When switching to a new insurance policy, make sure you review all the details to understand the differences from your previous policy. Know your premium amounts, the deductible on your policy and the types of expenses that will be covered once the deductible is paid. Keep handy a copy of any plan you currently have, along with this information.
12. Know how much you spend on medical coverage and other medical expenses. Gauge the amount you can afford to pay in deductibles and coverage for yourself and your family.
13. One way to keep costs down when paying for prescription medication is to ask your doctor to prescribe twice your usual dose. Often, buying pills in larger doses does not significantly increase the cost so you may be able to save money by cutting the pills in half. A pill splitter only costs a couple dollars, and you will recoup the cost quickly.
14. If you like and trust your current doctor, you will have to make sure that your health insurance policy will permit you to keep seeing him. Ask your doctor which insurer he's partnered with, if he has any.
15. Insurance companies offer insurance discounts to groups of people, such as a company's employees. But, if you're self-employed, what can you do? There are many unions and associations which you can join to reap the benefits of group insurance, one of which is the Freelancers Union. These groups offer many benefits, including access to low cost health insurance.
16. Make sure you understand what your policy covers before signing up. Health coverage that addresses these types of things can make sure that you are covered for time off should it become necessary.
17. Remember to get vision insurance to help you deal with existing and potential eye problems. This insurance will handle a certain percent of the cost of eye care related expenses, such as glasses and doctor visits. You are not required to carry vision insurance, so if no one in your family suffers from an eye disorder, you can save money by foregoing it.
18. Do a quick check annually to verify what prescription medications your policy will continue to cover. Health insurance providers frequently make changes to the medications they cover, so every time you sign back up, it is advisable that you check the fine print of your policy terms. If you suddenly find that your health insurance plan is not covering your ongoing medications any longer, then start your search for a new plan.
19. Most likely there will be loopholes in your health insurance plan. Read your policy thoroughly, so you will not be taken aback when you are told that your insurance does

not cover something. Be prepared ahead of time to pay anything yourself that might not be covered, such as some procedures or medications.

20. Do not offer up information if someone from a health insurance agency is discussing the application process. Only answer the questions they directly ask you. When you volunteer too much information, the result could be an increase in your premiums.

21. If your spouse is on your insurance and they have access to insurance with their employer, you will probably be imposed a surcharge. It's possible that it'll be cheaper for the both of you to get insurance through your own employers, so take the time to calculate your costs in both situations.

22. If you change your insurance policy, be sure that you have all the facts related to your current plan. Have the facts on payout limits, deductibles and other out-of-pocket amounts, as well as monthly or annual premiums. Keep this information, as well as a copy of the plan you have currently, available when searching for a different policy.

23. Keep track of your health insurance expenses, especially when looking to switch policies. You will need to know what you truly pay for expenses out of your own pocket. This includes deductibles and other expense for you and every member of your family.

24. All information should be provided in order for the insurance company to pay your claim. Some companies may even deny you enrollment if you fail to provide the correct information. Go over your forms that you are enrolling with to stay away from these issues.

25. See if your doctor would be interested in bartering services with you, should you possess a skill that could benefit the doctor. He got a great website, and she no longer gets headaches!

26. Do you want to know more about how your insurance policy works? You only need to call to get the answers you desire. Just use the phone number provided to you by your company and speak with a customer service agent. The representatives manning those phone lines can give you particular facts that might save you dollars and stress.

27. If you've graduated college recently, consider a couple different things when looking for health insurance. If your place of employment offer insurance, take advantage of this benefit. If you are 25 and under, you can still be part of your parents' plan. Of course, you can also check for your own individual plan if neither of those works.

28. Check out your company's wellness program, if they offer one, to save money. A lot of employers these days give rewards to their workers who participate in health and wellness assessments. You may be able to join a fitness program afterwards, which will help the company to save money on their insurance coverage, and that in turn would lower your own premium.

29. When time for open enrollment occurs, you need to reevaluate your health insurance policy. If your family has grown or someone's needs have changed, you may

have to change your coverage. Open enrollment offers you the ability to change vision and dental coverage, too, if you have that option.

