

# Can I Get Health Insurance if I Start a Home-based Business?

Andrea Bassett | May 3, 2020



# Can I Get Health Insurance if I Start a Home-based Business?

---

 [wfh-canada.com/can-i-get-health-insurance-if-i-start-a-home-based-business](https://wfh-canada.com/can-i-get-health-insurance-if-i-start-a-home-based-business)

May 3, 2020

Starting a home-based business means leaving many things behind: your commute to the office, bad office coffee and your cushy benefits plan. But, if you're youngish, healthy and dependent-free, you can probably skip health insurance for a while *if necessary*. But should you? Probably not. Today, let's look at the difference between benefits and health insurance, types of health insurance options for owners of home-based businesses and where to find them.

## The difference between health insurance and benefits

---

People sometimes use the terms and health insurance and benefits interchangeably but they're not quite the same. Insurance is associated with risk. For example, with health insurance, you pay a premium for coverage that you may never use. This risk for you is you pay premiums and get nothing in return. The risk for the insurance company is you pay your premium twice and then experience a catastrophic and expensive health event.

Health insurance is often part of benefits plans.

Benefits, on the other hand, are what we get to use or spend throughout the year, including health-related perks. For example, this includes your company (which is now you) paying for your visits to the dentist, chiropractor or physiotherapist, up to a certain amount per year.

Home-based business owners can get health insurance and benefits through traditional benefits plans and plans based on healthcare spending accounts.

## What is a healthcare spending account and who can use one?

---

A healthcare spending account is a private health services plan/benefits account that lets you pay for healthcare expenses—including insurance—through your company. For entrepreneurs who run a home-based business, healthcare spending accounts are a popular option for solving their health insurance issue.

However, not all home-based businesses can use a healthcare spending account. According to the [Canada Revenue Agency](#), "Incorporated businesses, including shareholder employees and all other corporate employees, are eligible to participate in an HSA. Corporations with as few as one employee can be eligible as well. If the business is a sole

proprietorship *with no arm's-length employees*, the CRA does not consider an HSA to be a private health services plan and any costs incurred for amounts paid to this account are not deductible business expenses.” [Emphasis mine.]

## Healthcare insurance options for owners of home-based businesses

---

If you run a home-based business, there are many options for health insurance. Here's a short list to get you started.

### Seven health insurance options for home-based business owners:

1. **INSURDINARY** – This company allows you to “compare plans from the best health insurance companies in Canada.”
2. **BeniPlus** – This company specializes in providing affordable benefits, including health insurance, to incorporated small business owners and their employees. [Full disclosure: BeniPlus is my client.]
3. **Olympia Benefits** – They help incorporated professionals with no arm's-length employees and businesses with one or more one arm's-length employee.
4. **Special Benefits Insurance Services Agency** – This independent brokerage has provided benefits to self-employed people since 1993.
5. **Green Shield Canada** – Their Health Assist Zone plans are recommended by UNIFOR, the Canadian Freelance Union.
6. **Ontario Blue Cross** – From this page, you can find the plan that works for you or compare their plans for self-employed people side by side.
7. **Manulife** – If you have two or more employees (including yourself), you can get health insurance and benefits through Manulife.

## Conclusion

---

Health insurance is available for home-based business owners and it's a good idea to get some—especially if you've got dependents who count on you.

Posted in [Insurance](#)