Spark

Ancillary Products Hospital Indemnity Plans









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Agenda

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Stand Alone Ancillary Plans

In this presentation, we'll be looking at an overview of just a few companies that offer these plans.

Be sure to check other carriers that you are contract with to see what they offer. Also note, that with any of these products, availability and benefits vary by state - make sure to check the carrier specifics.

Ancillary plans like Hospital Indemnity are secondary insurance products meant to reduce the out of pocket costs associated with care and services.

Hospital Indemnity policies typically provide a lump-sum payment following a hospitalization (or other policy benefit) covered on the policy. The payment can be used for deductibles, copays, co-insurance and non-medical costs as it's paid directly to the insured and in addition to any other health coverage.

Why Sell Hospital Indemnity Plans?

01

Fills in coverage gaps

Fills in the gaps left by other insurance for hospital co-pays, deductible, co-insurance

02

Increases client retention and expands your Book of Business

By increasing the “policies per household”, your clients will stay with you as their agent. Happy clients refer others to you

03

Earn additional commissions

Earn commissions on ancillary products. While not as sizeable as Medicare Advantage and Supplement, it adds up over time!



The Risks

The top 3 out of pocket expenses with Medicare Advantage Plans

Hospitalization



Created by Omah Icon from Noun Project

Recuperation



Created by Jongrak from Noun Project

Direct and Indirect Costs



Created by Md. Kabir Hossain from Noun Project

The Risks

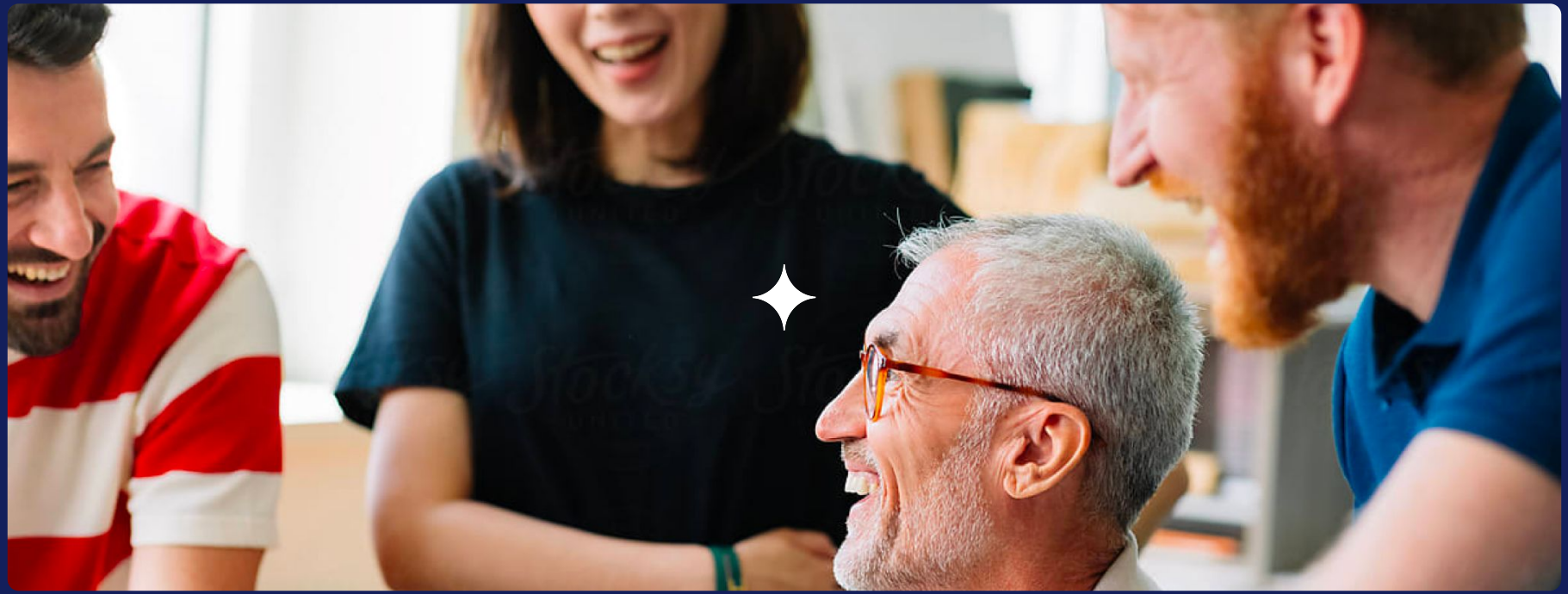
1 in 5
people 65 and older will require a hospital stay this year