30. A personal policy is probably going to cost more than being involved in group coverage provided by companies, so make sure you plan appropriately. You might have to deal with a higher deductible or less coverage, or both. Make sure you consider all your options before purchasing insurance.

31. Make sure you know which hospitals and doctors are covered under your health insurance. If a practitioner that you favor doesn't take your plan, you may need to keep looking. You can usually find this information on the insurance company's website.

32. Keep records of all your expenses for premiums, as well as money spent on non-covered treatments, as a point for comparison when you review new policy coverage options. Deductibles and the amount you wind up paying out of pocket on healthcare for you and your family can vary wildly from policy to policy, so make sure to take these costs into consideration.

33. Remember that there is more to the cost of health care than your policy premiums; you may have co-pays, uncovered office visits, and possibly a monthly payment for part of your policy cost. Many health insurance providers will have you pay a co-payment or fixed amount of money for each time you make a visit to a hospital. Find out what the co-pay is and if the plan is worth it.

34. Make sure you choose the right company for your needs when you shop for health insurance. Preferred Provider Organizations, also known as PPOs, allow you to choose providers outside their network for an additional charge. POP plans will require you to pick a primary doctor, but they can refer you to other doctors outside the network.

35. This cannot be overstated. It is imperative that you read each document related to your policy, so that you know what is covered and what isn't. You will save hundreds of dollars by making sure that the doctor you visit is in network rather than out of network.

36. When you are choosing an employer-sponsored healthcare insurance plan, account for the health condition of yourself and your family. This may lead you to purchase insurance with a cheaper premium if you do not have any anticipated health issues. Although the premiums are lower, you may be at risk if problems arise.

37. Check with physicians and medical care providers that you use routinely to be sure that they will accept whatever health insurance you may be purchasing. This information should be readily available to you from the health insurance company.

38. If you change insurance types, be certain to understand everything about your present coverage. Watch annual deductibles and payments, and see what kinds of medical costs are going to be covered when you reach the deductible. Gather everything together and keep it with a printout of your insurance policy so you can compare when shopping for new insurance coverage.

39. A medical care discount card can help you get low cost health insurance. These cards allow you to visit physicians in their network who have lower costs for low-income patients. These valuable cards will help you get a low-cost health insurance spending account plan that will cover your health expenses.

40. Be sure you know what treatments are covered by your health insurance, and be aware of how much your co-payments and deductibles will cost. Research your options before choosing the health insurance you will use for you and your family. Ensure you have good communication with the companies and be thorough in your research.

41. Remember that you pay more for health insurance than just the monthly premium you are billed for. Most health insurers will require a co-pay for each visit to the doctor or the hospital. Figure out the cost of the co-pay and whether it's worth it.

42. Make sure to ask if either your insurance provider or your physician is supplying the Medical Information Bureau with your medical records, as this is mandated. If so, you may enjoy yearly access to a complimentary copy of your information.

43. Good credit is important when getting health insurance. If your credit is bad, your premiums will likely be higher. Look into improving your credit score prior to searching for new health insurance.

44. The Internet should be utilized to locate health insurance quotes because this allows you to discover the most effective policy at the best price for the situation you are in. Visit the sites of the various insurance carriers for quotes, or use comparison sites that can provide quotes of many different policies and companies.

45. Raise your deductible to find more affordable premiums for health insurance. When you increase the deductible you decrease your premium. If you get sick or in an accident, you will be required to pay a higher amount than you would if you had kept higher premiums.

46. Keep in mind that some employers will charge an additional fee, known as a spousal surcharge, if you add a spouse to your plan whose employer also provides health insurance coverage. You might save money by having them get their own insurance, make sure you compare them.

47. As you prepare to change to a new health insurance plan, you should carefully track all medical expenses related to maintaining your coverage. Do the math about how much money you can afford to pay out of pocket and how much coverage you'll need to stay within your budget. Always make sure to consider the deductibles for everyone covered on your plan.

