



## **ATTENTION ALL FIRST UNITED AMERICAN AGENTS:** **A Legal Reminder Regarding Medicare Supplement Sales**

As you know, you must comply with applicable laws and regulations in each State in which you are appointed. To that end, here are some points to keep in mind when selling Medicare supplement policies:

1. You are required to ask all of the questions on the application and to leave with the applicant an Outline of Coverage, a Medicare Buyer's Guide, and the brochure from which an application is taken. If replacement is involved, you must, along with the applicant, fill out and sign the Replacement Notice. The name of the insurance company being replaced is a required field on the application. Submit the completed, and signed, Replacement Notice and application to the Home Office. Following are some things to remember when completing the Replacement Notice with the applicant:
  - a. Use the Replacement Notice and Comparison Form to compare with the applicant the First United American Medicare Supplement coverage with that of his or her current Medicare Supplement policy. This comparison will help you and the applicant determine what box to check on the Replacement Notice. Always be certain that any comparison of other coverage is fair and accurate and that excessive insurance is not sold.
  - b. With respect to First United American's High Deductible Plan "F+" ("HDF+"), only replace a Medicare Supplement plan with an HDF+ if the premiums for the HDF+ are lower than those of the current plan and replacement is otherwise appropriate.
    - If the HDF+ is an appropriate replacement for a Plan A, B, C or D, check both the box labeled "Additional benefits" and the box labeled "Other" on the Replacement Notice; in the space provided next to the "Other" box, indicate that the applicant is willing to pay a high deductible for lower premiums.
    - If the HDF+ is an appropriate replacement for a Plan F, check the box on the Replacement Form labeled "Other" and, in the space provided next to that box, indicate that the applicant is willing to pay a high deductible for lower premiums.
    - If the HDF+ is an appropriate replacement for Plan G, check the box on the Replacement Form labeled "Fewer benefits and lower premiums".
    - If the HDF+ is an appropriate replacement for Plan K or L, check both the box labeled "Fewer Benefits and Lower Premiums" and the box labeled "Other" on the Replacement Notice; in the space provided next to the "Other" box, indicate that the applicant is willing to pay an annual out-of-pocket limit for lower premiums.
2. You should determine in each case that any policy sold is suitable to the needs of the applicant. In doing this, you should consider such issues as the applicant's financial condition, his or her need for insurance, the values, benefits, deductibles, and costs in relation to any existing coverage that he or she has, and whether, in the totality of the applicant's circumstances, this sale is suitable. Of course, always remind the applicant that he or she has a free look period to review his or her new coverage.
3. If an applicant currently has or previously had coverage via a Medicare Advantage ("MA") plan (regardless of whether his or her health care services were received through an HMO, PPO, etc.), be certain that you do not create any hardships. Remember, the applicant must be disenrolled from the MA plan and enrolled in traditional Medicare *prior to* the effective date of his or her First United American Medicare supplement policy. You should assist in making certain that correct information is obtained about disenrolling from the MA plan and enrolling in traditional Medicare. Duplicate insurance is not allowed and enrollment in Medicare is necessary to ensure that benefits are not lost.