5 days
Average length of stay in hospital

70%
of hospital patients age 65 and older will require post-acute care such as SNF

Over 40%
of men and women will be diagnosed with cancer in their lifetimes

Source: UpToDate.com, Hospital management of older adults, 11/2021
Cancer.org, American Cancer Society



Plan Structure

Typical Plan Structure

Daily Hospital Benefit

Per day benefit amount for a chosen number of days for inpatient stay ($250/day for 5 days)

Ambulance Rider

Pays lump sum chosen for ambulance - usually a maximum number of times per year

SNF Rider

Pays a benefit for each day receive skilled nursing care in a facility. ($150/day days 21-100)

Other Riders

- Lump Sum Hospital
- Outpatient Surgical
- Outpatient Rehab
- Accident
- DVH
- ER (included on some)

More about Plans

Guaranteed Issue

Some carriers offer guaranteed issue up to a certain age (GTL up to age 68)

Guaranteed Renewable

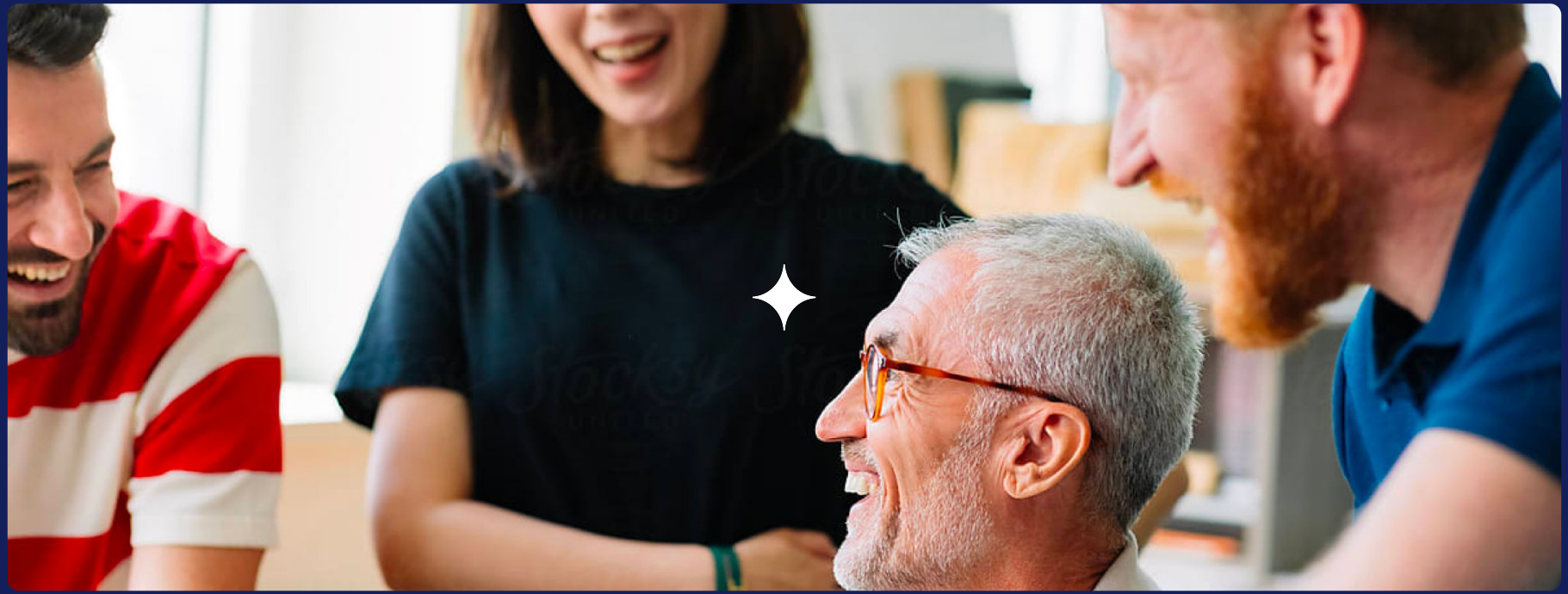
As long as premiums paid on time, renewal is guaranteed. Rates are very stable.

