

Stability is a UA Priority

S&P: Choose an insurer with a stable history

SAN ANTONIO — Standard & Poor's believes that it remains important for policyholders to choose a financially secure insurer since history has shown that failed insurers may take years to pay all of their liabilities.

Policyholders of the failed organizations face potential delays, incomplete or disputed claim payments and possible difficulties in finding replacement coverage.

In addition, more than a dozen managed care companies failed during 1999, leaving a half million members without health insurance. More than half of all health plans lost money in 1998 and, considering statutory filings for 1999, to date losses are persisting.

– PR Newswire

Careful Analysis Keeps United American On Top

The rate of medical inflation each year essentially guarantees a change in Medicare Supplement premiums for all companies. United American is no different. As an Agent, you must be able to explain to customers in a positive manner why this occurs.

Here are a few points to use when speaking to clients about their premium prices:

- ⇒ Rate changes mean UA's coverage is performing well for the insured. Federal Law prohibits a company from increasing rates just for the sake of making more of a profit. The government approves each rate increase based on a claims paid basis of 65 percent. That means that for every dollar in premiums, UA must give 65 cents back to the policyholders in the form of claims payment. If UA cannot prove this, the government will not approve the rate increase.
- ⇒ The first impulse a client has when rates are increased is to find a competing company with a lower rate. This is not a good solution. Over time, rates will equalize among the various companies. Many companies that offer cheaper prices will eventually increase their rates to avoid losing money. Recently, more and more companies are leaving the Med-Supp market altogether, forcing policyholders to find new healthcare providers.
- ⇒ Those companies who continue to offer cheaper rates must make cuts somewhere in order to stay competitive. And service is usually the first to go. Because your clients have been with UA already, the Agent doesn't usually have to convince the policyholder that UA's service is unmatched within the industry. But sometimes they need to be reminded. Reassure your clients of our long-term commitment to the Med-Supp market and to providing automatic, secure claims service.