

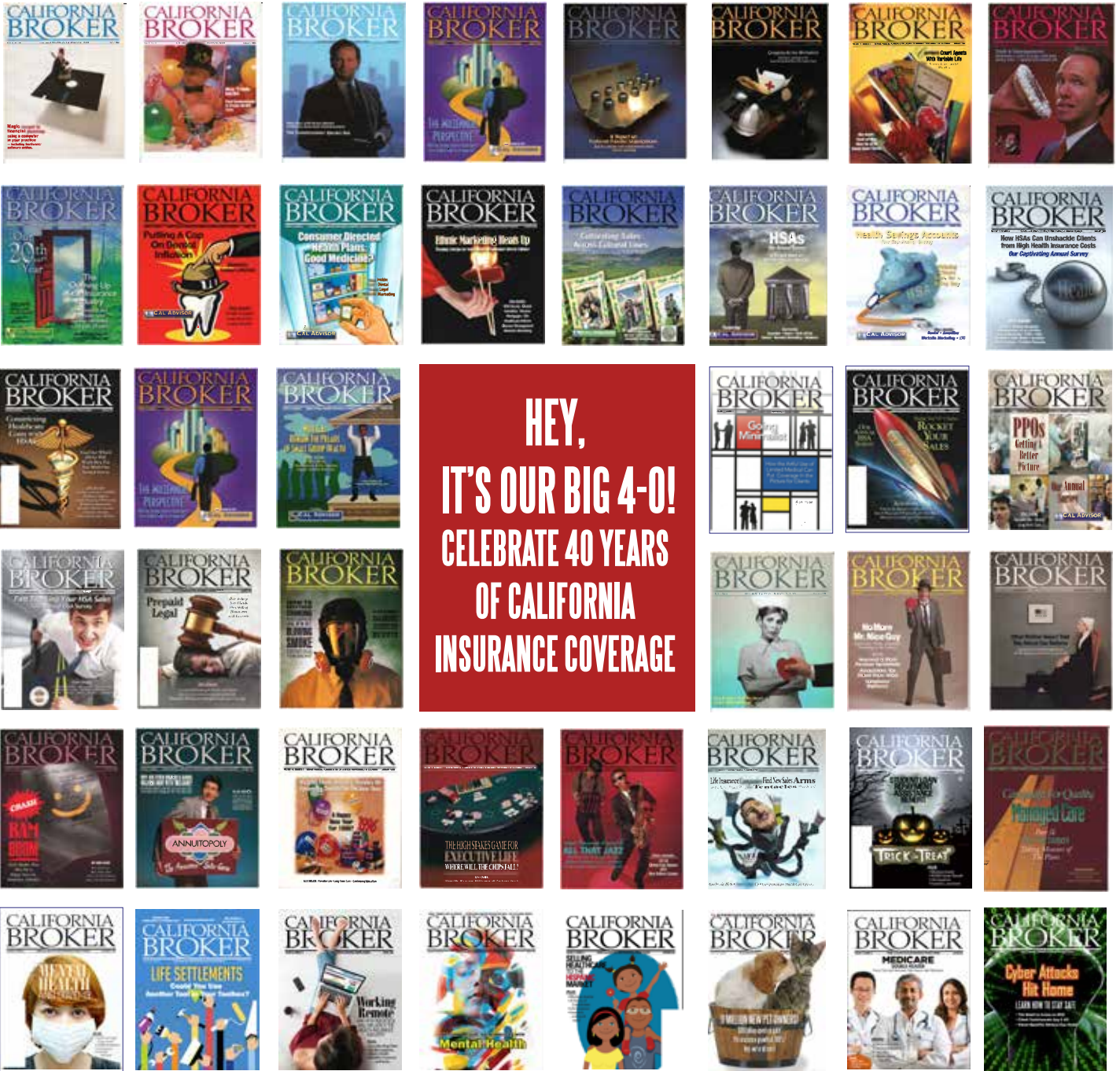
ALSO INSIDE: MEDICARE HEAVYWEIGHTS WEIGH IN | LIFE IS HEATING UP | CONTACTLESS LEGAL IS HERE TO STAY

CALIFORNIA BROKER

VOLUME 40, NUMBER 1

Serving California's Life/Health Professionals & Financial Planners

September 2021





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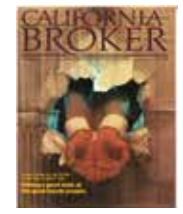
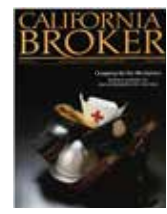
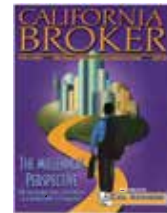


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In addition to providing physical treatment focused on pain relief, quality of life and comfort (versus curative treatments), hospice provides emotional and spiritual support to the patient and family, and respite support to family caregivers as well. Unfortunately, there is also a lot of fraud with hospice.



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**United
Healthcare**



Scenes from the 2021 BenefitsPro Expo in San Diego

We heard that employee benefits folks had a great time down in San Diego at the BenefitsPro conference in person, and we were lucky enough to snag a few photos. You'll undoubtedly recognize Naama O. Pozniak leading meditation. The group pictured on stage are this year's "brokers of the year"!

LIMRA: 2021 LIFE INSURANCE SALES FORECAST LOOKS BETTER THAN EXPECTED

LIMRA recently updated its sales forecast for U.S. retail life insurance for 2021. According to LIMRA, the original forecast needed to be updated because three COVID-19 vaccines were given emergency approval and distributed, two federal relief packages were passed and a last-minute change to life insurance tax law was implemented. These factors, coupled with stronger economic conditions and unprecedented consumer interest in life insurance, have led LIMRA to improve its 2021 sales forecast:

In the first quarter 2021, total individual premium jumped 15% and the number of policies sold increased a record-breaking 11%. With that backdrop, LIMRA expects the U.S. life insurance market to grow between 7% and 11% in 2021, compared with 2020 results. All product lines' premiums except fixed universal life (UL) are expected to improve, with whole life, indexed UL and variable UL projected to experience the largest growth.

Cal Broker Editorial Coverage

California Broker magazine publishes a series of editorial surveys in which thought leaders and providers get to share wisdom and info with readers. Our survey lead is Thora Madden and she puts together a host of surveys -- dental, small group, large group, voluntary benefits and more. If you represent a provider or if you have questions about your company being included in a survey, please reach out to

Thora directly:

Thora@calbrokermag.



CAHU Women's Leadership Summit Reschedules!

We're really excited that the CAHU Women's Leadership Conference announced a new date for its rescheduled CAHU Women's Leadership Summit. Of course, this event was pushed a few times #CUZCOVID. It will finally take place March 14-16, 2022, at Green Valley Ranch in Las Vegas.

More info at **CAHU.org**.
Register at **DMEC.org**.

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EVENTS

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CALIFORNIA STATE MEDICARE EXPO: UNMASKING MEDICARE
virtual, August 26-27. CAHU.org

AMERICAN ASSOCIATION FOR MEDICARE SUPPLEMENT INSURANCE,
National Medicare Supplement Insurance Industry Summit
Sept 8-10, in person at Schaumburg Convention Center, Chicago area.
Medicaresupp.org

DCAHU SENIOR SUMMIT
in person September 16. DCAHU.org

LAAHU MEDICARE AEP KICKOFF
in person September 30. Sponsorship info here. LAAHU.org

SIIA 41ST ANNUAL NATIONAL EDUCATIONAL CONFERENCE & EXPO
In-Person & Virtual, October 3 - 5, JW Marriott, Austin, TX. SIIA.org

READY FOR AN ONLINE VISION EXAM?

Industry folks know that virtual health care is definitely here to stay. But you may be surprised to hear that it's not just routine doctor's visits. Your eye doc may be coming to you via Zoom (or something like it), too. According to Employee Benefit News, the vision industry is bracing for radical change with virtual eye exams:

Millenials have a reputation for being "industry killers," which at times is a convenient punchline, but the trendlines for telemedicine aren't a laughing matter. Nearly three out of four workers under 40 say having access to technology and tools for virtual visits would make them more likely to schedule a routine eye exam.

The industry will embrace this because preventative healthcare keeps workers healthy, productive and happy!

**IICF: Make a Difference
in Your Community!**



The Insurance Industry Charitable Foundation (IICF) is celebrating industry volunteerism with in-person and virtual service opportunities during its annual Week of Giving October 9-16. Want to take part? Now is the time to start planning! More info at IICF.org.

