

# Life & Health Insurance Advisor



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Life Insurance

Winter 2019

Volume 12 • Number 4

## A Beneficiary's Guide to Filing a Life Insurance Claim

A life insurance policy can be a thoughtful way to provide for loved ones after you die. But what happens if you are the beneficiary of someone's life insurance policy?

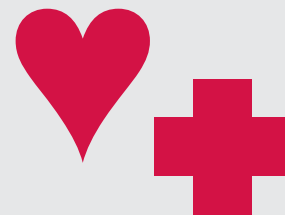
**L**osing someone close to you is a stressful situation. Fortunately, however, filing a claim usually is fairly straightforward. Here is what you should do if you want to receive the benefits from a policy.

### Determine if You're the Beneficiary

Hopefully, you know where a copy of the policy is located. The life insurance company might alert you, but if not there are several ways to find a copy of the policy if it is not readily available:



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## Federal Program Seeks to Improve Access to Telemedicine

**T**he federal government is taking steps to make telemedicine more accessible to underserved populations.

Telemedicine is a low- to no-cost way patients can receive medical care from qualified providers by using personal computers and smart phones. The idea was developed 50 years ago as a way to bring health care services to rural areas.

The Federal Communications Commission (FCC) voted this summer to develop a three-year, \$100 million pilot program called Connected Care. The program is slated to help fund the cost of bringing telehealth and remote

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- \* If you have access to login information, check the insurance company's claims portal.
- \* Look for a PDF that may have been downloaded onto a hard drive.
- \* Call life insurance companies that do business in your state, particularly if the policy holder had any other type of policy with that company
- \* Ask the benefits administrator of the policy holder's employer if they offer a group life insurance policy.
- \* Look for premium payment stubs.
- \* Contact your state's insurance department as well as its unclaimed property office. This usually can be accessed online.
- \* In rare cases, the insurance company may have gone out of business since the insured person purchased the policy or the company may have changed its name or merged with another company. In these situations, you'll have to do some research.

Once you have a copy of the policy, determine whether you're a primary beneficiary or a secondary beneficiary. If there is more than one primary beneficiary, you will have to split the death benefit. If you or someone else is named a secondary beneficiary then no benefits will be paid unless all the primary beneficiaries are dead or refused to receive the benefit. If the primary beneficiary can't or won't accept the life insurance proceeds, the contingent beneficiary must file a claim with the life insurance company.

## Four Easy Steps

Once you have a copy of the policy and can prove you are the beneficiary, there are four steps to making a claim:

- \* **1st step:** Call the policyholder's insurance agent to notify them of the death of the policy holder. The agent will be able to help you fill out the necessary forms.
- \* **2nd step:** Get several certified copies of the death certificate from the funeral director.
- \* **3rd step:** Submit the death certificate to the life insurance company so the claim process can begin.
- \* **4th step:** Choose a payment method. Select how you want the life policy paid out. The most common choices are:
  - ▶ **Lump-sum payout** – the entire payout in one amount.
  - ▶ **Specific income provision** – a scheduled payout over time of a determined amount.
  - ▶ **Life income option** – a monthly payout based on the death benefit and your life expectancy.
  - ▶ **Life income with a specified period** – a payout of a specific amount for a guaranteed period of time.
  - ▶ **Joint and last survivor income** – a fixed amount each month until you die. There is also an option where you can give a portion to a third-party.
  - ▶ **Interest income option** – The company holds the proceeds and pays you interest.

patient-monitoring services to low-income Americans, veterans and people who do not have access to adequate health care. FCC representatives believe these services will make it easier for patients to get treatment for chronic conditions, which will reduce health care costs as patients get older.

Funding for the program will come from the FCC's Universal Service Fund, which is financed by fees collected from telecommunications companies. Connected Care will offer a major discount to providers who establish broadband-based telehealth programs directly connecting patients to their doctors.

## Denied Claims

Life insurance can be denied for one of two reasons:

- \* If the policy holder gave false information, such as saying they didn't smoke during the underwriting phase and then they died of lung cancer within two years of starting the life insurance policy.
- \* If the policy holder took their life within the first two years of the life insurance policy. As the beneficiary, you will not receive a payout, but you will get a return of the premiums paid.

As always, talk to your insurance agent for assistance when filing a claim. ■

# Two Medicare Enrollment Periods for 2020 Benefits

Happy with your Medicare benefits? Not interested in making changes for 2020? Great! You don't have to do a thing.

**H**owever, if you're ready to make a change, there are two Medicare enrollment periods — one of which is now in full swing. The fall enrollment period runs from Oct. 15, 2019, to Dec. 7, 2019, with policies effective Jan. 1, 2020. The winter enrollment period runs from Jan. 1, 2020, to March 31, 2020, with policies effective the first day of the month following an application.

