

Life & Health Insurance Advisor

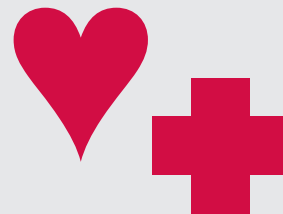


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Life Insurance

May 2022

Volume 14 • Number 2



Is No-Exam Life Insurance Right for You?

Getting life insurance can be complicated and time-consuming. But not always.

To get life insurance in most cases, you must undergo a medical exam, since this is how the insurer determines the level of risk and calculates the premium. However, you may be interested in no-exam life insurance, especially if you're in good health and don't want to undergo the rigors of a full exam.

Many insurance companies offer no-exam life insurance policies which you can usually get quickly without undergoing any medical tests.

How Do No-Exam Life Insurance Policies Work?

Usually when you apply for a life insurance policy, you must undergo a relatively simple medical

exam in which:

- ✱ Your height and weight will be measured
- ✱ Your BMI will be calculated
- ✱ Your pulse and blood pressure will be checked
- ✱ Blood and urine samples will be collected.

If you require more coverage or are over 50, additional tests might be required, such as an EKG. If you're healthy, you'll get better rates on your policy, but it does slow the process down.

This is where no-exam life insurance policies come in since with no-exam insurance you don't need to take any medical tests. Three different types

Proposed ACA Change Will Expand Eligibility and Lower Premiums for Some

Recent changes to the Affordable Care Act proposed by President Joe Biden would expand eligibility and lower premiums for some.

One the main purposes of the proposed changes aims to fix an issue that has been dubbed the "family glitch" and would enable more dependents to get subsidized insurance under the ACA. Essentially, if workplace plans would cost a family more than 10% of their income, the employee's dependents would be allowed to purchase a private plan through the Obamacare system.

Currently, an employee cannot receive a Premium Tax Credits (PTC), as allowed under the ACA, to reduce their premiums if their employer provides "affordable health insurance." And to determine whether the plan is "affordable," the coverage cost for only the employee is used, ignoring the cost of insuring a spouse and children.

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of no-exam life insurance policies are available:

Accelerated Underwriting Policies

With an accelerated underwriting policy, the insurance company analyzes the information you provide. It also sources data from third parties and uses special algorithms to determine if you are eligible. This type of policy has the convenience of a no-exam life insurance policy while offering the advantageous rates of traditional life insurance.

However, you can usually only get a maximum of about \$1 million in coverage. So, if you require higher limits, you will probably need to undergo a medical exam and go the regular insurance route.

Simplified-Issue Life Insurance

With the simplified-issue life insurance policy, you have fewer questions to answer. The insurer also doesn't use as many resources to collect data about you. However, rates tend to be higher and coverage limits are lower than

the accelerated underwriting policy.

Guaranteed Issue Life Insurance

As the name implies, you are guaranteed to get life insurance with this type of policy. You won't have to answer any questions, and you won't undergo a medical exam. However, coverage is limited – generally around \$25,000 – and the premiums will be much higher than a traditional policy.

Tips on Getting No-exam Life Insurance

While getting no-exam life insurance is not as complicated as a traditional policy, it still pays to consider certain factors beforehand.

Determine How Much Coverage You Need

A no-exam life insurance policy is undoubtedly attractive because of how easy it is to get. First, however, consider the amount of coverage you need. It's probably not going to work for you if you need higher limits. And if you want to cover a longer timeframe, you might need more insurance than these policies provide.

Be Certain You Can Get the Policy

Generally, you need to be very healthy. If you aren't, you stand a good chance of being denied. This will go on your insurance record and create problems when you apply for insurance in the future.

Look Beyond Price

When choosing a policy, don't just look at the price. There may be valuable policy options, such as the ability to convert a term life policy into a permanent policy. Another feature to consider is accelerated death benefits, which

So, if an employee is spending less than 9.83% of household income on insurance, the plan is considered affordable — even though that threshold doesn't take into account the additional expense of covering dependents.

