

May We Have Your Attention?

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. **Forms:** 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** and return it to the Company along with the application.
2. Following are some things to remember when completing the **Replacement Notice** with the applicant:
 - a. **Comparisons:** Use the Replacement Notice to compare with the applicant the 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. **UA Partners:** Remember, United American's UA Partners® program with "Automatic" Claims Filing® service is not an insurance benefit. Therefore, if an applicant is replacing current coverage because he or she has opted for UA Partners, you should avoid checking the "Additional Benefits" box on the Replacement Notice as the reason for replacement. Instead, check the box marked "Other" and specify that the applicant has selected UA Partners.
 - c. **HDF:** With respect to 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, or C, 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 a Plan G, check the box on the Replacement Form labeled "Fewer Benefits and Lower Premiums."
3. **Suitability:** 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.
4. **HMOs:** If any sale involves the replacement of an HMO, be certain that you do not create any hardships. You should assist in making certain that correct information is obtained about "disenrolling" from an HMO. Duplicate insurance is not allowed and enrollment in Medicare is necessary to ensure that benefits are not lost.

