



Gerber Life
Insurance Company

Medicare Supplement
July 14, 2011

GUARANTEE ISSUE AND COMP CHANGES

Gerber Life Insurance Company (Gerber) is committed to providing a competitive Medicare supplement product for you to offer your clients. In order to continue to offer a competitively priced product we are making the following changes.

Guarantee Issue Business:

Effective with applications signed on or after **August 1, 2011**, we are aligning our underwriting rules for Guarantee Issue (GI) scenarios to match the Centers for Medicare and Medicaid Services (CMS) Guarantee Issue Rights. We will continue to require one of the following forms of documentation:

- A. A copy of the applicant's MA plan's termination notice
- B. Certification of group coverage
- C. A copy of the termination letter from employer or group carrier

Additional forms of documentation will be accepted during the Medicare Advantage Annual Election Period.

Unless otherwise noted, your client has a guarantee issue right to Medigap plans A, B, C, F, K or L if...

1. They are in a Medicare Advantage Plan, and their plan is leaving Medicare or stops giving care in their area, or they move out of the plan's service area.
2. They have Original Medicare and an employer group health plan (including retiree or COBRA coverage) or union coverage that pays after Medicare pays and that plan is ending.
 - ▶ *Gerber will **no longer** extend this to individuals who are **voluntarily** leaving an employer-sponsored group health plan except in those states where it is required. Those states are: AR, CA, CO, FL, ID, IL, IA, IN, KS, LA, MO, MT, NJ, NM, OH, OK, PA, TX, VA, WV and WI (See underwriting guide for details)*
3. They have Original Medicare and a Medicare SELECT policy. They move out of the Medicare SELECT policy service area.
4. They joined a Medicare Advantage Plan or Programs for All-Inclusive Care for the Elderly (PACE) when they were first eligible for Medicare Part A at 65, and **within the first year** of joining, they decide they want to switch to Original Medicare. Clients can choose any Medigap policy that is sold in their state by any insurance carrier.
5. They dropped a Medigap policy to join a Medicare Advantage Plan (or switch to a Medicare SELECT policy) for the first time, they have been **in the plan less than a year**, and they want to switch back. If the former Medigap policy isn't available, an individual can buy a Medigap Plan A, B, C, F, K or L that is sold in the state by any insurance company.

**Guarantee Issue Business
(continued):**

6. Their Medigap insurance company goes bankrupt and they lose their coverage, or their Medigap policy coverage otherwise ends through no fault of their own.
7. They leave a Medicare Advantage Plan or drop a Medigap policy because the company hasn't followed the rules, or it misled them.

For more information regarding plans available to purchase* and timelines for applying, see pages 24 - 25 of the CMS publication *2011 Choosing a Medigap Policy: A Guide to Health Insurance for People with Medicare* attached

**See the underwriting guide for any state exceptions.*

Open Enrollment:

California Only: For applications signed on or after August 1, 2011, the acceptance of applications during open enrollment is changing from a 90-day to a 60-day period. The 60-day period will begin 30 days before and continue for 30 days after the individual's birthday.

In California, Missouri and Washington specific documentation is required during open enrollment when applying for replacement coverage. (*See underwriting guide for details*)

COMPENSATION:

Compensation for all GI business is changing effective August 1, 2011. New and/or updated commission schedules are being prepared and will be mailed to you soon. Please contact your Marketing Organization if you have any questions regarding your commission schedule.

Underwriting Guide:

For your convenience the updated underwriting guide (T03_238_0811) is attached. You may save the PDF and print as needed. Materials may be viewed/downloaded at www.Gerberlifegroup.com and are also available to order through your normal channels.

Thank you for your continued business.

QUESTIONS:

Call: (877) 617-5592
E-Mail: GerberSalesSupport@medsuppservices.com