

WHY DO INSURANCE RATES GO UP?



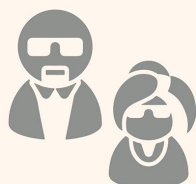
INSURANCE RATES GO UP NEARLY EVERY YEAR — even if you're healthier than you've ever been. **HERE'S WHY.**

REASON #1 CLAIMS EXPERIENCE

The single largest reason your insurance rates go up or you experience the dreaded "rate increase" is due to claims. When a company has to pay out a large amount of claims, they have to offset those costs by raising premiums.

With Medicare Supplements, it's common to see rate hikes with plans that are Guaranteed Issue (GI). These are plans that are required by law to accept everyone that applies regardless of their health — no underwriting needed. You can read more about GI plans here.

Long story short: the more unhealthy people are, the more claims there are, and the higher our rates will be.



REASON #2 AGE

Age is a huge factor in premium rates. It's extremely common to be in a Medicare Supplement that has an "attained-age" pricing structure. This means that each year, you get a lovely present on your birthday — a rate increase.

So, let's say you buy a Med Supp at age 65, and your premium is \$100 per month. At age 66, your premium goes up to \$106 per month. And this will continue each year.

It's important that you meet with your agent to price shop each year — there's always a chance that another company can offer you the same benefits for a cheaper price. Keep in mind you can only switch carriers if you're healthy enough to pass underwriting.

REASON #3 REGULAR INFLATION

With inflation, everything gets more expensive. The same goes for healthcare costs, which means insurance rates follow suit.



REASON #4 NEW TECHNOLOGY AND SERVICES

We often hear the phrase "healthcare costs are rising." The reason for this is that science is always progressing, and with new research comes new technology and services.

It's a great thing for treating and curing diseases like never before, but insurance rates reflect that increased cost.

REASON #5 ADMIN COSTS

Finally, you have admin costs — the costs of running a business behind the scenes. Various factors like wage increases and additional staff members can cause costs to rise, but this accounts for a very tiny fraction of the hikes you'll see in your healthcare rates.



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