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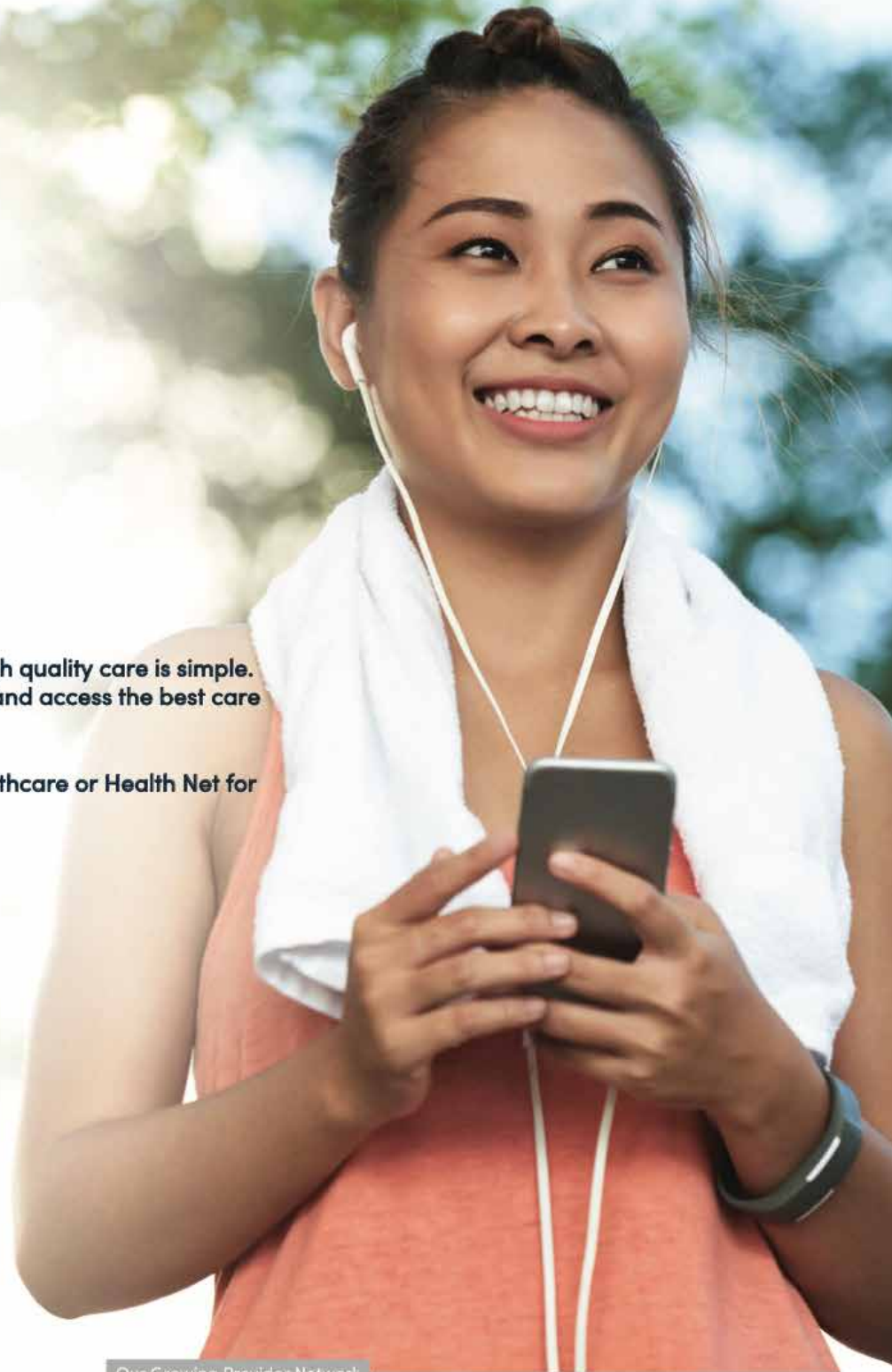


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2021

CALIFORNIA Real Estate



CALIFORNIA BROKER'S ORDER



On our 40th anniversary, we thought it was high time we checked in with readers. You might recall that we kept mentioning our reader survey in our Insurance Insider e-newsletter as well as the print magazine. With a bit of encouragement (a \$500 prize!), a lot of you answered! So a gigantic thank you to everyone who did. Your answers gave us insight and, in many cases, supplied some fodder for stories.

Here's what we found out...

Most of you are industry vets – like us

It looks like California Broker has something important in common with the majority of our readers: we've all been around quite a long time! Sixty-six percent of readers have been in the industry for 16 or more years. But if you look closer you'll see also that we have plenty of new folks joining us for the fun and profits, too. In fact, a full 34% of readers who responded have been in the industry for 15 or fewer years.

What kind of industry insider are you?

How do we put this? Well, we misunderstood you – just a little bit. Before we did our reader survey we would have certainly said that far more readers held health insurance licenses rather than life. We were wrong! The numbers are pretty close, but more of the readers who responded to the survey said they held life insurance licenses versus health. This is important because we try to keep facts like these in mind when we decide the magazine's story mix.

Where is the industry going in 5 years?

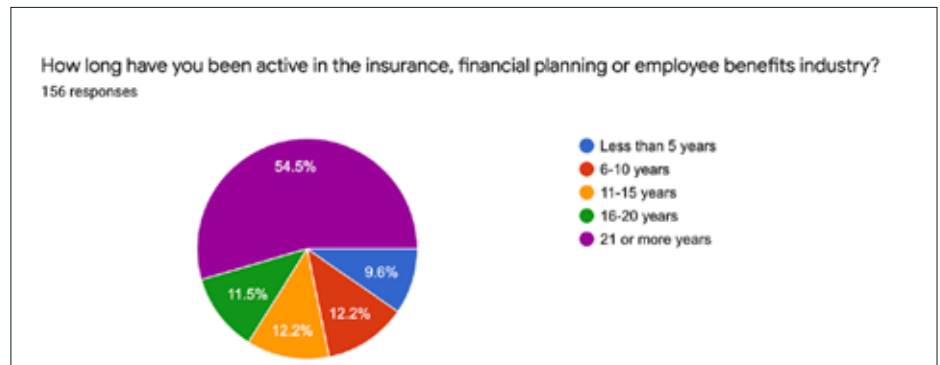
- More for low income clients
- Compliance - ERISA and ACA
- Voluntary Benefits
- Self insured plans, workers comp

Do you like to read us in print or online?

We all know that the world is accessing more content online and the old days where everyone had stacks and stacks of magazines and newspapers is a thing of the past. However, there are some publications that people just love to read in paper form. California Broker continues to be one of those, but our online readership and our e-newsletter readership certainly is giving print a run for its money.

You love us & we love you – it's that simple!

We're biased, but this is kind of the most important message. The vast majority of respondents said that the articles in California Broker magazine are extremely valuable. That means



that our writer-contributors deserve a whole lot of praise for delivering articles you care about.

What do you want to read more about?

We asked readers if there was anything they'd like to see us talk about more. We heard a lot of great ideas. Here's just a sampling:

- **Long term care insurance**
- **Reaching out to groups — how to start those conversations**
- **More on innovation and future planning for the industry and its leaders.**
- **Insurance as it relates to cutting edge topics - blockchain/crypto, cyber, etc**
- **Benefits for mental health**
- **Strategies to reduce costs**
- **Concentrate on products**
- **More on marketing.**
- **More on office administration**
- **Imagine having a column each edition headed MY INTERESTING EXPERIENCE**
- **More retirement stuff**
- **Growing “pre-senior” market issues. I.e., retired at 60, not yet eligible for Medicare**
- **Medicare!**
- **Lack of access, price transparency and rising costs of medical insurance**
- **How other small or medium insurance agencies bring new business**
- **More info on LTC Insurance**
- **More pending legislation at the national & California level**
- **Need more agency management information**

- **Cause of rising healthcare costs, life settlements, indexed ULs**
- **Carrier trends**
- **An advanced life insurance topic would be nice, i.e. executive compensation or changes in estate taxation**
- **Education to share with politicians and public to fight to reverse the real & serious threat to healthcare delivery, choice etc.**

And here's a sample comment that is also so nice to hear:

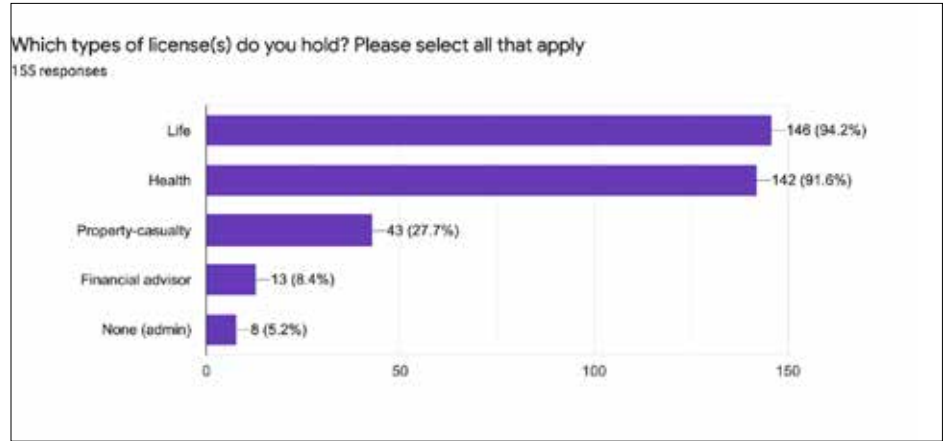
YOU'RE DOING GREAT... IT'S A WONDERFUL PUBLICATION; KEEP IT GOING, PLEASE!

And the winner is...

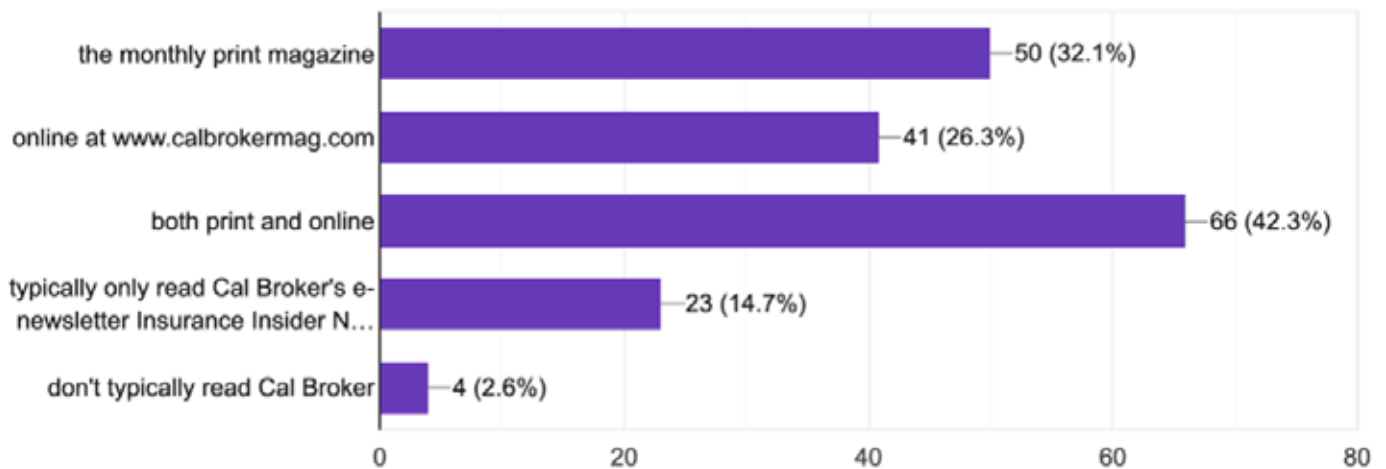
Last but not least, everyone who answered the survey was included in a drawing for a \$500 Visa gift card. One entry per person. We drew the winner on August 10.