Pre-existing conditions

Depending on the carrier, no coverage for pre-existing conditions 3-6 months.

Period of Care

Begins first day of hospital confinement, ends after out of facility and no medical care for 60 days.



Carriers



Aetna

Aetna Senior Supplemental Insurance

01 Hospital Indemnity Flex

Flexible plans offer coverage for inpatient hospital confinement, payable for each new period of care plus a variety of riders. Issue ages 18-89 to individuals, couples or families.

02 Direct Member Reimbursement

Benefits are paid directly to the policyholder in addition to any other health coverage.

03 Flexible Benefit Amount

Daily benefit available up to $700 daily max. Option to pay lump sum for hospital admission. Payable for each period of care. Several riders available including SNF, outpatient rehab, cancer lump sum, and Ambulance/ER.

aetna®

Senior Supplemental Insurance



Aetna Broker Support

01

Contracting

If you are contracted with Aetna Senior Supplemental Insurance, you are already contracted to sell Ancillary Plans.

02

Commission

Commission is 35-64% of first year premium

03

Broker Benefits

Easy Quote & Enroll tool - including mobile app. Access to marketing materials and training, including live webinars at **Aetnaseniorproducts.com**





Cigna

Cigna Supplemental

01

Flexible Choice Hospital Indemnity

One policy with flexible choices on max benefit amount and riders chosen. Issue ages 50-85 for individuals, couples and families.

02

Benefit paid directly to policyholder

Benefits are paid directly to the policyholder in addition to any other health coverage.

03

Flexible Choices

Up to $450/day hospital confinement benefit, along with options for Ambulance, ER, SNF, Observation and more.



Cigna Broker Support

01 Contracting

If you are contracted with Cigna Supplemental, you are already contracted to sell Ancillary Plans.

02 Commission

Average first year commission is 40-60% of premium, 6-8% renewal commission

03 Broker Benefits

Easy Quote & Enroll tool at CignaforBrokers.com plus ability to create and send a self-enroll link to clients. Access to brochures and other marketing materials.





GTL

GTL

01

Advantage Plus ELITE Hospital Indemnity

One of the industry best Policies. Designed to help cover out of pocket expenses on a Medicare Advantage Plan. Guaranteed Issue up to age 68 (or 70 depending on state). Fast and Easy Claims process.

02

Benefit paid directly to policyholder

Benefits are paid directly to the policyholder in addition to any other health coverage.

03

Flexible Choices

Base benefits kick in after 6 hours. ER benefits included, with no hospital stay required for ER benefit. Ambulance Rider, Cancer Lump Sum Rider, SNF Rider, and more available.

GTL GUARANTEE TRUST LIFE



GTL Broker Support

01 Contracting

If you are not contracted with GTL, please email Support@SparkAdvisors.com for a contracting link.

