

Why Health Insurance Costs Continue to Skyrocket

Insurance is a hedge against the possibility of future expenses. Expecting to purchase insurance after the fact to pay for preexisting conditions is not only ridiculous but it represents a fundamental misunderstanding of what insurance actually is. Insurance is a method to pool risk. Preexisting conditions aren't a risk, they're a reality. Laws requiring insurance companies to accept people with preexisting conditions and to pay for ongoing and easily anticipated treatment expenses are one of the most significant reasons why health insurance (and healthcare) costs are continuing to skyrocket.

The truth is that the health insurance industry isn't even insurance any longer. It's just a capitalistic facade for a system of socialized medicine based on subsidies. As a healthy individual, your insurance rates are double or triple (or more) the market equilibrium price because you are being coerced into funding the consumption of others. (And that's in addition to the hundreds of billions in tax dollars spent directly on subsidized health care every year.) The idea that the U.S. doesn't have socialized medicine is a fallacy.