Congratulations to
Christine Davis,
Employee Benefits Account
Manager
www.knightins.net
Knight Insurance Services
La Cañada Flintridge

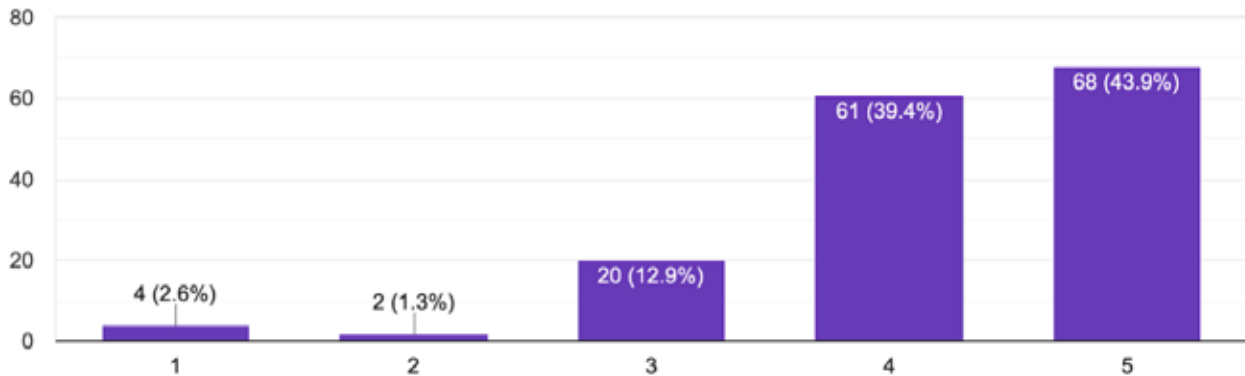
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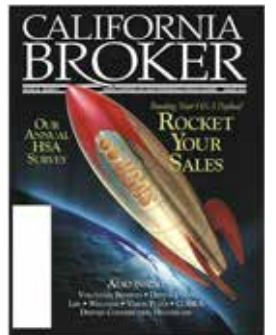
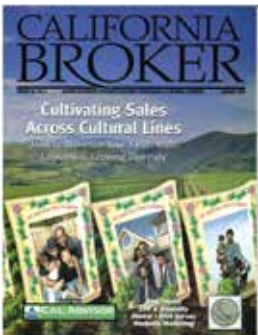
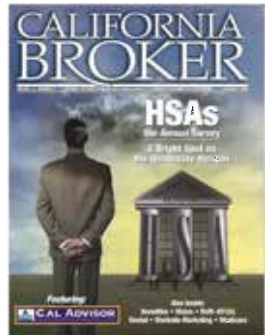
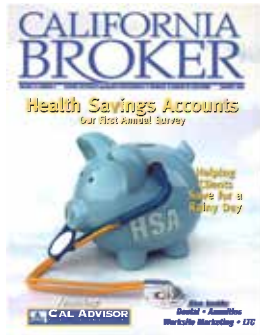
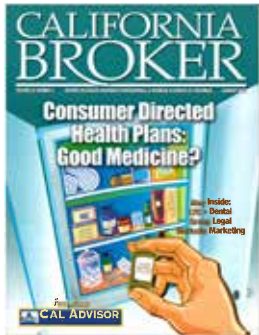
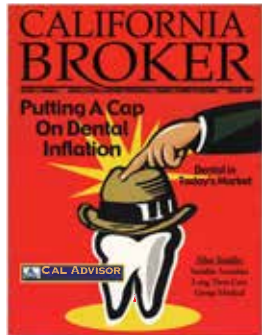
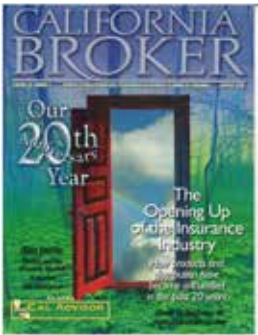
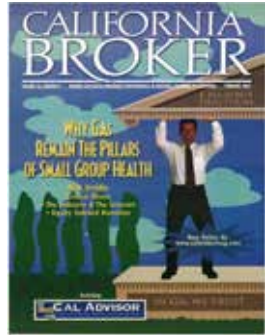
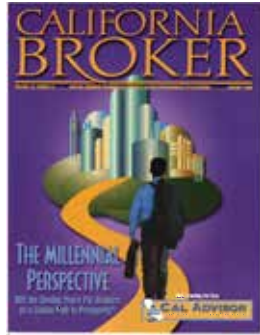
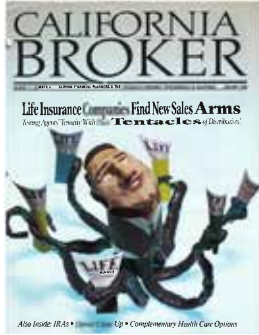
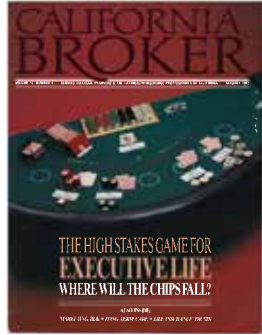
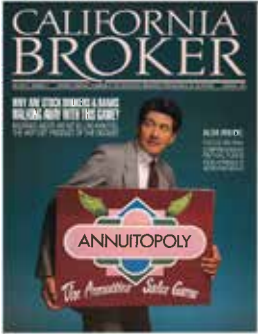
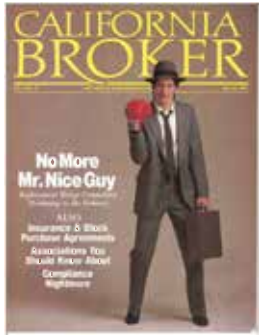


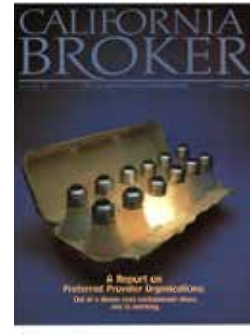
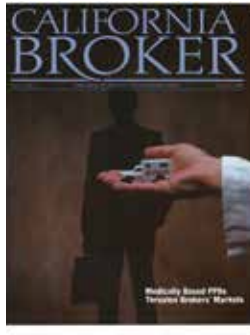
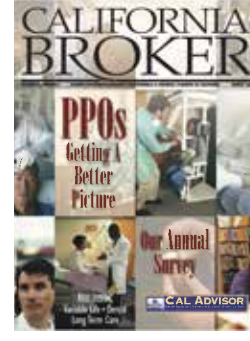
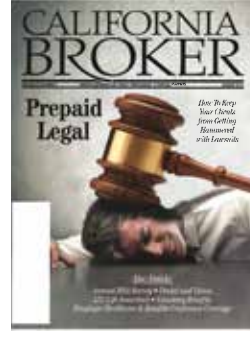
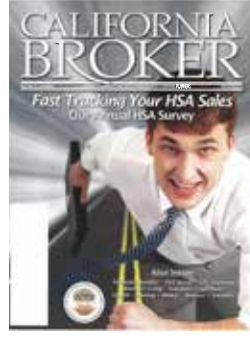
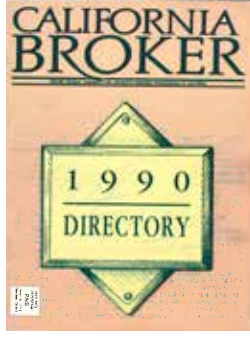
We'd love to know how you typically access Cal Broker. Do you typically read:
156 responses



On a scale of 1 to 5, how useful do you find the articles and information in Cal Broker magazine?
155 responses









A LETTER FROM THE PUBLISHER



Going to the Dogs:

How Did McGee Publishers Get Named?

In 1977 I was fortunate enough to be able to adopt a new dog. A year and a half old, 120 pound Doberman. He was born and raised on Catalina Island. His previous owner was a young man who was moving to Sweden and couldn't take him.

As it turned out, the dog loved everybody. But because of his size, he was quite intimidating.

When we left the apartment to go on our first walk together, there were two men walking in our direction.

They immediately crossed the street.

I lived in a one bedroom apartment at that time, and of course would have to exercise the dog. So, I got this not-so-bright idea on how to do it. I fashioned a make-shift harness and then took the dog, harness and my roller skates to the apartment parking lot.

After a few days of fumbling around, we could go forward, backwards, left, right and stop. So, the day came to do the real test – the street.

We got to the end of the driveway, looked left and right and at that exact moment, about a couple hundred feet straight in front of us, this little dog ran across the street. And we took off. We probably hit 30 miles an hour. But, we made it safely to the school yard down the street.

This routine became our habit and went on like this for a couple of weeks until that fateful day.

We were trotting home feeling a bit proud of ourselves after doing some fancy maneuvers when my roller skate wheel ran over a rock. I didn't fall but what I didn't know was that the rock had chipped a piece of the wheel off and now the wheel had a flat spot.

My next step was a slow motion ballerina-type fall to the pavement with a twisted ankle.

