

- Compare rates
- News
- Basics
- Calculators
- Q & A
- Tips

## Medical bills trigger 62% of bankruptcies

Big hospital and doctor bills, not credit card debt, are the major reason most Americans file for bankruptcy.

And the problem just keeps getting worse.

A couple of years ago, about half of all bankruptcies were caused by doctor and hospital expenses that families just couldn't pay.

## National bad credit rates

8/29/2009 1:10:21 PM

ARM	Credit card	Home Eq
<a href="#">3/27</a>	—	5.90%
<a href="#">2/28</a>	—	5.88%

[Find rates in your area!](#)

- Advertisement -

Mortgage Rates	Rate	APR	
30 Year Fixed	4.375%	4.712%	<a href="#">Amerisave</a>
15 Year Fixed	3.875%	4.530%	<a href="#">Amerisave</a>
40 Year Fixed	4.875%	5.182%	<a href="#">Amerisave</a>
20 Year Fixed	4.250%	4.795%	<a href="#">Amerisave</a>
7 Year ARM	3.750%	3.844%	<a href="#">Amerisave</a>
5 Year ARM	3.250%	3.661%	<a href="#">Amerisave</a>
3 Year ARM	3.250%	3.701%	<a href="#">Amerisave</a>
FHA	Rate	APR	
30 Year Fixed	4.750%	5.236%	<a href="#">Amerisave</a>
15 Year Fixed	4.250%	4.817%	<a href="#">Amerisave</a>
5 Year ARM	4.000%	3.605%	<a href="#">Amerisave</a>
3 Year ARM	3.750%	3.285%	<a href="#">Amerisave</a>

**AmeriSave** Direct Mortgage Lender  
\*\$250K loan, Jumbo \$425K loan, FL, 89% CLTV, Effective 8/28/2009, Terms apply.

Now a [new study by Harvard Law School, Harvard Medical School and Ohio University](#) says such expenses caused 62% of all personal bankruptcies filed in 2007.

The most shocking finding is that most of those families weren't uninsured. They were underinsured.

More than 75% of the families who filed for bankruptcy because of medical bills had health care coverage of some kind. Their insurance simply didn't pay significant parts of their bills.

Out-of-pocket medical costs averaged \$17,943 for medically bankrupt families, with hospital bills usually the single largest expense.

This was not always the case.

As recently as 1981, only 8% of

families filing for bankruptcy did so because they couldn't pay their medical bills.

If you're worried that medical bills might push you into bankruptcy, you need professional help. Here's where to find a [reputable credit counselor](#) who charges reasonable fees.

By **Erin Brereton**

Interest.com Contributing Editor

interest.com

- Advertisement -

Earn more on your money at Discover Bank.

**2.75%** APY<sup>4</sup>  
3 Year CDs

**DISCOVER**  
BANK  
Member FDIC

Open Online Today!

- Advertisement -