

Insurance, or Forced Charity?

On a Facebook thread (not mine) that I saw recently, someone wrote, as an objection to the idea of turning health care over to the market, “In a totally free market for healthcare, people with pre-existing conditions would be denied coverage.”

Well, yes. Insurance pertains to compensating people who experience a contingency that beforehand no one knew would occur in that person’s case. You cannot insure against events that have already happened; that’s not what insurance does. To pay for the care of people with preexisting conditions is simply to transfer income in a completely predictable manner.

But then the question is: Why would anyone sign up for a deal that obliges them to pay for the care of other people currently known to have the condition to be treated? Doing so would be like donating money to charity and have nothing at all to do with insurance. Naturally coverage of preexisting conditions occurs only when the government forces it. And of course such coercion greatly elevates the premiums that people must pay for the “insurance.”