Needless to say, my wife took over for the next couple of weeks.

One day she was waiting in the car for me and a stranger approached the car window to apparently start a conversation. The dog who was lying down in the back of the SUV lifted his head up to see what was going on. My wife said the man's surly looking grin turned into a look of pure terror and he quickly retreated out of sight.

Huh ... There are many more stories, of course.

One afternoon I was sitting on the couch and his head was resting on my lap and as I was petting him, I felt a lump on the back of his neck. It was cancer.

This was in 1981 and at that time there was no such thing as "pet insurance." And treatments were not feasible or affordable. The vet recommended that I put him down.

His name was McGee.

Months later, in September of 1982, I had the opportunity to become the publisher of, among other things, an insurance industry magazine. That magazine was California Broker. I named the publishing entity McGee Publishers in my dog's honor.

Lately, I've been talking to lots of pet insurance folks. I recently learned that, synchronistically, the very first pet insurance policy to be sold in the United States was in 1982. That policy went to none other than Lassie.



Cal Broker seems to have a special relationship with dogs – at least in my eyes. Until recently, we even had a little mascot named Charlie that many of you may have seen hanging out at our booth at shows and conferences.

While over time Cal Broker has mainly focused on health and life insurance products and the value those products bring to your profession and to the lives of so many Americans, I can't help but also think about the value of the smaller products, too. Like pet insurance and so many others. Insurance sometimes means the difference between life and death for people, for animals, for everyone.

As a result, over the years I've become passionate about the industry. Cal Broker does whatever it can to promote the information you need to help save lives. On a personal note, I've also become passionate about pet insurance in particular. Charlie, our mascot, passed away last year – also taken by cancer – and this has just made me more determined to get pet insurance – along with all the life, health, mental health, LTC etc. coverage – in the magazine.

Our readers are asking and we have begun to reach out to pet insurance companies who work through brokers with the hope to give them exposure and build the business – with the intention of helping owners give their pets longer, healthier lives.

Because whether you have two legs or four, I know insurance makes a huge difference in everyone's lives. It's made a huge difference in mine and my family's. We've had the honor of serving the insurance industry with this publication for 40 years. Thanks for being a part of our pack – whether you're a reader, an advertiser or a contributor.

From the whole McGee team, may the wind be at your back and the force of the Doberman be with you.



MC GEE PUBLISHERS INC.

Ric Madden

Publisher
California Broker Magazine



**DON'T TAKE THIS
MAGAZINE
FOR GRANTED**

**For 40 years,
Cal Broker
Magazine's
support of life
and health
insurance
producers —
and the quality
of its work
— has never
wavered**

BY ALAN KATZ

IT IS EASY TO TAKE CALIFORNIA BROKER MAGAZINE FOR GRANTED. After all, the publication has been a part of the state's insurance industry for 40 years — longer than most readers have been in the business. In fact, that is longer than many readers have been alive. California Broker is just there. Like a landmark on the horizon, its presence would be more pronounced by its absence. That the magazine is ubiquitous, however, does not make it unimportant.

Indeed, California Broker is — and has long been — an invaluable resource. Before the Internet there was California Broker. Need information on the latest insurance products and market trends? For four decades you could find it in California Broker. Worried about what was happening with health care reform? California Broker explained what was happening in Sacramento and Washington, D.C. — and why.

AB 1672 demands agents take responsibility

A short history lesson will demonstrate my point. Some of you may remember AB 1672. Taking effect in 1993, this state law transformed California's small group market. AB 1672 changed the way small businesses shopped for, purchased and renewed their health insurance. Among its reforms: guarantee issue and renewal of policies; and defined rating bands regardless of health conditions.

When passed in 1992, AB 1672 put a great responsibility on brokers and carriers. They needed to become expert in the new law in a matter of months. Their clients were relying on them.

I was a principal at Centerstone Insurance and Financial Services at the time. Centerstone was one of the state's largest general agencies (and has since evolved into BenefitMall). My partners and I decided to invest heavily in preparing health agents for the coming change. We even launched our own publication, *The Excellerator*.

Kate Kinkade, then editor of California Broker, saw the same need. She devoted numerous pages and much effort to the same task. Instead of competing for broker's attention, California Broker and Centerstone worked together.

Centerstone held dozens of seminars. California Broker and *The Excellerator* published a book's worth of articles on the law and how to deal with it. We issued pamphlets, brochures and more.

Agents and carriers alike relied on this material to smoothly transition clients to the new world, avoiding the chaos many predicted. The Los Angeles Association of Health Underwriters (LAHU) recognized the impact of effort when it awarded California Broker and *The Excellerator* magazines its highest honor, the **Paladin Award**. To date, they are the only non-carbon-based entities to receive this award.

Kate Kinkade's commitment to using the pages of California Broker to prepare brokers for the challenges they face extended beyond AB 1672. The magazine

under her editorial leadership — and under those editors who have followed — aided agents in dealing with ballot battles, new types of policies, understanding competitive changes, and health care reforms like the Affordable Care Act.

A unique resource

California Broker's consistency and caliber as a preeminent resource for the state's agents is remarkable. Forty years is a long time. Just think what you were doing in 1981. (For your own sanity, try not to think of what you were wearing at the time). Yet over this period the publication's support of life and health insurance producers — and the quality of its work — has never wavered.

It can be easy for California brokers to overlook how unique the magazine is. I have addressed industry audiences in roughly 30 states. Across the country, associations, carriers, and general agents provide producers with state-specific information. Californians have these resources, too. But we also benefit from having an independent publication bringing disparate perspectives together in one place. As far as I know, there is nothing like California Broker anywhere else.

Most of us thinking about the magazine's 40th anniversary will rightly focus on its editorial content. However, the advertisements have value, too.* These ads tell a fascinating story about the California insurance industry. They describe the evolving cast of players and the evolution of their products. These ads are a historian's dream: 40 years' worth of insights into the state's changing life and health insurance markets. California Broker is a unique and powerful resource. **CB**

Yes, it may be easy to take California Broker for granted. We shouldn't.

***[Ed. Note: WE AGREE—The advertisements have the GREATEST value to our survival! We rely solely on advertising to fund the magazine. Nearly all subscriptions are complimentary. We also have new SPONSORSHIP OPPORTUNITIES. Contact Linda.calbrokermag@gmail.com. Consider us when you plan your marketing budget!]**



ALAN KATZ is a co-founder of NextAgency, an agency management system with CRM, marketing, and commission tools for life and health agencies. Alan is a past president of NAHU, CAHU and LAAHU. Since the early 1990s he has written dozens of articles for California Broker.

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There are **Benefits** to Writing for Cal Broker

BY PHIL CALHOUN

I WAS ABLE TO WRITE SEVERAL ARTICLES over the past four years, centered on the topic of educating brokers about commission protection. These articles have received many comments, and even income from our consulting work. We also have enjoyed helping retiring brokers and have assisted a number of active brokers with commission protection agreements. We continue to hold CE courses and with our book we focus on commission protection “A Health Broker’s Guide to Protect, Grow and Sell Commissions.”

California Broker Magazine was very helpful to reach many readers looking for information about their business. We feel protecting commissions is the #1 risk brokers face. The solution is a successor who is selected and agrees to provide the protection if and when the broker has a health event while active. We love to spread the word on this important topic. The response for brokers has been strong. In addition to the emails and calls with support to write more articles, I was able to land a couple of arrangements where we help active brokers continue working while also enjoying peace of mind that they have a plan in place to protect their commissions. Many call our work “commission income insurance” or a life and disability policy that covers 100% of commissions.

My favorite story is from last month’s article on beneficiary designations which led to a call from a California-based broker with 30 years in the business. Through years of hard work they built up a large book including group, Medicare and IFP totaling over \$1,000,000 annually. A true success story. Imagine how many clients were served and service problems solved in 30 years. All of this work and a great income of what my colleague says are “mailbox” checks: just go to the mailbox each month and health brokers get paid! Sometimes we forget about the impact of recurring income and how great it is we are rewarded for the




This magazine is well done and committed to our industry and so supportive to brokers. Take time to read and share with colleagues this great resource.

work we do. Well earned but so sweet. Anyway, the broker was thinking of retiring soon. His son was interested in the business and the two agreed to a phone consult to work through the process to bring in the son into the agency as the broker gradually slowed down. From a short prep call before the consult I could tell they had thought through many of the traditional planning steps, the steps we normally spend a few hours on especially when a broker is working with an outside buyer. I decided to have my colleague join us and for the hour most of the focus was on legal tactics and strategies to pass on value considering tax and inheritance concerns. Planning of this type usually impacts family and employees. This case was no different. My colleague was able to address these questions with his legal expertise in estate and business exit planning. My role was to offer ideas on the transfer of commissions and possible sale of less profitable lines such as IFP which would also enable staff to handle profitable clients while receiving value for the sale. It was really a great meeting and my colleague, an experienced attorney, was available to help design the plan that father and son would need.

Another case was generated from the same article. The broker called and requested the eBook, which I emailed to him that day. He had a health scare and was highly motivated. His spouse was in the business but he wanted to learn how to protect his commissions via a proper transfer to her. We ended up working on two levels. I provided the consult to address the transfer of commissions in the event something happened to the broker so his wife would receive full commissions. With

this step, we moved on to protect the commissions via an agreement with his wife. They wanted their commissions to be paid out based on very specific amounts and over a time period to reduce down taxation. Smaller annual amounts over time can end up with a greater net after tax and provide a buyer the income to cover costs of the service work needed.

So many brokers read California Broker magazine. We feel a need to keep writing about and doing what we can to help protect health commissions. We greatly appreciate the opportunity to work with brokers. Many have years of experience in the business, love the work they do with clients, and enjoy the friendships our industry provides from carrier reps to GAs to the professional associations. CAHU, and locally for our agency OCAHU, are such great resources for education and an excellent partner with Cal Broker magazine. 