Fixing the glitch does not require Congressional action, only President Biden's executive order. The White House says 200,000 people will gain coverage and 1.2 million will see lower rates.

These changes will be effective beginning in 2023.

allows you to gain access to your death benefit if you fall ill with a terminal disease.

Be Honest

You must be honest in your application or risk being rejected or having any future claims denied. Insurance companies have plenty of technology and will check your information for accuracy, including your driving record, prescription drug history, and how you answered questions on previous applications.

Don't Despair at a Rejection

If you are rejected, don't despair. You might think that you have no chance of getting a life insurance policy, but you need to keep searching. Your best option is to work with an experienced agent.

They can help you identify insurance companies that are more open to providing coverage to people in your situation. Even better, they can shop around for insurance policies without revealing an applicant's name, thereby eliminating the risk of another rejection.

No-exam life insurance policies can be a great option, especially if you're healthy and in a rush. Please contact us for more information. ■

Why Stay-At-Home Parents Need Life Insurance

Stay-at-home parents probably do the job of six or more people, taking care of everything from being a nanny and nurse to a chauffeur and chef.



Despite this, there's a common misconception that only the parent responsible for the household earnings should be insured.

Stay-At-Home Parents Provide Financial Support

Stay-at-home parents usually manage all the responsibilities that would otherwise be outsourced to someone else. For example, according to Care.com, in 2019, if you put your child in a childcare center, you would pay approximately \$215 per week.

If you require after-school care, you would pay \$243 per week, while a nanny would cost as much as \$565. You could be paying anywhere between \$11,180 and \$29,380 per year for someone to look after your child.

How Life Insurance Helps

One of the most important reasons to buy life insurance is to help replace the family income if something were to happen to the breadwinner. But what about the stay-at-home parent? If you're a stay-at-home parent, you might not be bringing in income per se, but the cost of the services you provide also need protection.

While it's something no one wants to think about, if the stay-at-home parent were to pass away, the family would probably be put under great financial strain. Of course, nothing can replace a parent, but with life insurance the essential services they had been providing could be outsourced and financed.

Life insurance could also cover final expenses. According to the National Funeral Directors Association, a funeral with burial can cost as much as \$7,640. There might also be other expenses that need to be covered, such as leftover medical bills.

How to Determine How Much Coverage Is Needed

For a breadwinner, determining the level of coverage needed is usually straightforward. However, things can get a little more complicated for a stay-at-home parent. (Though actually, they can also get somewhat complicated if the breadwinner dies and the stay-at-home parent decides to go back to work, something which we will also discuss a bit later in this article.)

The Size of Your Family

Obviously, the more children you have, the the higher the limit you should purchase. Do a little research and determine how much it would

cost to provide childcare, including the cost of childcare facilities, babysitters, and after-school care.

The goal is to purchase limits that will cover all these costs until such time as the kids are old enough not to require care. Also, consider other factors, such as whether it will be necessary to hire someone to clean the house, mow the lawn, do the cooking, or anything else currently handled by the stay-at-home parent.

What if You're a Stay-At-Home Parent Who Decides to Go Back to Work?

This is the reverse situation. Suppose your family has decided that if something happens to the breadwinner, the stay-at-home parent will return to work? Then of course you're going to be relying on the proceeds of the breadwinner's life insurance policy. But the same considerations that went into determining what policy limit to carry for the stay-at-home parent's life insurance policy will still apply — cost of childcare facilities, babysitters, and after-school care, etc. — plus most likely a lot of other considerations, such as financing college tuitions, paying off long term debt and more.

There seems to be a clear need for life insurance for both breadwinners and stay-at-home parents. For help figuring the kind of life insurance policy and limits would work best for your family, please give us a call. ■

Many Americans Will Soon Get Medical Debt Removed from Their Credit Reports

Starting in July 2022, many Americans may see their medical debt removed from their credit reports, according to a statement from Equifax, Experian, and TransUnion.