48. Get health insurance for yourself and your kids. It is not uncommon for children to be in the need of treatment for a variety of things including dental work, vaccinations, infections and others, all of which will be quite pricey outside of an insurance plan. To fully provide for your children's needs, you will need good health insurance for them.

49. Be aware of your tax credits for health insurance bills. Not everyone knows that premiums are deductions. Health insurance premiums, prescription costs, deductibles and other expenses not covered by insurance may be deductible on your tax return. Federal taxes are not the same as state taxes, so you should look into the difference.

50. Prescription coverage varies by plan, and may have limitations that affect you, so read your policy to see what's covered. The list changes yearly, so check when you re-enroll so that you won't be surprised when filling a prescription.

51. There are a wide variety of health insurance coverages and options. Prior to sitting down with your insurance agent, or registering with your employer's insurer, invest the time necessary to understand all of the possibilities. Don't make any decisions unless you are certain that you comprehend the pros and cons of all of your available choices.

52. An insurance broker can help ameliorate your feelings of being overwhelmed on your quest for the right health insurance. With the aid of an insurance broker, you will be able to get the insurance that best suits your needs at a reasonable cost. Your insurance broker will be well aware of state regulations. Compare your prices between brokers to choose the best one.

53. You'll have to find a health insurance policy which lets you choose your own doctor if you want to keep your current health care provider. You should ask your doctor which health insurance plans are accepted and use one of those.

54. Remember, the cost of health insurance is not restricted to monthly premiums. Most health insurers will require a co-pay for each visit to the doctor or the hospital. Find out what the co-pay is and if the plan is worth it.

55. When choosing health insurance, it is important to know what your coverage will encompass. Health coverage that addresses these types of things can make sure that you are covered for time off should it become necessary.

56. When considering a health care insurance plan from your employer, take into account your own personal health and the health of your family. If you don't foresee any health issues, then a cheaper health insurance policy is probably what you will choose. While this may be cheaper initially, this could cause risks if problems develop.

57. Do your research and calculate your costs if you are thinking about purchasing individual health insurance. It can be difficult to estimate the total cost of an insurance plan over a year, so carefully analyze the premium itself, as well as any deductibles and co-pays.

58. Figure out what your needs are before open enrollment is offered. You may need more or less coverage than the previous year and changes may need to be made in your coverage. During the period of open enrollment is when you can make changes to vision and dental insurance if that is something your employer offers.

59. Don't expect your health care policy to be straightforward. Learn all the exceptions in your policy so that your insurance company won't deny you benefits you thought you

were entitled to based on a loophole. Read and comprehend every word of your health insurance policy. Learn exactly what is and is not covered. Be prepared beforehand to pay for certain things out of your pocket, such as certain medicines or treatments.

60. It's a good idea, before choosing an insurance provider, to call your physician, clinics and hospitals to confirm that you will be covered completely if you use their services. To get a list of doctors that accept the health insurance you're considering, simply visit the insurance provider's website.

61. Be sure to review your bills carefully. You may be surprised about how much you're paying out-of-pocket despite having health insurance coverage. Prescriptions can be a big contributor to high out-of-pocket costs. Many doctors write prescriptions without considering whether or not the medication is covered, or if there is a generic (and cheaper) version available. Also, shop around. Even generic medication prices can vary at different pharmacies.

62. When you are searching for a health insurance plan, you need to pick a company that is a good fit for you. A PPO or Preferred Provider Organization has networks you can choose from, but you will have to pay a fee to use a doctor that is out of the network. A POP or Point-of-Service plan lets you pick a PCP, but they're allowed to refer you outside that network.

63. Your choice of health insurance hinges on what it covers. Health insurance that will cover incidents like these can make a huge impact on the downtime you might experience.

64. When you are considering an insurance plan that is offered by your employer, think about the health of yourself and your family. You might be drawn to buy insurance with a lower premium if none of you have any health issues. While this is a good way to save money initially, it could prove risky if there are problems down the road.

65. Sit down and create a budget when deciding on which health insurance plan to choose. Deductibles, premiums and co-pays can be hard for someone to understand so make sure you add up the costs of everything before you purchase the insurance.