02 Commission

Average first year commission is 60-70% of premium, plus 6-15% renewal commission

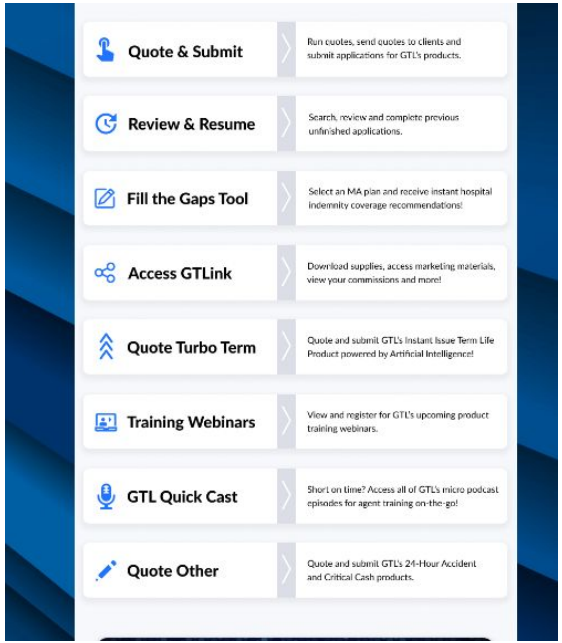
03 Broker Benefits

Easy online application PLUS brokers can quote & enroll with GTL E-App on Apple and Android platforms. New Text to sign enrollment. Access to brochures and other marketing materials.

GTL GUARANTEE TRUST LIFE



GTL Flexible Choice Cancer, Heart Attack and Stroke



Once Contracted, you'll have access to Agent Portal

In the portal you can:

- Quote & Submit Applications
- Download and order marketing materials and supplies
- View training webinars
- And more



Cross Selling

Who is a Prospect?

01

Current Clients

Your current book of business is a great place to start, especially your MA/MAPD clients and those in GI ages

02

Prospective Clients

Bring up Hospital Indemnity every single time you enroll someone in a MA/MAPD. (must have SOA if same appointment)

03

Clients in Guaranteed Issue age range

Someone who has some health conditions that may make them uninsurable in the future can take advantage of GI if they are in the age range.



Bring up Hospital Indemnity!

Agents Who Ask

Agents report about 70% of MAPD Clients will take a Hospital Indemnity Plan if the Agent brings it up

SOA

If you discuss Hospital Indemnity at the same appt as MAPD, client must have checked the box to discuss.

If you discuss Hospital Indemnity at a separate appointment, no SOA is needed

Sell Year Round

You can circle back to all of your MAPD clients after AEP and rest of the year to discuss and sell. Send an email with video link.

Social Media

GTL has a great consumer facing short video about Hospital Indemnity that you can post on Social Media and website to start a conversation.

Needs Analysis

Cover all hospitalization

Average hospital stay is 5 days, national average is $300/day

- Cover the copay amount per day for the number of days client has a copy on MAPD plan
- Hospital costs go up, so cover a bit more than current copay if in the client's budget.

Cover all or most of ER and Ambulance

Ambulance coverage per "ride." Some carriers cover ER on core coverage, others it's a rider.

- Choose ambulance rider in the amount of copay on their MAPD (ave $250)

Cover some of cancer coinsurance

MAPD's have 20% coinsurance for chemotherapy/radiation

- Add lump sum cancer rider - $5-$10k depending on MOOP and budget
- Can add recurrence in some policies

Other Riders

Cover depending on client's needs/wants and budget

- SNF
- Outpatient Rehab
- Outpatient Surgery
- Other riders available

Underwriting

Get to know the Carrier’s UW requirements by looking at the Health questions on a blank application.

-Look back period for prior hospitalizations

-Look back period for other conditions - like COPD, Insulin dependent diabetes, dementia, Alzheimer’s, etc.

-Look back period for any riders - like Lump Sum Cancer

**GTL - Guaranteed issue ages (68 in most states, 70 in some)

Wrap Up

Don’t get overwhelmed with the Plan choices!

Pick a carrier learn those plans:

- Order and read the Plan brochure(s)
- Read the Outline of Coverage so you understand the Plan
- Play around with the quoting to get familiar with Options and premiums

Then:

- Post on social media - compliantly!
- Listen for clues during client conversations and consultations
- Bring up ancillary plans when talking with clients



Thank You

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FOR CONTRACTING LINKS AND QUESTIONS

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FOR POLICY AND/OR SALES QUESTIONS

Spark