

SelfInformed

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Member Spotlight

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Navigating Insurance for the Self-Employed

In the United States, self-employed individuals and business owners face unique challenges when it comes to securing health insurance. Unlike employees of larger corporations, who often have access to employer-sponsored health insurance plans, the self-employed must secure their own path to coverage. To help members navigate the health insurance landscape, we have compiled an overview of the various health insurance options available to self-employed individuals and businesses. This guide focuses on little-known ways to get coverage, the Health Insurance Marketplace, open enrollment periods, supplementary plans. We also detail the financial benefits NASE membership provides that can save you thousands of dollars when shopping for coverage.



Understanding Your Health Insurance Options

The insurance option that is right for you depends on a variety of highly individual factors: your age, income, whether you are a small business owner or an individual. Although most self-employed people use the health insurance marketplace to get coverage, let's briefly explore some of the lesser-known options available to the self-employed:

Self-Insurance

Self-insurance, where individuals or businesses set aside funds to cover their own risks instead of buying insurance, is growing in popularity for its potential cost savings and control over risk management. However, only about 11% of small businesses/family businesses use this approach, largely due to the financial risks and the need for significant reserves to cover potential claims. The strategy is even less suitable for individuals or micro business owners, as most lack the necessary financial resources to handle significant unexpected expenses from health issues, accidents, or property damage. Despite the appeal of saving on premiums, the financial instability that can result from self-insuring makes it an impractical choice for the average person. This option is only recommended for individuals or small businesses with a stable cash flow and high income. Even then, hospitals and drug companies often refuse to negotiate their official (chargemaster) rates with individuals, even while charging a fraction of that price to insurers with greater negotiating power.

Savings Options: HRAs and HSAs

In contrast to self-insurance alone, savings options of HRAs and HSAs empower consumers to have with greater discretion over their health care funds. There are two primary savings options available, each governed by distinct U.S. tax law guidelines:

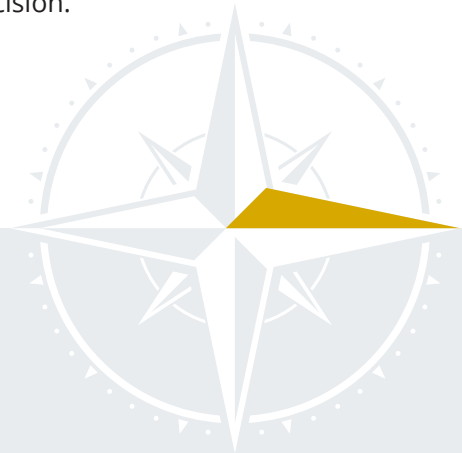
- **Health Reimbursement Arrangement (HRA):** These plans allow for employers to pay for qualified medical expenses incurred by eligible employees including deductibles, co-payments, premiums, etc. Employees choose and pay for their own medical expenses and then request reimbursement from the employer. These plans are extremely flexible and allow the employer to set limits as long as they meet applicable non-discrimination rules. Included with NASE membership are tools to set up an HRA plan for free.
- **Health Savings Account (HSA):** Contrary to HRAs, HSAs can be established by individuals, with employers also able to contribute. HSAs are notable for being owned by the employee, offering a valuable tool for self-employed professionals. To open an HSA, individuals must be enrolled in a qualified HDHP. The contributions are tax-deductible, and for 2024, the maximum contribution limits were set at \$4,150 for a single plan and \$8,300 for a family plan, with an additional \$1,000 allowance for those 55 and older. Unlike HRAs, HSAs have specific eligibility requirements, including restrictions based on age and coverage under other health insurance plans.

Many consumers combine HRAs and HSAs with a High Deductible Health Plan (HDHP), which allows for coverage for catastrophic care combined with low premiums compared to other plans. It does, however, come with a high deductible, so you will need to contribute a substantial amount before the plan starts paying for your care. These plans provide significant tax advantages for entrepreneurs focused on growing a business.

Medicare and Medicaid

It is important to remember that some self-employed individuals have the opportunity to access government-sponsored health insurance plans like Medicare and Medicaid. Medicare is available to individuals who are 65 years or older, as well as to younger people with certain disabilities or conditions, such as End-Stage Renal Disease. On the other hand, Medicaid eligibility is primarily determined by income level and varies by state, aiming to assist those with limited income and resources.

