

How does health insurance providers get a license?

Contributed by Administrator
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The market is flooded with health insurance providers and related agents. The internet is also loaded with offers and quotes of health insurance providers. The growing medical expense related to quality treatment in the American systems requires insurance as a mandatory addition and not as an option.

The federal government stresses insurance as an obligation and sparing such may be foolish and absolute lack of financial responsibility. Each state operates its own set of rules to control and regulate the health insurance providers and their related services in a particular state.

All of the health insurance providers should be registered with the state to provide the insurance service. This aspect is important and mandated because the state ensures the financial capability of the insurance company, their reliability and performance in processing claims before granting the license to sell insurance in the state. This is done because there is a risk of companies declaring bankruptcy at times.

The state specifically looks in to the following aspects of before finally giving them the license to sell insurance in the state:-

- The financial standing of the company
- The speed and reliability with which the claims are processed
- The price offered against the benefits
- The call center and related customer service portfolio of the provider

The health insurance providers in turn enjoy the security of the regulations that control insurance fraud related issues. In some cases clients are likely to file wrong claims to the health insurance providers to get money. Some people detain certain sensitive health ailments for requiring coverage for low price. Such deeds are related to insurance fraud and at such hours the state laws support the health insurance providers to cancel the policy and nullify all payments without any refunds.

Not only does the health insurance providers are benefited, the people who file with such providers also benefit in that with any issues that people develop relating to claims processing, empty promises, hike in price, hidden bills or premium refunds and renewals can be addressed to the Department of Insurance of the State for resolution. Having insurance from health insurance providers authorized by the state is only a valid form of insurance and anything otherwise is not valid in any state. Be sure that your provider is licensed to sell insurance within your state. A high output provider in another state may have a low service rate or no permission in a different state.