The difference between the two enrollment periods is that the fall enrollment is for any Medicare beneficiary enrolled in Parts A and B. The winter enrollment is for beneficiaries new to Medicare Part B and at least 65 years old.

If you decide to do some research on your own, keep in mind that there are a variety of names used for the two enrollment periods — sometimes the same name for both.

**Enrollment Period:** Oct. 15 to Dec. 7, 2019. **Medicare's Name:** Open Enrollment Period for Medicare Advantage and Medicare prescription drug coverage. **Other Names:** Medicare Open Enrollment; Annual Election Period; Annual Enrollment Period

Medicare Supplement plans do have rate increases annually, which will happen on your policy anniversary date. If you already have

Parts A or B, your insurance provider should have already sent you the "Annual Notice of Change" letter. It informs you of any changes to your plan such as premiums, copays, pharmacy networks and drug formularies.

## During Enrollment You Can:

- ✳ Change from Original Medicare to a Medicare Advantage Plan or vice versa.
- ✳ Choose a different Medicare Advantage plan.
- ✳ Switch from a Medicare Advantage Plan that doesn't offer drug coverage to a Medicare Advantage Plan that offers drug coverage (Part D) or vice versa.
- ✳ Join a Medicare Prescription Drug Plan.
- ✳ Switch from one Medicare drug plan to another Medicare drug plan.
- ✳ Drop your Medicare prescription drug coverage completely.

## Why You Might Want to Make a Change:

- ✳ Premiums for your plan will be significantly higher. Since with Medicare supplement policies benefits are standardized, the only thing different between carriers and plans is the amount they charge you in monthly premiums.



- ✳ With Medicare Advantage policies, premiums may be higher but you may also wish to choose different benefits, since benefits are not standardized.
- ✳ Your doctor is no longer in your Medicare Advantage plan network.
- ✳ Your medications are no longer covered.

## What You Can't Do:

- ✳ Enroll in Part B without a qualifying medical event. A qualifying event is marriage, adoption, divorce or someone on the plan dies.
- ✳ Apply for Medicare Advantage Plans that are not in your geographic region.
- ✳ Make changes between your Medicare plans without answering medical questions.

**Enrollment Period:** Jan. 1–March 31, 2020. **Medicare's Name:** Medicare Advantage Open Enrollment Period. **Other Names:** Medicare Supplement Open Enrollment Period; Medicare Annual Enrollment Period; General Enrollment Period

### During Enrollment You Can:

- ✱ If you're in a Medicare Advantage Plan (with or without drug coverage), you can switch to another Medicare Advantage Plan (with or without drug coverage).
- ✱ You can leave your Medicare Advantage Plan and return to Original Medicare. If you do this, you'll be able to join a Medicare Prescription Drug Plan.
- ✱ If you enrolled in a Medicare Advantage Plan during your Initial Enrollment Period, you can change to another Medicare Advantage Plan (with or without drug coverage) or go back to Original Medicare (with or without drug coverage) within the first three months that you have Medicare.
- ✱ Medicare beneficiaries can sign up for Part A and/or Part B if the following are applicable: you did not sign up when you were first eligible and you aren't eligible for a Special Enrollment Period. After premiums are paid, your coverage will start July 1.

### What You Can't Do:

- ✱ Change from Original Medicare to a Medicare Advantage Plan.
- ✱ Join a Medicare Prescription Drug Plan if you're in Original Medicare.
- ✱ Switch from one Medicare Prescription Drug Plan to another if you're in Original Medicare.

For help with your Medicare plan, please contact us. ■

# The Case for and Against Universal Health Care

One of the hot topics of the 2020 presidential election is universal health care— especially among progressive Democrat candidates.

**T**he reason? Health care costs in the United States are almost twice as expensive as in other developed countries, according to Consumer Reports. A study reported in Health Affairs attributes the high costs not to the quantity of health care provided to each person, but to high drug prices, doctor and nurse salaries, hospital administration costs and medical services. The result — an average household spends at least \$8,000 annually in lost wages, higher insurance premiums, taxes and other out-of-pocket expenses.

Many voters, understandably, wonder whether universal health care is the answer.

Universal health care is a system where the federal government controls prices for medications and services and provides medical services to all citizens regardless of ability to pay.

The United States is the only one of 33 developed countries that does not have universal health care. However, some people in our country do qualify for government-provided care through Medicare or Medicaid because of their age, household income, or personal circumstances.