Accordingly, any medical debt that was sent to collections but has been paid will be wiped from people's credit reports. A few other changes will also be implemented to help people improve their credit scores.

Medical Debt in the US

According to a Kaiser Family Foundation report, approximately 23 million Americans have significant medical debt. Data from the Consumer Financial Protection Bureau shows 43 million people had a total of \$88 billion worth of medical bills on their credit reports in June 2021. The pandemic only worsened the situation as more people were left without jobs even as their living and medical costs increased.

At the end of March, the three major credit bureaus stated that as much as 70% of medical debt would be removed from Americans' credit reports, providing relief for millions. The problem has been that debts sent to collections, even after they are paid, continue to have long-term negative financial consequences. Since they remain as a red mark on people's credit reports, records of these

debts can make it difficult to obtain financing or increase the cost of financing.

The changes that will be enacted on July 1 state that:

- ✱ Any medical debt in collections that has been paid off will no longer be included in credit reports
- ✱ Unpaid medical debt that is in collections will only be reported after one year instead of six months
- ✱ Any medical debt in collections under \$500 will no longer be included in credit reports starting in 2023.

As a result of these changes, many Americans are likely to see positive changes in their credit scores. However, remember that this doesn't mean medical debt will be a thing of the past, nor does it mean that all medical debt will be erased.

Does It Apply to Me?

If you had any medical debt in collections which has been paid off, it should be removed from your credit score. However, you should be



proactive and check your credit report.

After July 1, you'll want to get a copy of your credit report and check to see that your paid medical debt has been eliminated. Thanks to the pandemic, until the end of the year, you can get one credit report for free every week from each of the three main credit reporting bureaus.

It's important to check your credit report from time to time anyway because mistakes

can happen. A Federal Trade Commission study conducted in 2012 discovered that 25% of Americans had errors in their credit reports.

If you do find medical debt that should have been removed, file a dispute with each of the three organizations to get it eliminated. Also, you should file a dispute with the company that provided the bureaus with the information, which in most cases will be the debt collector.

If you did pay off debt that still shows up as

unpaid, make sure to include documents proving you paid it. File your dispute with the credit reporting companies and the debt collector.

Also, don't be concerned if your dispute is rejected at first. This often happens, especially if there are internal discrepancies or poor communications within the organization that issued the medical charges. You may need to file a dispute a few times to get a positive result. ■

Medicare Now Covers Up to Eight At-Home Covid Tests

Starting in April, anyone with Medicare Part B, including people enrolled in a Medicare Advantage plan, gained access to free COVID-19 at-home tests. Coverage will apply until the end of the public health emergency.

If you present symptoms, getting tested for the COVID-19 virus is essential. It's the only way to determine if you do have the virus so you can seek the right treatment. You'll also know if you must isolate yourself to avoid passing on the virus to others.

At the beginning of the year, the Biden administration implemented a plan whereby most health insurers had to provide coverage for eight at-home tests every month per person. However, this did not cover anyone with Medicare because the Medicare Part B system is only set up to provide coverage for testing conducted by healthcare providers.

Furthermore, although Medicare Advantage providers were allowed to institute this rule voluntarily, most chose not to do so. Now all those with Medicare part B, including Medicare advantage, can get eight free COVID-19 tests per month starting in April.

These tests will be available from various pharmacies and healthcare providers. Many of these facilities will be listed on the Medicare website. However, check with your local healthcare provider or pharmacy as they may be participating but not on the list.

It's important to note that if you already have access to these tests as a supplemental benefit of your Medicare Advantage plan, the eight tests



are separate and can be obtained in addition to the supplement.

You can also get additional free tests by ordering them through the mail at [Covid.gov/tests](https://www.covid.gov/tests). Free testing will also continue to be available at over 20,000 testing sites across the country. ■ ■

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