66. You should make sure the health insurance plan you are looking into covers all related pregnancy costs, if you plan to become pregnant. If you don't focus on this in particular when shopping for a plan, your insurance might not cover every part of pregnancy and labor.

67. If searching for health insurance has you feeling defeated, employ the assistance of a broker who specializes in insurance. An insurance broker can assist you in finding the best possible health insurance with a reasonable price tag. They are also aware of your state regulations. Compare prices for insurance brokers before you choose one.

68. Figure out what your needs are before open enrollment is offered. Perhaps your situation has changed and your policy is no longer adequate. If your employer also offers vision and dental insurance, you should review that also during open enrollment.

69. Health insurance is often very expensive when you are afflicted with chronic or terminal illnesses, so consider switching to a vegetarian diet in an effort to prevent the development of some diseases. It has been medically proven that poor eating habits are a major contributor to many health conditions. Diseases like these can cost a lot in hospital bills. A vegetarian diet can prevent some types of chronic diseases. Insurance companies are just starting to realize this. Not only can a vegetarian lifestyle bring down the amount of money you spend on healthcare, it can help you live longer.

70. Pay attention to your bills. Even with an insurance plan, you might find yourself having to pay expensive bills, especially if you have to buy prescription medication. There are some doctors who don't think of the generic version when writing a prescription. Make sure you shop around before filling a prescription. A generic medication can vary in price from pharmacy to pharmacy.

71. Because there are so many things to take into account when choosing a health insurance policy, it's important you do all you can to be organized and prepared. When you get started, be sure to have all of the documents that you will need ready to go. Also be sure to know what you want and need from your health insurance, be ready to talk about it, and spend some time researching which ones look good to you so that you are happy with your insurance policy.

72. There are plenty of options for you if you have just finished college and you are looking for health insurance. Many employers will provide health insurance for their employees that you can use. Under current health care laws, those under 26 years of age are allowed to remain on the insurance policy of their parents, though this could change. Be sure to check out individual policies, too.

73. Because of certain laws, private insurance is not allowed to be purchased from another state. This can restrict you from being treated at hospital which is out of your state, because your expenses might not be covered. Make sure you review your policy carefully to determine if you are covered out of your state.

74. Make sure you know which hospitals and doctors are covered under your health insurance. If a practitioner that you favor doesn't take your plan, you may need to keep looking. This information should be readily available to you from the health insurance company.

75. If you want to get pregnant in the future, ensure your insurance covers the pregnancy costs. This is important to know because some health insurance plans cannot be used for certain aspects of pregnancy and labor.

76. Read your bills when they arrive. Even if you have a good health plan, you might get charged for items that will surprise you, such as prescription medication. There are some doctors who don't think of the generic version when writing a prescription. Make sure you shop around before filling a prescription. The amount that you will pay for the generic medication may be more at one pharmacy, and less at another.

77. If you are suffering from any disease or condition, make sure you find out what your health insurance company thinks of that! You might not even be eligible for health

insurance from some companies if you have one of these conditions; others charge people with chronic or serious conditions far more each month than people who don't have these conditions. Doing your homework is the best way to obtain the best possible premiums.

78. It's a good idea to make sure you're healthy before applying for a life insurance policy. In order to cut costs, try switching to a vegan lifestyle or eliminate some other bad habits. The medical industry advises that poor eating can lead to chronic diseases. The expense of treating diet-related diseases, such as diabetes, heart disease and stroke are astronomical over time. Your chance of developing a lifelong disease or condition can be greatly reduced by what you eat. A vegetarian diet, for example, can lessen your chances of developing many chronic conditions. Insurers have started to recognize this. In other words, a balanced vegetarian diet can save more than money - it can save your life.

79. Choose the health insurance policy which fits your needs to a "T". You can choose from PPO, HMO and POS. Each of these options offers different features and benefits, so you must compare each plan before agreeing to pay for coverage. Make sure that you have the option to keep the doctor that you currently use.

80. If you do not visit the doctor very much, you should look into starting an HSA, or Healthcare Savings Account. Savings from premiums or deductibles go into this account and the money that is put into your HSA is not subject to state or federal taxes.