This magazine is well done and committed to our industry and so supportive to brokers. Take time to read and share with colleagues this great resource.

Editor's note: If you'd like to contribute articles to the magazine, please reach out and let us know. Contact: editor@calbrokermag.com



PHIL CALHOUN, president of Integrity Advisors, is author of "The Health Broker's Guide to Protecting, Growing and Selling Commissions." A

free eBook version is available to California Broker Magazine readers through February 2021.

Go to **www.healthbrokersguide.com**.

Phil and his team provide personal coaching on business planning for brokers. Phil's team includes legal and accounting professionals with experience working with brokers and health agencies. For ideas on growing commissions go to www.commission.solutions.

You can also call Phil at (800) 500-9799 or email **phil@integrity-advisors.com**.



LIFE SETTLEMENTS

OFFER ONE SIMPLE

IDEA. CHOICE.

The secondary market for life insurance gives policyowners powerful options for managing their life insurance policies. Through transactions like a **life settlement** or a **life settlement with a retained death benefit option**, you and your clients now have the tools to tap into the market value of policies that are underperforming or are simply no longer needed. The result is **new estate planning strategies that maximize value. Settle for More.SM**

Case Example

Death Benefit: **\$3,800,000**
Policy Type: **Universal Life**
Insured: **Male, age 77**
Cash Value: **\$0**

The grantor established an ILIT to purchase a policy to offset the grantor's estate tax liability. When the tax laws changed and the estate tax exemption was increased, the policy became unnecessary. Rather than lapsing the policy, the grantor and his family turned to Coventry.

Coventry provided the trust with \$893,000 for a policy with zero cash value. The trust used the proceeds to fund the education of the grantor's grandchildren.

The Importance of the Agent's Role for Medicare and Medicare Plan Enrollment

Medicare focused agents have a special responsibility when assisting a client to transition into Medicare enrollment and helping them to select the plans that best fit their individual needs. Agents need to understand the client's requirements and address their concerns as well as effectively communicate the timing, requirements and potential penalties regarding Medicare enrollment. And, agents should set realistic expectations for the completion and timing of each step.

BY MARGARET STEDT



**OPEN
ENROLLMENT
AHEAD**

Tips to make a difference

First, when meeting with the prospect either in person, on the phone or via an online meeting such as ZOOM, make sure that you have scheduled enough time to discuss and review both Medicare and the plan information. I usually schedule the initial appointment for an hour and half.

Always ask if the prospect needs to have any additional folks at the meeting such as a spouse, significant other, son or daughter or another key person. If you will be discussing Medicare Advantage (MAPD) or Stand-Alone Prescription Drug plans and benefits, be sure to obtain a signed and dated Scope of Appointment from the client. I start the meeting off asking what questions and concerns they have so that I can make sure to address them.

You need to help the client determine if they indeed should enroll in

enrollment could be delayed and may be subject to penalties (A, B and D). Also discuss dependent coverage concerns as well.

- If they are on a small group plan (less than 20 employees) then they should also enroll into Medicare Parts A and B. They may continue on their group plan if the small group plan continues to offer coverage to those age 65 and above, or they may leave the plan and enroll in a MAPD or Medicare Supplement Plan and a Stand-Alone Part D Plan. Again, you need to address any coverage issues for a dependent spouse or children,

Next steps to easy enrollment

Once the client determines that they do indeed want to enroll into Medicare, you should discuss the next steps. It is important to note that enrolling in Medicare has become

to access the right area on the www.socialsecurity website.

The Medicare enrollee should have their Social Security card handy when they enroll so they know how they are identified in the system.

Warn the prospect that if the Medicare online enrollment process doesn't allow the individual to complete enrollment, they will need to **contact Social Security at (800) 772-1213** to continue. They are happy to assist.

Once they have completed their enrollment (and printed off a copy!) they will typically receive a letter 3 weeks after enrollment.

They may wish to call either **Social Security (800-772-1213)** or **Medicare (800-633-4227)** after 7-10 days to confirm their enrollment and to obtain their Medicare number.

Note that the Social Security line

Warn the prospect that if the Medicare online enrollment process doesn't allow the individual to complete enrollment, they will need to contact Social Security at (800) 772-1213 to continue. They are happy to assist.

Medicare or delay to a later date. Ask what type of coverage they are currently on. Their options depend on their current coverage and their situation at age 65.

- If they are working for a company with 20 or more employees and intend to continue working, they are allowed to continue to be covered under the group plan and waive their Initial Open Enrollment Period. If they wish to leave the group and go onto Medicare coverage and plans, you need to address coverage issues for a dependent spouse or children.

- If they are on individual coverage (on or off exchange) or on COBRA coverage they should enroll into Medicare. These plans are not creditable and later Medicare

more challenging during the pandemic. Many Social Security offices have been overwhelmed. Processing applications is taking longer than expected, especially for those who are enrolling under special enrollment when they are past their initial enrollment period.

For those aging into Medicare at age 65, the best way to enroll is to use Social Security's on-line enrollment tool and have the client establish a "mysocialsecurity" account.

One of the easiest ways to access this is through the **www.medicare.gov website**. On the homepage go to "Resources" then click on "Apply for Medicare."

This connects to a page where they can scroll down and find the light blue box "Apply for Medicare Only"

(800) 772-1213 is open for calls from 7a.m. to 7p.m. Monday through Friday and the Medicare line is open 7 days a week, 24 hours a day. *Important: agents CANNOT be online or call Social Security on the client's behalf.*

If the applicant is applying in the 3 months prior to their birthday month, their Medicare Plan A and B coverage should be the first of the month of their birthday (unless they are born on the 1st) then it is the first of the month prior. If they apply during their birthday month or in the 3 months following, their effective date will be the two months following.

If the applicant is applying under Special Enrollment such as loss of employer coverage, they will need to submit the Request for Employment

Information form (L564) also with the CMS 40 form to Social Security.

Note that due to COVID-19's impact, some applications are taking longer to process! These forms may be mailed, faxed, or walked into the local Social Security office. Individuals are able to locate their local Social Security office online through [socialsecurity.gov](https://www.socialsecurity.gov) along with instructions for submission of the forms.

Remind your prospect to always keep a copy of the forms!

Once the prospect is enrolled in Medicare, it is time to review their coverage options and drill down to what plans will best fit their needs.

The completion of a Needs Analysis Worksheet is especially helpful as it provides a step-by-step information gathering tool and it also documents the process for your review.

- Ask about their physicians, including primary and specialists.
- Most will request that you assist them with their prescription drug coverage needs.
- If you are willing to do so, make sure to document their prescriptions by name, dosage, frequency and their preferred pharmacy(ies).
- Ask if they have any concerns about upcoming or scheduled procedures.

BE AWARE that you cannot ask about health history. If available in their county, you should mention that there are special needs plans for conditions such as COPD or diabetes.

Remember, it is always the prospect's final decision on what type of coverage and plan they want to enroll in. Your job is to make sure that they understand the options and coverages clearly.

Review the plans thoroughly. Note the star ratings for Medicare Advantage prescription drug (MAPD) and stand-alone drug plans and their prescription coverages under the plans, including the initial coverage gap and the catastrophic coverage stages.

Review how to access information to find their physicians and networks and how the referral process works if enrolling into a MAPD plan. If it is a PPO plan, make sure they understand how

to use the plan.

Again, I find having a check list is helpful to make sure I have covered all the important information. Provide the required materials such as an outline of benefits, and if a Medicare Supplement Plan, include the CMS "Guide to Choosing a Medigap Policy" booklet.

There is an important piece of information many agents forget to mention. When an individual has left an employer plan after their initial enrollment period and enrolled in a MAPD or Stand-Alone Part D Plan, they will receive a letter from their plan requesting proof of prior coverage. To avoid late enrollment penalties, **make sure these clients know they need to respond within 3 weeks by phone or letter to confirm the prior coverage.**

One of the biggest delays for coverage is the submission of incomplete applications. Make sure to review that the submission is as complete as possible. This is where the online submissions really are an asset, because you can make sure that the application is fully complete and it is handled on an expedited basis. Once you start using online submissions, you will be hard pressed to go back to paper and faxing submissions!

Lastly, send a thank-you letter to your new client. Make sure to include plans they have applied for, the effective date applied for and the plan's Member Services contact numbers. If prescription drug coverage is included, I remind clients of the coverages in the different stages. For MAPD and Stand-Alone Drug plans I remind them that they need to pay their premiums by the method they selected and that they must maintain their Medicare Part A and B coverage. Also let them know that you will be reviewing the plans with them during Annual Open Enrollment. If they are on a Medicare Supplement Plan you will contact them around their birthday.

Today's marketplace is becoming more and more competitive. **Agents will see their practice continue to grow and thrive when they strive to meet their client's needs and address their concerns, help them enroll in the plan that best fits their needs and continue to provide ongoing service and up-to-date information.**

Through a commitment to providing excellent service and lending your expertise, you make a big difference!



MAGGIE STEDT is an independent agent that has specialized in the Medicare market for the past 21 years. She is the immediate past president of California Association Health Underwriters (CAHU) and past president of her local Orange County Health Underwriters Association (OCAHU) chapter. Reach her at maggiestedt@gmail.com.



Medicare's Hospice Coverage Provides End-of-Life Emotional and Spiritual Support but Fraud is Rampant

BY KAREN JOY FLETCHER

“You matter because you are you, and you matter to the end of your life. We will do all we can not only to help you die peacefully, but also to live until you die.”

Dame Cicely Saunders, nurse, physician and writer, and founder of hospice movement (1918 – 2005)

Hospice fraud continues to be one of the top three types of Medicare fraud cases reported. California leads the nation in serious hospice fraud complaints.