Both programs are intended to be accessible for those in need, offering various coverage options to support health and well-being. While enrolling in these programs is a personal choice, self-employed individuals building a business should consider their health needs, financial situation, and the specific eligibility requirements of each program to make an informed decision.



The Health Care Marketplace: Best Choice for Most Self-Employed Individuals

Although the aforementioned options work well for many people, most self-employed individuals and businesses will either not qualify or find these options appropriate for their situation.

Most self-employed individuals are best off looking for an individual or family plan on the health insurance marketplace, [healthcare.gov](https://www.healthcare.gov). Established by the Affordable Care Act (ACA), it is a key resource for self-employed individuals seeking health insurance. It offers a variety of plans from private insurers that cater to different needs and budgets. Plans are categorized into four “metal” levels: Bronze, Silver, Gold, and Platinum, each offering a balance of monthly premiums and out-of-pocket costs. Self-employed individuals can compare plans based on premiums, deductibles, co-payments, and coverage options to find the best fit for their health care needs and financial situation. There are also tax credits available to qualifying individuals to help ease the cost of care.

Bronze: High-Deductible Health Plans

Most “Bronze” plans sold on the health insurance marketplace are the aforementioned HDHPs, which are characterized by higher deductibles than traditional health insurance plans, which in turn lowers their premium costs. After you hit the deductible, the insurer will pay 60% of medical costs, while you pay 40%. This model has seen a remarkable uptick in adoption over the past two decades. In 2004, only 4% of Americans were enrolled in a HDHP, but that number had risen to 29% of all workers by 2016. Today, due to rising health care costs and premiums, over 50% of workers are enrolled in HDHPs. These plans are often paired with savings options like aforementioned HSAs to provide a financial cushion for the high deductibles, leading to their designation as consumer-directed health plans.

Silver, Gold, and Platinum Plans

The remaining plans on the healthcare marketplace offer progressively lower copays, coinsurance costs, and deductibles in exchange for higher premiums:

Silver Plans

The insurer covers 70%, you cover 30%. Silver plans offer moderate monthly premiums and costs, with lower deductibles than Bronze. They're a good choice if you're eligible for cost-sharing reductions, balancing between premium costs and coverage for routine care.

Gold Plans

The insurer pays 80%, you pay 20%. With high monthly premiums but lower out-of-pocket costs when you need care, Gold plans are suited for those who expect to use their insurance frequently and prefer to pay more monthly for extensive coverage.

Platinum Plans

The insurer covers 90%, you cover 10%. These plans have the highest monthly premiums but offer the lowest costs when you receive care, with very low deductibles. Ideal for those with significant healthcare needs who are willing to pay premium rates for nearly full coverage.

Each of these plans have tradeoffs, but the variety of plans available for individuals, small business, and microbusiness owners makes healthcare.gov the preferred choice when looking for insurance.



How To Sign Up For a Health Care Marketplace Plan: Open Enrollment

Once you have decided on the type of plan you want, it's crucial to be aware of the open enrollment period for the Health Insurance Marketplace. Open enrollment typically runs from November 1 to December 15 each year, with coverage starting on January 1 of the following year. During this period, individuals can enroll in a new plan or make changes to their existing plan. Special enrollment periods are also available for those who experience qualifying life events, such as marriage, birth of a child, or loss of other health coverage.

Supplementary Plans

In addition to standard health insurance plans, self-employed individuals may consider supplementary plans to cover additional health care needs. These can include dental and vision insurance, critical illness insurance, and short-term health insurance plans:

- **Dental and Vision Insurance** – These plans cover routine and preventive care specific to dental and eye health, helping manage costs of treatments, eyewear, and exams not included in standard health plans.
- **Critical Illness Insurance** – This type of insurance provides a lump sum cash benefit upon diagnosis of a severe illness, aiding in covering the extensive costs of treatments and financial obligations beyond regular health coverage.
- **Short-term Health Insurance Plans** – This option offers temporary health coverage to bridge gaps between long-term policies, with a focus on immediate, short-term health care needs rather than comprehensive coverage.

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Each month NASE publishes a new Member Spotlight in our e-Newsletter called SelfInformed, a national newsletter **sent to over 50,000 members across the country** with the latest news about the self-employed and micro-business community. As part of this national e-Newsletter, we want to shine a spotlight on those members, regardless of where they live, who are operating successful businesses that are growing and thriving.