There are three ways to achieve universal health care:



- ✱ The Beveridge model is socialized medicine which focuses on public ownership of health care facilities where health care professionals work for the government. Because the government owns everything except the doctors, it decides the prices for hospitals, doctors, procedures, devices, and equipment. Cuba, because it has no private health care providers, is an example of the Beveridge model. The U.S. Veterans Health Administration in the United States also is an example.

- \* The Bismarck model focuses on private delivery of health care and is funded through employee and employer contributions. It costs about the same as the Beveridge model, but provides more flexibility and choices. Germany follows this model, as does the employer-based health insurance in this country.
- \* The National Health Insurance model focuses on private delivery of health care with publicly funded insurance. Health care professionals and hospitals are privately owned, but all citizens must fund the program. This model was developed in Canada. It is generally cheaper than the Bismarck and Beveridge models and can provide flexibility and choices since private delivery still exists. The U.S. Medicare system and U.S. Sen. Bernie Sanders' "health care for all" proposal are examples of a national health insurance system.

Not everyone in this country is sold on the idea that Universal health care will provide good, expedient coverage at a reasonable price. Here are some of the pros and cons:

### Pros of Universal Health Care

- \* Proponents say that it lowers health care costs, because the government can leverage the size of the medical market to negotiate better prices for medical services and medicine. The result is that doctors and pharmaceutical agencies probably will be paid less.
- \* Fewer administrative staff members would be needed since providers would

only have to deal with one government agency rather than several private insurance companies, Medicare and Medicaid. Universal health care would standardize billing procedures and coverage rules.

- \* The government, not insurance companies, would be the authority approving whether a patient receives a particular medical service.
- \* By placing more emphasis on preventative measures, universal health care would promote a healthier workforce. When people are proactive about their health, the need for emergency services decreases.
- \* Early childhood care can prevent future social costs, such as crime, welfare dependency and health issues.
- \* It forces hospitals and doctors to provide the same standard of service at a low cost instead of focusing on developing new technology and charging higher costs for the use of that technology.
- \* The government will be in a better position to guide the population toward healthier choices through regulations and taxes. For instance, the government could impose a "sin" taxes on cigarettes and alcohol to reduce consumption.

### Cons of Universal Health Care

- \* Republicans estimate that Sen. Sanders' universal health care plan could cost the government \$33 trillion by 2023
- \* In Canada, the costs of health care can be as much as 40 percent of the government's annual budget. If the federal agen-

cy in charge of health care does not have strong management skills, the high costs associated with providing universal care can quickly overrun the budget and take funding from other areas, such as education.

- \* Wait times might be longer. For instance, in Canada, the wait time to see a specialist for a health problem can be almost 40 weeks. That's because the primary goal of a universal system of care is to provide basic care and emergency care only.
- \* Patients may not always get the care they seek, because one way to save money is to limit care to people who are in the last six years of their lives.
- \* When the government sets the prices, it limits how much doctors are paid. Experts are concerned that the pool of doctors will shrink because students won't want to commit to several years of expensive training to be doctors if they know they won't make much money during their careers.
- \* Doctors often are assigned more patients than they can handle, so they often rush through the interview and diagnostic process.
- \* There's less funding for innovative life-saving technologies.
- \* If families have to pay taxes for basic health and emergency care, AND have to pay a private insurer for specialist or elective procedures, they may end up paying more than they would without universal system. ■

# The Benefits of Purchasing Life and Disability Insurance Together

**M**ost people easily grasp the importance of having a life insurance plan. Death is inevitable and life insurance can provide a surviving spouse, children and other dependents with the funds to maintain their standard of living.

Though the need for disability insurance, which is also designed to help a family pay the bills if something happens to the breadwinner, is not as inevitable as life insurance, it could be just as important. According to the Social Security Administration approximately one in four 20-year-olds will experience a disability before they retire. Most disabilities are not because of accidents, but are the result of diseases like cancer, or chronic conditions, such as back or muscle pain.

The process for applying for both types of insurance are very similar, and since the process can be rather long and involved, many people find it just makes sense to apply for both at the same time.

- ✳ If you have a complicated medical history, underwriters probably will request your medical records. Applying for both at the same time means one exam for two applications.
- ✳ If you are denied disability insurance or your rates are higher than you can afford, talk to your agent about applying for a disability insurance rider or endorsement on your life insurance policy. Long-term disability insurance provides better protection, but a disability income rider at least will provide you with a monthly stipend. This kind of rider requires additional underwriting and will increase your life insurance premiums.



Underwriting rules for disability and life insurance vary greatly by company. For instance, if you have high blood pressure, you might find that some companies look less favorably on the condition and may charge more than another company. When working with a financial planner or insurance broker, make sure they understand your needs and health. ■



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