81. There are so many different factors to consider when choosing a health insurance plan. When you begin your process, get everything in order, discuss what you need, research various companies and make sure you're happy with your future policy.

82. Don't neglect to purchase health insurance, especially for your children. Children can also have health complications which can prove to be very expensive if not covered by adequate health insurance policies. By insuring your children, you will be able to financially afford all of the medical attention they need, including preventative medical care.

83. Look online for quotes and to compare prices. Visit the websites of several companies to get a quote, or you can use a website that includes quotes for several companies.

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Special Bonus:

4. Sixty One Ways to Save Money

Here is a list of tips and ideas that will help you save money in various areas of your life:

Airline Fares

- 1.You may lower the price of a round trip air fare by as much as two-thirds by making certain your trip includes a Saturday evening stay over, and by purchasing the ticket in advance.
- 2.To make certain you have a cheap fare, even if you use a travel agent, contact all the airlines that fly where you want to go and ask what the lowest fare to your destination is.
- 3.Be flexible, if possible. Consider using low fare carriers or alternative airports and keep an eye out for fare wars.

Car Rental

- 1.Since car rental rates can vary greatly, shop around for the best basic rates. Ask about any additional charges (extra driver, gas, drop-off fees) and special offers.
- 2.Rental car companies offer various insurance and waiver options. Check with your automobile insurance agent and credit card company in advance to avoid duplicating any coverage you may already have.

New Cars

- 1.You can save thousands of dollars over the lifetime of a car by selecting a model that combines a low purchase price with low financing, insurance, gasoline, maintenance, and repair costs. Ask your local librarian for new car guides that contain this information.
- 2.Having selected a model, you can save hundreds of dollars by comparison shopping. Call at least five dealers for price quotes and let each know that you are calling others.
- 3.Remember there is no "cooling off" period on new car sales. Once you have signed a contract, you are obligated to buy the car.

Used Cars

- 1.Before buying any used car:
 - Compare the seller's asking price with the average retail price in a "bluebook" or other guide to car prices found at many libraries, banks, and credit unions.
 - Have a mechanic you trust check the car, especially if the car is sold "as is."
- 2.Consider purchasing a used car from an individual you know and trust. They are more likely than other sellers to charge a lower price and point out any problems with the car.

Auto Leasing

- 1.Don't decide to lease a car just because the payments are lower than on a traditional auto loan. The leasing payments may be lower because you don't own the car at the end of the lease.
- 2.Leasing a car is very complicated. When shopping, consider the price of the car (known as the capitalized cost), your trade-in allowance, any down payment, monthly

payments, various fees (excess mileage, excess "wear and tear," end-of- lease), and the cost of buying the car at the end of the lease. Keys to Vehicle Leasing: A Consumer Guide, published by the Federal Reserve Board and Federal Trade Commission, is a valuable source of information about auto leasing.

Gasoline

1. You can save hundreds of dollars a year by comparing prices at different stations, pumping gas yourself, and using the lowest-octane called for in your owner's manual.
2. You can save up to \$100 a year on gas by keeping your engine tuned and your tires inflated to their proper pressure.

Car Repairs

1. Consumers lose billions of dollars each year on unneeded or poorly done car repairs. The most important step that you can take to save money on these repairs is to find a skilled, honest mechanic. Before you need repairs, look for a mechanic who:

- is certified and well established;
- has done good work for someone you know; and
- communicates well about repair options and costs.

Auto Insurance

1. You can save several hundred dollars a year by purchasing auto insurance from a licensed, low-price insurer. Call your state insurance department for a publication showing typical prices charged by different companies. Then call at least four of the lowest-priced, licensed insurers to learn what they would charge you for the same coverage.
2. Talk to your agent or insurer about raising your deductibles on collision and comprehensive coverages to at least \$500 or, if you have an old car, dropping these coverages altogether. Taking these steps can save you hundreds of dollars a year.
3. Make certain that your new policy is in effect before dropping your old one.