This quote sums up the essence and importance of Medicare’s hospice coverage. It is an essential benefit that supports people with terminal illnesses to enjoy whatever peace, comfort and dignity is possible in the last chapter of their lives. In addition to providing physical treatment focused on pain relief, quality of life and comfort (versus curative treatments), hospice provides emotional and spiritual support to the patient and family, and respite support to family caregivers as well.

Added to Medicare Part A coverage in 1986, hospice has long been an under-utilized benefit that, in the past, was mostly provided by charities and non-profit organizations. Yet in recent years, as hospice providers have increased, particularly for-profit entities, so has hospice fraud.

California is leading the nation in serious complaints and inspection concerns regarding subpar hospice care, according to a recent Office of Inspector General report. This mirrors our on-the-ground experience at our California Senior Medicare Patrol (SMP) as it continues to be one of the top three types of Medicare fraud cases reported.

Hospice fraud continues to be one of the top three types of Medicare fraud cases reported. California leads the nation in serious hospice fraud complaints.

What’s happening in California? Many cases are reported to our California SMP

As mentioned, California leads the nation in serious hospice fraud complaints. In Los Angeles County alone, hospices have multiplied sixfold in the last decade and now account for more than half of the state’s roughly 1,200 Medicare-certified providers, according to an analysis of federal healthcare data by the L.A. Times.

Cases reported to the California Senior Medicare Patrol (SMP) highlight the fact that hospice fraud is not a victimless crime. It’s not just about Medicare losing billions of tax-payer dollars to fraud, which is bad enough. It is about the negative effect hospice fraud has on people’s lives, their health and wellbeing, sometimes even causing premature death, especially when those being enrolled in hospice have no terminal illness and do not meet hospice criteria.

We hear from worried family members who can’t get their parent’s prescriptions at the pharmacy, or from people like Margarito mentioned below, who lose access to their specialists. Other beneficiaries

are forced to postpone surgeries and pay expensive bills since Medicare has denied claims, such as lab work or medical visits due to hospice status. And still, in some cases beneficiaries have experienced significant health declines while others even lost their life due to improper treatment and neglect.

These trends and facts mirror what we're seeing reported to California Senior Medicare Patrol. For some examples, let's dive into a few hospice fraud case stories recently reported to our SMP:

- 84-year-old Juan resides at a senior apartment complex. He asks: "Why is Medicare paying this company so much money when all they did was check my blood pressure, send me chocolates and hand sanitizer? They visit my neighbors, too."
- 82-year-old Nancy reviews her quarterly Medicare Summary Notices (MSNs). She states: "My MSN shows I'm in hospice. I never agreed to this. I'm not dying."
- 70-year-old Margarito does not speak English. She says: "A woman approached me at a grocery store parking lot offering to help me get a better wheelchair. She took a picture of my Medicare card with her cell phone and had me sign a form. I still don't have my chair and now my ear and eye doctors won't see me. My cardiologist said he can't write me a prescription due to being in hospice. What's hospice? Can you help?"
- 84-year-old Elias was unaware of his hospice enrollment until he went to the pharmacy to get his prescription filled and was told they could not fill it due to his hospice status.
- 78-year-old Vietnamese-speaking Thuong discovered he had erroneously been enrolled in hospice when he received a call from his primary doctor's office saying Medicare would not pay for a flu shot claim, because Medicare records showed that he was on hospice care.

Why is this fraud happening?

Becoming a hospice provider takes relatively little investment (a few thousand dollars), compared to setting up a skilled nursing facility or doctor's

If you or someone you know comes across such scams, report any suspected hospice or other Medicare fraud to California SMP at 1-855-613-7080.

office. People running a hospice do not need to have experience in the hospice industry or meet educational qualifications. And, there is also little oversight. In fact, over 80% of California hospices are inspected by private accreditation agencies rather than state regulators to ensure compliance with federal standards. This system sets the stage for false and inflated reviews with some hospices giving financial incentives to

accreditors to be excessively lenient. After all, it's currently the hospice providers who select and pay for the inspectors themselves. All this sets up the conditions ripe for fraud.

And the pay from Medicare? It's very lucrative, as hospice claims can bring in at least \$154 to \$1,432 a day per patient in Medicare payments. This has spurred a burgeoning growth of illegal and fraudulent hospice providers along with a wide ring of complicit doctors receiving kickbacks, and bold recruiters going after Medicare beneficiaries from all walks of life.

In addition to the low investment, little oversight and high pay, so far there are also virtually no monetary fines/penalties for hospices with serious complaints of mistreatment of patients and/or failure to provide adequate care. If they are not providing care to a good standard, or have caused harm to a beneficiary, right now there is no monetary penalty. Thankfully, this will change due to the Federal Hospice Act passed in late 2020. The details are currently being worked out and must be ready to be implemented by Oct 1, 2021.

What is happening on a national level?

Across the country, many unscrupulous hospice providers are recruiting and enrolling non-terminally ill patients for end-of-life care they do not need, and then billing Medicare for services and items they may never receive. They trick beneficiaries into signing up for hospice by offering freebies, such as additional groceries, nurse visits, durable medical equipment, milk shakes, bus coupons, gloves and masks and more once they enroll.

They also make false claims, such as saying, "Medicare now covers cooking and cleaning services." Or they tell beneficiaries they qualify due to age, saying, "You're now old enough to qualify for hospice!" Another tactic is giving money, with some recruiters telling beneficiaries, "you can earn \$400/month if you

agree to enroll in our program.”

Such enticing offers can be hard for beneficiaries to turn down. Yet those beneficiaries who sign up, also unknowingly sign away their right to receive life-saving medical care, which isn't covered when on hospice.

In addition, fraudulent hospice providers and recruiters often disproportionately target people with limited English proficiency, as they are more vulnerable and often don't understand the English paperwork. In California, where 44% of Californians speak a language other than English at home (according to the U.S. Census Bureau) we definitely see this trend.

How to prevent, detect and report hospice fraud

California's Senior Medicare Patrol is working hard to stop such fraud. **One way you can help is to educate yourself and your loved ones about hospice fraud, what to look for and how to avoid it.** Here are some good tips to start with and share:

- Beware of hospice companies enrolling patients who do not have a terminal illness with 6 months or less to live. Medicare's hospice benefit is only for those who are terminally ill.
- Beware of calls or unannounced visits by hospice companies. Don't get tricked by offers of free services such as housekeeping and cooking. Medicare does not pay for this!
- Watch out for “freebies” such as bus coupons, medical equipment, food supplements or even payment for enrolling into hospice. These are all scams.

If you or someone you know comes across such scams, report any suspected hospice or other Medicare fraud to California Senior Medicare Patrol at 1-855-613-7080.

Resources for more information on hospice care

If you, your loved ones, and/or your clients are interested in learning more about hospice, how to choose a hospice and how to access inspection reports, below is a good list of resources. Remember, if you come across anything suspicious in regards to hospice or other types of Medicare fraud, please report it to the California SMP at 1-855-613-7080.


- <https://www.calhospice.org>

The California Hospice and Palliative Care Association website has information that explains hospice and palliative care, how to plan for it and questions to ask a potential hospice.

- www.nhpco.org

The National Hospice and Palliative Care Organization website also has information on how to choose a hospice.

- www.cdph.ca.gov

The California Department of Public Health website has a searchable database with information on inspection reports. Unfortunately, reports by accreditation agencies are not included, even though they do the majority of inspections. 



KAREN JOY FLETCHER, MPH, has more than 20 years of experience in Medicare training, education and advocacy and has served as California Health Advocates (CHA) Publications Consultant since 2004. She is the primary researcher, writer and editor of CHA's website content

(cahealthadvocates.org), including CHA's newsletter and blog. She also develops and revises key educational materials, spearheads CHA's social media and chairs the Senior Medicare Patrol (SMP) Media Team and SMP superheroes skit team.

In addition to her Medicare advocacy work, Karen teaches Earthgym and Qigong online and, during non-pandemic times, at schools, conferences, festivals and retreat centers around the country and abroad. She co-leads Qigong & Wilderness retreat trips in China. She also enjoys ample nature and family time in the Cascadian forests and mountains.

Contact her at: www.karenjoyfletcher.com

LIFE INSURANCE

POST-COVID

BY BRIAN O'CONNELL

CCOVID-19 is on its way out, even though experts say the pandemic isn't really over until the vast majority of Americans are immune from the virus.

Still, the end is near and contours of life after COVID-19 are taking shape. That goes double so for the U.S. life insurance market, where the pandemic has made its mark over the past 18 months.

"COVID-19 has raised awareness about the important role life insurance plays in families' financial security," said David Levenson, president and CEO, LL Global, LIMRA and LOMA. "Our research shows 42% of Americans would face financial hardship within six months if the primary wage-earner were to die unexpectedly."

The life insurance sector seems to be in a prime position to help Americans who are either underinsured or have no insurance at all. A recent study from LIMRA tells the tale:

"... it's understandable as the current data finds 43% of millennials are more concerned than other generations about leaving their dependents in a difficult financial situation if they should die or burdening others with burial/funeral expenses," the report stated.

Key life insurance market issues in a post-COVID-19 world

The data does point to significant change in the U.S. life insurance market — with these factors setting the tone for a new landscape for consumers and insurance professionals alike:

Young Americans at risk. The LIMRA study showed that over 50% of millennials have no life insurance coverage. "The good news is 48% of

millennials say they plan to buy coverage in the next year," Levenson said. "While we know not all will follow through, our industry needs to help these young adults get the appropriate coverage that will protect their families."

