



# NEBRASKA UPDATES - PLAN N, RATE ADJUSTMENT AND 2011 COPAY AND DEDUCTIBLES

## MEDICARE SUPPLEMENT

November 17, 2010

### INTRODUCING PLAN N

We are pleased to announce the availability of Plan N as a part of our Medicare supplement plan offerings.

**Effective December 1, 2010**, you may begin selling the new Plan N in Nebraska.

### OUR STRATEGY:

- We continue to monitor the market and take necessary steps to ensure you continue to have the lowest rates possible.
- Underwriting: No change to current guidelines.
- Applications: New application booklets (see below).
- Conversions: The model regulations allow, but do not require, a conversion privilege from a standardized plan to a modernized plan; we'll adapt as the market warrants.

### ABOUT PLAN N:

- Features **higher cost sharing** and lower anticipated premiums for policyholders.
- Offers a new co-pay structure (\$20 co-pay for physician visits, \$50 co-pay for ER) and no coverage for Part B Deductible.

### RATE ADJUSTMENT – EFFECTIVE DEC. 1, 2010:

Effective on **new and inforce Modernized business** for **Assured Life Association** Medicare supplement in **Nebraska** as of **December 1, 2010**, the following rate adjustments by plan will be effective:

MODERNIZED MEDICARE SUPPLEMENT PLANS NEW AND INFORCE BUSINESS					
Rate Adjustment					
Plan A MTA20	Plan B MTA21	Plan C MTA22	Plan D MTA23	Plan F MTA24	Plan G MTA25
9%	9%	9%	5%	9%	5%

**Rate Adjustment** - Rates for 2010 Modernized Plans were filed approximately a year ago in order for these new plans to be available in December of 2009 for those aging into Medicare and already shopping for coverage 6 months prior to an effective date of June 1, 2010. This early release allowed us to be one of the first carriers to have the new product available nationally not only for those aging in but also for those looking to replace their coverage.

Although these new plans were effective as of June 1, 2010, the benefit changes were minimal and medical trend experience is relatively the same as that experienced with the older standardized plans. Therefore, making an adjustment to these 12-month old rates is necessary at this time.

For applications signed on or after December 1, 2010, the rates for the plans listed below will increase. You will find, although these rates have increased, they are **still competitive** in the marketplace. Clients buying a Medicare supplement at these rates will still have a 12-month rate guarantee from their effective date of coverage and therefore, the earliest they would receive a rate increase would be December 1, 2011.

Continue to use the existing rates for 2010 Modernized plan applications signed prior to December 1, 2010. Their rates will not increase until 12 months from their effective date of coverage making the earliest a certificateholder would receive a rate increase June 1<sup>st</sup> of next year (2011). Current certificateholders will be notified next year in the same manner we notify certificateholders today of rate adjustments.

As a reminder when calculating premium, please calculate the initial premium **based on the client's age** on the application date and not the effective date of coverage. *Rates are locked in on the signed application date but will continue for 12-months following the **effective date of coverage**.*

**2011 MEDICARE DEDUCTIBLE AND COINSURANCE:**

As always, our 2011 Medicare supplement benefits match the federal program's deductible and coinsurance increases, a distinct advantage in today's ever-changing environment.

FEATURE	2010 BENEFIT	2011 BENEFIT
Part A Inpatient Hospital Deductible	\$1,100	<b>\$1,132</b>
Hospital Coinsurance		
▪ 61-90 days	\$275	<b>\$283</b>
▪ 91-150 days (lifetime reserve)	\$550	<b>\$566</b>
Skilled Nursing Facility Care Coinsurance		
▪ 21-100 days	\$137.50	<b>\$141.50</b>
Part B Physician's Services and Supplies Deductible	\$155	<b>\$162</b>

**CHANGE IN THE LOOK OF APP BOOKS:**

The content of the app books will not change, you will still receive the black and white version of the brochure, outline and app pack in one convenient booklet.

The color cover on the booklet will be replaced with a black and white wrap. This change to our printing and binding processes we allow us to print and deliver your orders in a more expedient manner and simplify the application process; all forms that are to be left with client are located in one section in the back and there is no carbon-paper to worry about.

The form numbering will be slightly changed. Rather than a series to indicate a revision to the form, a print date will be designated directly below the base form number.

**MARKETING MATERIALS:**

The following materials have been updated to include Plan N, the new 2010 rate adjustments and 2011 copay and deductibles:

STATE	APP BOOK	NEW OUTLINE
NE	T01_310_NE Print Date: 11/17/10	T01_156_NE_0011

The outline is attached for your convenience; it can be saved and printed as needed. All available materials are available to view and print immediately on [www.denverwoodmen.com](http://www.denverwoodmen.com).

**QUESTIONS:**

Call: (877) 815-4776  
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