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Small Business Resources

AARP Sponsored Growth Grants

AARP is committed to supporting older entrepreneurs. AARP is collaborating with the NASE as a supporter of the Growth Grants program. The grants are targeting **NASE Members** who are minority business owners aged 45 and older. Through this partnership NASE and AARP are working to provide greater access to capital for business growth.

[Click Here to Learn More!](#)

Apply for a NASE Growth Grant sponsored by AARP today. There will be three winners each quarter awarded a \$4,000 grant to support the growth of their business.

[Sponsorship Showcase](#)



MEMBER SPOTLIGHT

Patrice McLaurin

My name is Patrice McLaurin. I'm an Image Activist and educator at heart, turned entrepreneur, who is dedicated to empowering and inspiring young minds through literature. With a background in developing educational programs and a deep commitment to positive representation, I founded Khemrah Publishing, LLC. The company focuses on creating diverse, educational, and enriching children's books that integrate STEAM (Science, Technology, Engineering, Art, and Mathematics) and Social Emotional Learning (SEL) principles. Through my work, I aim to help mitigate the nation's literacy crisis, promote cultural awareness, and foster a more empathetic and compassionate society.

When and why did you join NASE?

I only recently joined NASE, after discovering it online. I joined because I wanted to connect with a network of like-minded entrepreneurs who are passionate about growing their businesses. NASE provides valuable resources, support, and advocacy for self-employed individuals and small business owners, which are essential for navigating the challenges of running a business. The access to expert advice, educational opportunities, and the potential for grants and scholarships made NASE an invaluable partner in my journey to expand Khemrah Publishing and make a greater impact in our community.

What inspired you to enter the field you are in?

I was inspired to enter the field of children's publishing because of my passion for education and positive representation. Growing up, I saw, and experienced, the disturbing impact that negative, stereotypical storytelling can have on a community,



particularly it's children. This motivated me to create books that not only entertain but also educate and empower through accurate reflections. I wanted to provide children with literature that mirrors their experiences, fosters critical thinking, and promotes a more empathetic and compassionate society.

When and why did you start your business?

I started Khemrah Publishing, LLC in 2019, after operating as a sole proprietor for 3 years. I realized that I was deeply committed to this work, so I created the LLC to strengthen my impact in addressing the critical need for diversity in children's literature.

Again, after developing a firm understanding of the weight of negative stereotypes on my community, I felt a deep responsibility to create stories that humanized it. My goal is to inspire, empower, and uplift young minds through storytelling, fostering a love for reading and promoting cultural awareness. By integrating STEAM and Social Emotional Learning principles, I aim to provide meaningful and enriching content that supports both personal and educational growth.

How do you market your business?

At Khemrah Publishing, we employ a multifaceted marketing approach to reach our audience and promote our mission. We leverage social media platforms like Facebook, Instagram, and TikTok to share engaging content and connect with parents, educators, and young readers. Additionally, we participate in community events to build relationships and raise brand awareness. Collaborating with schools, libraries, and educational institutions helps us integrate our books into curriculums and literacy programs. We also use targeted email marketing campaigns to keep our audience informed about new releases and special events.

What challenges have you faced in your business? How have you overcome them?

As a single member LLC, managing all of the aspects of Khemrah Publishing can be challenging. Balancing administrative tasks, marketing, product development, and community engagement often feels overwhelming. To overcome these challenges, we prioritize time management and use project management tools to stay organized.



Additionally, building brand awareness in a competitive market with limited resources can be challenging. To overcome this, we leverage social media and digital marketing to reach a broader audience. We also collaborate with schools and libraries, furthering our reach.

Lastly, there is the challenge of securing funding for product development. Applying for grants and forming strategic partnerships help provide the financial support needed to expand our offerings and continue our mission.

Do you have any employees?

While I currently manage Khemrah Publishing on my own, I do plan to expand and add team members in the future. As the business grows,

bringing on additional staff will be essential to handle increased responsibilities and continue our mission effectively. Adding employees will allow us to enhance our product offerings, reach a broader audience, and make a greater impact on the community. However, for now, I appreciate the hands-on experience and personal touch that comes with running the business myself.

What's your schedule like, what's a typical day for you?

A typical day for me at Khemrah Publishing usually starts around 9 AM. I begin with administrative tasks such as checking emails, responding to inquiries, managing orders, etc. My afternoons are dedicated to marketing efforts, such as planning social media content and engaging with our audience online. During the school year, my days are often filled with either virtual or onsite author visits. This, by the way, is my absolute favorite part of the gig. During the summer months, my weeks include community engagement and vending events. Balancing these tasks ensures that every aspect of the business runs smoothly.

