

## TURNING 65 SOLUTIONS

### TAX & INSURANCE

#### FAQ's and how to find an above average agent

With approximately 11,000 people turning 65 every day in the United States, there is a lot of interest in Medicare. One of the first questions people ask themselves is "Do I need an insurance agent for Medicare?" Medicare does take time to learn, especially for those that do not work with insurance every day. It is easy to miss important information and to make the wrong choices that can cost you thousands of dollars down the road. The right insurance professional can help save you time, reduce confusion and can save you thousands in medical expenses.

## FAQ'S

### How does your agent get paid?

It's important to understand how much commissions are involved in Medicare and who pays those commissions. **You don't pay the agents' commissions.** The agent is paid by the insurance company. A good agent will be willing to disclose the commission rates so that you, the consumer, can see if there is any bias based on potential income. In most states, the first year you purchase a Medicare Advantage Plan, the agent is paid \$429. If you renew, the agent is paid \$215. The insurance company will set the rate within the State guidelines. In general, the insurance company will pay between 18% and 22% of the first year annual premium. For Medicare Supplement Plans, the agent is making between \$180 and \$330 during the first year of your plan.

### What is the difference between an Agent and a Broker?

There are two different types of insurance professionals; the captive agent and the independent broker. The captive agent works for the insurance company and they can only show you, quote you and offer you the products allowed by the insurance company. An independent broker does not work for any insurance company. They may work for an insurance agency or for themselves, but their goal is to represent you and your best interest.

### How do I find the right insurance professional?

Not all insurance brokers are the same and it is in your best interest to find one that has the knowledge, wisdom and experience to be your advocate. It's important to sift out the below average and average insurance professional and find the ones that can add the most value and meet your needs. Also, when prices change as you age, the company that is best priced for you at age 65 is not always the best price for you when you are 70. A good independent broker will review your plan and the competition to make certain you never overpay for your coverage. Lastly, follow your gut. If you have an uneasy feeling about a person, don't work with them.

## IS YOUR AGENT...

- **Licensed in your state?** Always ask them to email you their license number and check on your state license website.
- **A full-time agent?** The majority of people working as insurance agents and brokers do so part-time. You want to find an insurance professional who is available every business day morning until evening. A good insurance professional will be able to pull quotes for you and will be easy to get in contact with.
- **Appointed with multiple insurance carriers?** A number over 10 is a good standard. Some with years of experience are appointed with much more.
- **Online?** Having no website is a major red flag. It is also a good idea to check for a Facebook page. There should be articles published by the agent and that are full of helpful information. The person that can write about a subject has a deeper understanding of the subject than those who don't.
- **Adding their point of view?** Expect them to add value by sharing why one plan may be better than the other. That's how they add value. As long as you know how the broker will be paid, you will be able to make the right decision for yourself.
- **Being transparent?** Your broker should be completely open about the commissions paid by each company, they should show you all the prices and plans available if asked. Keep in mind, if a broker does not show you all the plans and prices up front that is not necessarily a bad thing. An experienced broker will know what plans offer the best value in each state. They may show those plans first and will then explain why the other plans are not good values later.
- **Established?** Find out how long the agent has been in business. An established agent will have an office, employees and will be there for you for the long haul.