Huge gap in life insurance needs. LIMRA also points to an estimated life insurance coverage gap of \$12 trillion

59

million uninsured Americans now say they "need" life insurance — that represents 73 million people

22%

of underinsured U.S. life insurance consumers (29 million Americans) say they need "more life insurance coverage"

31%

of U.S. financial consumers say that COVID-19 has made it "more likely" they will purchase more life insurance in 2021

65%

About 65% of U.S. millennials (ages 22-34) surveyed by LIMRA say they have dependents under 18 living in their households.

across the U.S. life insurance market place, with an average per-person shortage of about \$200,000 in needed insurance.

Low enthusiasm among lapsed customers. A separate report from Deloitte showed that 14% of lapsed life insurance buyers and 20% of customers who've never had mortality life insurance coverage are even considering new life insurance policies.

Declining COVID-19 cases are a factor for non-buyers. One other point from the Deloitte study — 35% of Americans who thought about buying life insurance during the pandemic decided against it, primarily because COVID-19 cases were dropping in their communities.

A forward looking snapshot: what experts say the post-COVID-19 life insurance landscape will reveal

How is the post-COVID-19 life insurance landscape evolving in the second half of 2021? There are myriad factors in play, all of which should keep life insurance brokers and agents busy as the pandemic wanes and as new changes take hold in the industry.

After canvassing multiple life insurance professionals, these trends seem to be at the top of the list for the rest of the year:

E-Sign here to stay. Industry experts say that life insurance companies, like the rest of the world, have had to adapt and change the way they do business during the recent COVID-19 pandemic.

"Some of the recent changes have been positive," noted Jeff Busch, an

insurance specialist at Lift Financial, in South Jordan, Ut. "For example, many life insurance companies have more widely accepted digital signatures using technology such as DocuSign and e-applications on their own platforms."

Speeding application approvals via digital technologies. Another technology-based aspect shift in the life insurance market is the acceptance of what is called accelerated underwriting.

"During the pandemic, para-med exams were not feasible, which led to many companies expanding their digital underwriting guidelines using things like medical background checks in lieu of an in-person para-med exam," Busch said. "Now, a person in good health applying for life insurance could be approved in a matter of days compared to the traditional process that, in some cases, could take several weeks. We're seeing insurance companies offering death benefits up to \$1 million using accelerated underwriting."

Younger Americans seeing the light?

Life insurance professionals are starting to see millennials get off the fence and into a life policy, largely driven by COVID-19 realities.

"The number of life insurance policies sold increased by 11% in the first quarter compared with the same period last year," said Linda Chavez, founder & CEO at Seniors Life Insurance Finder in Los Angeles. "That's the largest increase since 1983, as COVID-19-related deaths drove many consumers to buy coverage. We saw sales rise more than 20% in the first quarter. From our vantage point, younger consumers appear to be buying insurance in greater numbers than other age groups."

No firm stance on COVID-19 underwriting. Life insurance companies seem to be seeking their own counsel on extending (or not extending) COVID-19 underwriting restrictions.

"Insurance policies have not really evolved since the pandemic, but the underwriting guidelines did change dramatically, especially for higher risk individuals," said Gordon Conwell, president at Gordon E. Conwell Associates, Inc., a family-owned life insurance agency in Flourtown, Pa.

"Some companies have recently removed their COVID-19 underwriting restrictions, whereas others have not. I've talked to some carrier underwriting departments who've told me recently they have no current plans to remove their restrictions."

Conwell said it "makes no sense" why some carriers have removed COVID-19 restrictions but others have held firm. "That's an important fact for higher risk consumers so they can avoid being quickly declined for life insurance," he said. **"Anyone who was declined for life insurance last year and was told they were declined due to COVID-19 or the resulting insurance underwriting restrictions should re-apply now."**

A new push on "temporary" life insurance. As a life insurance agent, Busch said he's happy to see people of all ages applying for the coverage their family needs. Accelerated applications, however, have triggered major delays in processing applications, and that's a problem right now.

"A combination of record application numbers and processors being unable to work or go to the office has caused some frustration on all sides of the plan," Busch said. "On the upside, we're seeing a new policy feature roll out: temporary insurance coverage."

Busch said temporary life insurance allows an applicant to be covered by the policy at the time of application as long as the first premium payment is paid to the agent when signing a life insurance policy application.

"This covers the insured from that time as long as the policyholder is deemed insurable," he stated. "Should a policyholder pass away during the underwriting process, the insurance company will finish underwriting and still pay the claim to the beneficiaries, if they determine the holder was insurable prior to passing away. So, applicants should pay that initial premium at the time of application."

The takeaway on life insurance in a post-COVID-19 market

In the first half of 2021, many U.S. insurance companies saw record numbers of applications for life insurance. "That's good news," Busch noted. "It seems people are evaluating their financial lives and acting on the

realization that their family needs some protection from uncertainty."

That said, industry professionals who engage directly with life insurance clients should expect to do their fair share of hand holding as life returns to normal.

"For example, clients may be asking if their life insurance policy will still pay out to beneficiaries if the client passes away due to COVID-19 complications," Busch said. "The answer is **yes**, as long as the client's premiums are paid up-to-date and the policy is in good standing."

Consequently, insurance specialists should advise their clients to check on their own policy to make sure the life insurance policy offers the needed coverage.

"The worst thing that can happen to a life insurance consumer is to think you have coverage when you really don't," he added. **CB**

Author's Note

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Contactless Legal Services Are Here to Stay

BY EMILY ROSE

AS A SOCIETY, we all learned important lessons about tech, work, relationships, and health amid the coronavirus pandemic, but for millions of individuals and families across America and Canada, two specific takeaways became more significant than ever:

1. Legal protection and support are invaluable in everyday life and especially during trying economic and social times; and
2. Daily priorities and communications are made safer and more convenient when they are contactless.

In a time when suddenly everyone and everything became more vulnerable, utilization of the LegalShield voluntary benefit plan reached an all-time high. Thousands of employees that were enrolled in the plan used it to protect their families and assets in the event the worst were to occur. They also dealt with landlord/tenant issues, billing disputes, obtained assistance with credit reports and repair, payday/title loans, and other consumer finance matters.

The soaring value of virtual professional services

Sheltering in place and social distancing dramatically curtailed, or in many cases, put a complete stop to in-person visits to professional service providers,

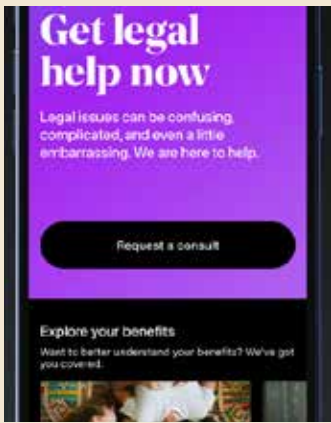
like doctors, accountants and lawyers. Many people simply decided to hold off indefinitely on these important activities even though some were needed more than ever.

LegalShield, which next year will celebrate its 50th anniversary, has long been in a position to deliver services virtually. Over the last decade, our business model has enabled employees to:

- Receive counsel from provider attorneys via virtual meetings and phone calls on a wide range of personal legal matters including 24/7 emergency access to network lawyers.
 - Upload documents for attorney review via the LegalShield mobile app. These include documents related to taxes, contracts, traffic matters, leases, estate planning, and more.
 - Easily create estate planning documents, such as Living Wills.
- These trends in utilization have led to further development in our mobile app with new capabilities being added to make the participant experience more personalized and convenient.

Meeting employees where they are

LegalShield meets employees where they are, not the other way around. Beyond mobile app and website



LegalShield's enhanced mobile app puts a law firm in the palm of your hand. It enables members to obtain legal assistance at the push of a button and is free and available via Google Play and the App Store.

accessibility, we've accommodated employees' requests for service whether in person or via phone or video conferencing long before the global pandemic experienced in 2020. We are committed to partnering with our provider firms to ensure that we continue to enhance our service delivery to make sure when our plan participants need us, we are there.

For example, as the need for remote online notarization began to emerge in response to shelter in place orders, LegalShield responded immediately. We monitored the situation on the state level, in real-time, and added this service to ensure compliance as each state determined executive orders around the use of video or electronic notarization.

LegalShield's 2020 year-end services request data highlights the increased need for pre-paid legal services:

- We saw the highest number of requests since March 2011 — a nearly 26% year-over-year increase.
- Landlord/Tenant-related services increased by 22% last year as landlord liability related to the pandemic came under scrutiny, and widespread job losses prevented millions of tenants from paying rent.
- The Estate Planning category saw a 26% increase over 2019, as Americans faced new pandemic-related uncertainties and sought solutions to ensure peace of mind for themselves and their families.
- Services in the Family Law category increased by 22% as families fundamentally restructured due to children's education shifting to remote learning, and the need increased

to address other strains that were introduced by the events of 2020.

The need for contactless legal protection continues to climb in 2021

Now that society is opening back up, the need for legal services has not abated. In March, LegalShield saw significant increases in requests for services in other areas of law as employees navigate their way in the "new normal":

- Traffic-related requests experienced a 23% month-over-month increase, as members got back on the road commuting to work and traveling for pleasure.
- Small business legal services were at their highest level since 2007 as Main Street and home-based entrepreneurs sought help to form LLCs, establish trademarks, obtain patents, and explore franchises and other types of contracts. Small business legal services have increased by 21% month-over-month and nearly 50% year-over-year.
- Real estate-related requests were the highest we've seen since early 2017, as members bought and sold property, and refinanced their existing mortgages. These requests increased more than 23% month-over-month and 43% year-over-year. (Note: LegalShield's real estate data is seasonally adjusted to sync with the annual real estate transaction cycle.)
- Consumer finance legal services increased nearly 22% month-over-month and 26% year-over-year as members continued to deal with matters related to insurance, taxes, banking, vehicle financing and loan modifications.

Contactless legal services won't stop after the pandemic is over

The pandemic has reshaped much of everyday life activity, including how employees work and handle their personal affairs. Most companies have decided against returning to 100% in-person communications. Consumers expect to maintain the option to receive service in person or from the convenience of their own homes.