What's the best thing about being self-employed?

The best thing about being self-employed is the freedom and flexibility it offers. I have the autonomy to make decisions that align with my vision and values for Khemrah Publishing. This independence allows me to pursue projects that I am passionate about and create a meaningful impact in the community. Additionally, the ability to manage my schedule enables me to balance professional and personal commitments more effectively, ensuring that I can focus on what truly matters to me and my business.

What's the best compliment you've ever received from a client?

When a mother emailed me and informed me that because of the Black Inventors that are highlighted in my book, *Have You Thanked an Inventor Today?*, her son became excited about science, his grades improved and he was accepted into the NASA Science Camp. He told his mother, "they look like me!" That made my publisher and educator heart burst with joy! Hearing stories like that keeps me motivated and grounded.



What's the most important piece of advice you would give to someone starting their own business?

The most important piece of advice I would give to someone starting their own business is to stay resilient and adaptable. Challenges and setbacks are inevitable, but your ability to persevere and pivot when necessary will define your success. Surround yourself with a supportive network, seek advice from mentors, and continuously educate yourself. Most importantly, stay true to your vision and passion, as they will be your guiding force through the ups and downs of entrepreneurship.

Which NASE member benefit is most important to you?

The most important NASE member benefit to me is the access to expert advice and resources. The guidance provided by industry professionals and the educational opportunities available through NASE are invaluable in helping me navigate the

complexities of running a business. Whether it's advice on financial management, marketing strategies, or grant applications, these resources will empower me to make informed decisions and grow Khemrah Publishing effectively. I'm certain that this support network will continue to be beneficial in helping me to achieve my business goals.

Any other information you would like to share?

I am deeply passionate about the mission of Khemrah Publishing, and I believe in the transformative power of diverse and inclusive literature. Our books not only entertain but also educate, fostering critical thinking and empathy in young readers. As we look to the future, I am excited about the opportunities to expand our reach and impact, particularly through community initiatives and digital platforms. I am grateful for the support of organizations like NASE, which empower small business owners to thrive and make a difference.



Small Business Administration

Disaster Assistance for Hurricane Helene & Hurricane Milton

Over the last week following Hurricane Helene and Hurricane Milton, President Biden has approved disaster declarations in **Florida, Georgia, North Carolina, South Carolina, Tennessee, and Virginia**, enabling federal aid, including **SBA's disaster assistance loan programs**, to assist state and local recovery efforts in the areas affected by the storm.

The Small Business Administration's (SBA) disaster assistance loan programs offer low-interest loans to help businesses and homeowners recover from declared disasters. Small businesses, homeowners, renters and private nonprofit organizations who are located in a declared disaster area and meet other criteria depending on the type of loan may be eligible.

Disaster loans must broadly be used for:

- Losses not covered by insurance or funding from the Federal Emergency Management Agency for both personal and business
- Business operating expenses that could have been met had the disaster not occurred

The following SBA disaster loans are available to businesses impacted by Hurricane Helene:

- **Economic Injury Disaster Loans (EIDL):** Funding to small businesses and nonprofits located in a declared disaster area which have suffered substantial economic injury, meaning the business is unable to meet financial obligations and pay its regular and necessary operating expenses. EIDL provides the necessary working capital to help small businesses impacted by a disaster survive until normal operations resume.

- **Business physical disaster loans:** Loans up to \$2 million to qualified businesses and nonprofit organizations to cover repairs and replacement of physical assets damaged in a declared disaster not fully covered by insurance. Loan proceeds may be used for the repair or replacement of real property, machinery, equipment, fixtures, inventory and leasehold improvements.
- **Home disaster loans:** Loans up to \$500,000 for homeowners and \$100,000 for renters to repair or replace disaster-damaged real estate and personal property, including clothing, furniture, cars, and appliances.

Individuals must apply for physical damage loans by late November or early December and economic injury loans by late June or early July depending on the state.

It is worth noting that depending on the overall impact of Hurricane Helene and Hurricane Milton, Congress may need to appropriate more funding to the SBA disaster programs. Congressional funding to the SBA's loan programs has been a point of disagreement among Republicans and Democrats in recent years. The continuing resolution signed last week included no new funds for the disaster programs, the SBA's disaster loan program account is **99% obligated for FY 2025**, and the EIDL program has only been granted **\$63 million in spending authority for FY 2025**.

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