Homeowner/Renter Insurance

1. You can save several hundred dollars a year on homeowner insurance and up to \$50 a year on renter insurance by purchasing insurance from a low-price, licensed insurer. Ask your state insurance department for a publication showing typical prices charged by different licensed companies. Then call at least four of the lowest priced insurers to learn what they would charge you. If such a publication is not available, it is even more important to call at least four insurers for price quotes.
2. Make certain you purchase enough coverage to replace the house and its contents. "Replacement" on the house means rebuilding to its current condition.

3. Make certain your new policy is in effect before dropping your old one.

Life Insurance

1. If you want insurance protection only, and not a savings and investment product, buy a term life insurance policy.

2. If you want to buy a whole life, universal life, or other cash value policy, plan to hold it for at least 15 years. Canceling these policies after only a few years can more than double your life insurance costs.

3. Check your public library for information about the financial soundness of insurance companies and the prices they charge. The July 1998 issue of Consumer Reports is a valuable source of information about a number of insurers.

Checking

1. You can save more than \$100 a year in fees by selecting a checking account with a low (or no) minimum balance requirement that you can, and do, meet. Request a list of these and other fees that are charged on these accounts.

2. Banking institutions often will drop or lower checking fees if paychecks are directly deposited by your employer. Direct deposit offers the additional advantages of convenience, security, and immediate access to your money.

Savings and Investment Products

1. Before opening a savings or investment account with a bank or other financial institution, find out whether the account is insured by the federal government (FDIC or NCUA). An increasing number of products offered by these institutions, including mutual stock funds and annuities, are not insured.

2. To earn the highest return on savings (annual percentage yield) with little or no risk, consider certificates of deposit (CDs) and treasury bills or notes.

3. Once you select a type of savings or investment product, compare rates and fees offered by different institutions. These rates can vary a lot and, over time, can significantly affect interest earnings.

Credit Cards

1. You can save as much as a thousand dollars or more each year in lower credit card interest charges by paying off your entire bill each month.

2. If you are unable to pay off a large balance, pay as much as you can and switch to a credit card with a low annual percentage rate (APR). For a modest fee, RAM Research Corp. (800-344-7714) will send you a list of low-rate cards. You can obtain a list of low-rate cards by accessing "www.ramresearch.com.cardtrack" on the Internet.

3. You can reduce credit card fees, which may add up to more than \$100 a year, by getting rid of all but one or two cards, and by avoiding late payment and over-the-credit limit fees.

Auto Loans

1. If you have significant savings earning a low interest rate, consider making a large down payment or even paying for the car in cash. This could save you as much as several thousand dollars in finance charges.

2. You can save as much as hundreds of dollars in finance charges by shopping for the cheapest loan. Contact several banks, your credit union, and the auto manufacturer's own finance company.

First Mortgage Loans

1. Although your monthly payment may be higher, you can save tens of thousands of dollars in interest charges by shopping for the shortest-term mortgage you can afford. On a \$100,000 fixed-rate loan at 8% annual percentage rate (APR), for example, you will pay \$90,000 less in interest on a 15-year mortgage than on a 30-year mortgage.

2. You can save thousands of dollars in interest charges by shopping for the lowest-rate mortgage with the fewest points. On a 15-year, \$100,000 fixed-rate mortgage, just lowering the APR from 8.5% to 8.0% can save you more than \$5,000 in interest charges. On this mortgage, paying two points instead of three would save you an additional \$1,000.

3. If your local newspaper does not periodically run mortgage rate surveys, call at least six lenders for information about their rates (APRs), points, and fees. Then ask an accountant to compute precisely how much each mortgage option will cost and its tax implications.

4. Be aware that the interest rate on most adjustable rate mortgage loans (ARMs) can vary a great deal over the lifetime of the mortgage. An increase of several percentage points might raise payments by hundreds of dollars per month.

Mortgage Refinancing

1. Consider refinancing your mortgage if you can get a rate that is at least one percentage point lower than your existing mortgage rate and plan to keep the new mortgage for several years or more. Ask an accountant to calculate precisely how much your new mortgage (including up-front fees) will cost and whether, in the long run, it will cost less than your current mortgage.