The need for contactless legal services continues to increase

as individuals and families face post-pandemic legal matters, such as consumer finance, vaccination considerations, travel-related issues, and matters related to children and childcare. LegalShield is working diligently to continue the successful execution of the contactless service delivery model we introduced nearly a half-century ago and will continue to enhance the member experience and overall satisfaction — not only as the result of the legal matter but throughout the entire service experience. **CB**



EMILY ROSE is the SVP of Sales for LegalShield's Business Solutions Division. Rose has over 15 years of experience in the voluntary benefits space, including group legal plans, identity

theft protection plans, supplemental health and property, and casualty. She can be contacted at **proposals@legalshieldcorp.com**

Back to

Be in the know with this broad overview of the current market

BY DAWN MCFARLAND

Greetings fellow agent community!

I hope you have enjoyed your summer — it's been a hot one here in the San Fernando Valley. At least we got to be open for a few months...that COVID-19 Delta variant is now rampant here. Read a great article in MedPage Today recently that reminded me, the media LIKES to make us freak out because then we watch more of it.

That doesn't mean to take it lightly, but understand that the Delta Variant has made its way through several countries already and numbers went up really fast, then dropped relatively quickly. So, I am going to put out the energy that we will get through this outbreak quickly!

I'm seeing a lot of "Back to School" commercials and posts that remind me FALL is just around the corner and we all know what that means...duh duh duh...FOURTH QUARTER!

Medicare is a hot topic right now with CAHU Medicare Events happening up and down the state. By the time you read this, one if not two will have already happened. The feedback of agents taking both AHIP and the NAHU Certification is positive. Humana (**humana.com**) is offering a \$10 discount on the NAHU Certification, so it is a \$90 investment. You get an official certification to include in your signature line and 12 months' worth of 'study group' type content with agents from across the country.

With Individual and Family Plan (IFP) enrollment open now to the end of the year through Covered California (**healthforcalifornia.com/covered-california**) with increased subsidies, uninsured numbers continue to decline. California's individual market is one of the strongest in the country with 12 carriers participating this year. See more updates in the "CAHU STATEment," (**cahu.org/newsroom**) along with a full legislative update as the legislature went into summer recess!

What do I hear from my group agent friends?

Looks like this might be a light 4Q with existing business. Rates are flat for the most part so no need to disturb employees' benefits. Agents are becoming more intrigued with self-funding and level funding. Virgin groups are coming in — employers DO see the value of offering benefits. HIRING and RETENTION are keywords I keep hearing. The Blues are always competitive, but keep your eyes open to Aetna and Health Net with some competitive plans AND rates too.

Work!

PRO TIPS:

- If a plan has “value” in it, that does not necessarily mean a skinnier network, but could be in the plan design!
- Mental health requests are increasing – EAP (employee assistance programs) are great tools, and there are many virtual options available.
- COBRA 100% subsidies are almost up, so questions are coming regarding how to get covered.
- Covered California has an ARPA special enrollment through December and people can enroll at any time.

What else is going on from the agent view?

How many of you received an email from Dignity Health asking for support in their Anthem contract negotiations? Let's consider the ramifications and follow the food chain. When a carrier has to pay MORE \$\$\$ to a provider, where will the impact of that large increase hit? Premiums. Consumers are very price sensitive right now and an increase in premiums will continue to push the needle to a single payer system in California.

Then we will all be employed by the government under a single payer system. While I appreciate that Dignity Health self-proclaims they are the number one Medicaid provider, I imagine Medicaid costs will go up regardless – especially since Gov. Newsome signed into law AB 133 expanding Medi-Cal to anyone income eligible over 50. The buck has to stop somewhere.

Speaking of Medi-Cal – I was excitedly helping a client, with a family of four, move from Medi-Cal into what was estimated to be a highly subsidized Covered California plan because one of the parents acquired gainful employment. After making the update WITH PROOF OF INCOME in the Covered California system, eligibility did not change. I let my client know that to move things along, a call to Social Services might be required.

My client called me back and said the supervisor told her that she probably wouldn't be happy with the subsidy she would get, and right now she could stay on the Medi-Cal system for FREE until the next annual evaluation because due to COVID-19 they are not dis-enrolling anyone!

Can you imagine? We have government employees encouraging people to take what's "FREE" whether they qualify for it or not, irrespective of the consumer's choice to enroll with Covered California.

So, I called in with my client because I couldn't believe they wouldn't allow her to choose a plan outside of Medi-Cal

– even though she proved her income was in the 380-400% FPL range. This person was almost forceful that my client should stay on the FREE system as long as she could. Guess who pays for that FREE system? All of us, in our premiums when providers raise rates to subsidize low Medi-Cal reimbursements!

That was a lot and yet it's not everything. If you are reading this and you make a living in this industry and you are not yet a NAHU/CAHU member, the \$50ish dollars a month is the best job protection insurance you will ever spend. **JOIN Now at nahu.org/membership/join-now.**

I would be remiss if I didn't say **“Happy 40th Anniversary, Cal Broker Magazine!” Thank you for the honor to write in your publication and for supporting agents through the associations for so many years!**

Be kind to each other. Sending out healthy wishes and smooth sailing for the Fourth Quarter! **CB**



DAWN MCFARLAND is founder and president of M&M Benefit Solutions Insurance Services. She is passionate about helping individuals – especially Medicare eligible – navigate choosing how they receive their health care. She believes in education as one of the means to help change the high cost of healthcare. Dawn currently serves as VP of Legislation for CAHU; on the Medicare Advisory Council and the Membership Council for NAHU and is currently a member and past president of the Los Angeles Association of Health Underwriters (LAAHU). Contact: dawn@mnmbenefitsolutions.com or visit www.mnmbenefitsolutions.com.

Demand for Life Insurance Increases During Pandemic

Also expands recruitment efforts for diverse agents

Q&A with top expert Greg Faux, Second VP, Product Management, Individual Life at The Guardian Life Insurance Company of America

COMPILED BY THORA MADDEN

CalBroker (CB): Given all the dramatic forces at play in the world right now, do you see growth in particular niche markets in response? Are you seeing any new trends or new business segments that are growing?

Greg Faux (GF): Small business owners were impacted by COVID-19 disproportionately and we've seen strong growth in that market segment through increased interest in business protection and employee retention solutions. Easy-to-purchase protection products such as Term saw the strongest growth initially. By the latter part of 2020 and through the first half of 2021, the market shifted back to a balance of protection and savings with a strong surge in the Whole Life market.

CB: What is happening with your distribution systems? If you have an agency force, is it growing? Are you hiring? Is there more attrition than usual?

GF: From a life insurance perspective, we've

seen an increase in life insurance sales and an increased need for financial professionals. Since the pandemic, we are hearing from clients that protecting families is at the forefront and people are seeking assistance to ensure that their families are cared for in the future.

At Guardian, we are a general agency (GA) system. Guardian firms across the country are all led and owned by general agents. While each general agent has his/her own approach to how they lead and grow their organization, there is a deep partnership among the GAs and the home office. They are charged with bringing in financial representatives and carrying out local recruiting.

We are noticing that since many people had to work differently during the health crisis, it allowed many to reassess how they work and question if it fulfills their true passions. What's great about this profession is that no specific background is required. When we are looking for prospective recruits, we are looking for someone who has grit, perseverance, and an entrepreneurial spirit. We need people who are open to meeting new people



What's great about this profession is that no specific background is required. When we are looking for prospective recruits, we are looking for someone who has grit, perseverance, and an entrepreneurial spirit. We need people who are open to meeting new people and who can deal with rejection, since there is a lot of that in this career.

and who can deal with rejection, since there is a lot of that in this career.

CB: Please discuss any diversity and inclusion issues in life insurance/life sales and/or your company's workforce that you feel are important right now.

GF: Across the industry, we are all seeing an aging financial professional population, with a median age of 55. We continuously look for individuals to carry the torch forward and that our clients and communities can rely on for guidance.

We have developed many internship, mentorship and training programs to help new recruits become successful in this career. There may still be many biases on how people view insurance organizations, and we need to stress how this is a profound career where you can make a significant change in many people's lives and dictate your own success. We've taken to social media to boost our recruiting efforts and we're leaning on our current financial professionals to refer recruits to us from their centers of influence. **We are especially interested in non-traditional recruits who have unusual educational backgrounds, have experienced deviations from linear career paths or align with underrepresented communities since this allows us to serve more people.**

CB: What, if any, state or federal legislative issues are you concerned about?

Modifications to IRS code 7702* as a result of the 2021 Consolidated Appropriations Act has resulted in changes to the guaranteed cash value rates for our Whole Life portfolio. The legislative change in and of itself is a positive. However, the scale of the change and the one-year timeline for

compliance has created a rush to reprice, refile and implement our portfolio. Any products not repriced by the end of 2021 will no longer be available for sale which adds significant pressure to meeting the deadline.

From a state perspective, we are monitoring the impact of Washington State's Care Fund — the first of its kind public Long Term Care benefit funded by a new tax on employee wages. While it's encouraging that the need for Long Term Care is recognized, the benefit provided is low and may provide a false sense of security for citizens who may ultimately find themselves unprepared for the high cost of care.

***[<https://bankingtruths.com/7702-changes-life-insurance-cao/>]**

Section 7702 of the U.S. Internal Revenue Service (IRS) Tax Code defines what the federal government considers to be a legitimate life insurance contract and is used to determine how the proceeds are taxed. The proceeds of policies that do not meet the government's definition are taxable as ordinary income.]

For More Info On Guardian Life:

- **<https://www.guardianlife.com/>**
- **LinkedIn: https://www.linkedin.com/company/the-guardian-life-insurance-company-of-america_164085/**
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