Home Equity Loans

1. Be cautious in taking out home equity loans. These loans reduce the equity that you have built up in your home. If you are unable to make payments, you could lose your home.

2. Compare home equity loans offered by at least four banking institutions. In comparing these loans, consider not only the annual percentage rate (APR) but also points, closing costs, other fees, and the index for any variable rate changes.

Home Purchase

1. You can often negotiate a lower sale price by employing a buyer broker who works for you not the seller. If the buyer broker or the broker's firm also lists properties, there may be a conflict of interest, so ask them to tell you if they are showing you a property that they have listed.

2. Do not purchase any house until it has been examined by a home inspector that you selected.

Renting a Place to Live

1. Do not limit your rental housing search to classified ads or referrals from friends and acquaintances. Select buildings where you would like to live and contact their building manager or owner to see if anything is available.

2. Remember that signing a lease probably obligates you to make all monthly payments for the term of the agreement.

Home Improvement

1. Home repairs often cost thousands of dollars and are the subject of frequent complaints. Select from among several well established, licensed contractors who have submitted written, fixed-price bids for the work.

2. Do not sign any contract that requires full payment before satisfactory completion of the work.

Major Appliances

1. Consult Consumer Reports, available in most public libraries, for information about specific brands and how to evaluate them, including energy use. There are often great price and quality differences among brands.

2. Once you've selected a brand, check the phone book to learn what stores carry this brand, then call at least four of these stores for the prices of specific models. After each store has given you a quote, ask if that's the lowest price they can offer you. This comparison shopping can save you as much as \$100 or more.

Electricity

1. To save as much as hundreds of dollars a year on electricity, make certain that any new appliances you purchase, especially air conditioners and furnaces, are energy-efficient. Information on the energy efficiency of major appliances is found on Energy Guide Labels required by federal law.

2. Enrolling in load management programs and off-hour rate programs offered by your electric utility may save you up to \$100 a year in electricity costs. Call your electric utility for information about these cost-saving programs.

Home Heating

1. A home energy audit can identify ways to save up to hundreds of dollars a year on home heating (and air conditioning). Ask your electric or gas utility if they can do this audit for free or for a reasonable charge. If they cannot, ask them to refer you to a qualified professional.

Local Telephone Service

1. Check with your phone company to see whether a flat rate or measured service plan will save you the most money.

2. You will usually save money by buying your phones instead of leasing them.

3. Check your local phone bill to see if you have optional services that you don't really need or use. Each option you drop could save you \$40 or more each year.

Long Distance Telephone Service

1. Long distance calls made during evenings, at night, or on weekends can cost significantly less than weekday calls.

2. If you make more than a few long distance calls each month, consider subscribing to a calling plan. Call several long distance companies to see which one has the least expensive plan for the calls you make.

3. Whenever possible, dial your long distance calls directly. Using the operator to complete a call can cost you an extra \$6.

Food Purchased at Markets

1. You can save hundreds of dollars a year by shopping at the lower-priced food stores. Convenience stores often charge the highest prices.

2. You will spend less on food if you shop with a list.

3. You can save hundreds of dollars a year by comparing price-per-ounce or other unit prices on shelf labels. Stock up on those items with low per-unit costs.

Prescription Drugs

1. Since brand name drugs are usually much more expensive than their generic equivalents, ask your physician and pharmacist for generic drugs whenever appropriate.

2. Since pharmacies may charge widely different prices for the same medicine, call several. When taking a drug for a long time, also consider calling mail-order pharmacies, which often charge lower prices.

Funeral Arrangements

1. Make your wishes known about your funeral, memorial, or burial arrangements in writing. Be cautious about prepaying because there may be risks involved.
2. For information about the least costly options, which could save you several thousand dollars, contact a local memorial society, which is usually listed in the Yellow Pages under funeral services.
3. Before selecting a funeral home, call several and ask for prices of specific goods and services, or visit them to obtain an itemized price list. You are entitled to this information by law and, by using it to comparison shop, you can save hundreds of dollars.

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