



3 Steps to Medicare Client Retention

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In 2019, the average customer acquisition cost (CAC) for the insurance industry was \$303.¹ Compare that to industries like retail where the average CAC is closer to \$10, and you see how important it is to retain the clients you earn.

Want to make your investment count by building long-term loyalty? Follow these three steps:

Step 1: Offer Your Clients the Right Products

Correct product placement means meeting the beneficiary's needs with a well-rounded approach.

Always Do What's in the Best Interest of the Client

Your number one priority as a Medicare agent is making sure that your clients get the right coverage. Doing so means finding appropriate products, but it also means respecting clients' budgetary and comfort needs.



A 2016 study found that half of Medicare beneficiaries earned below \$26,200 per person each year, and the same number had less than \$75,000 in savings.⁴ When serving clients with such limited incomes, you have to consider their out-of-pocket costs.

That doesn't necessarily mean recommending the cheapest plans. You're looking for coverage that will meet your clients' long-term needs, which often means choosing plans with strong networks that will always be competitive. Discuss budgetary concerns with your clients to ensure that the plans you're recommending don't create an undue financial burden, but prioritize their care.

Consider the budgetary needs of your higher-earning clients, as well. Make sure they stay aware of [how their tax filings and income status can affect their premiums](#), and ask them to inform you of any income changes so you may advise them appropriately.

Beneficiaries need to be comfortable with the cost of their coverage, but they also need to feel secure in the care they're receiving. Keep track of your clients' preferred physicians and pharmacies, and make sure you're offering them options that let them keep those providers if possible. Track this information using a document like NCC's [Medicare Needs Assessment](#), and check in with clients regularly to make sure their needs haven't changed.

Offer Ancillaries on Every Appointment

While it's true that [selling ancillary policies](#) benefits the agent by helping to stabilize income, these products also fill a real need for clients.

The chart below shows a breakdown of health care spending among seniors.

Health Care Spending Among Seniors	
Nursing Care	16.2%
Hospitals	35.3%
Professional Services	23.2%
Retail Drugs	10.3%
Other	15%

Source: Medical Spending of the US Elderly, National Bureau of Economic Research, 2015⁵

As you can see, hospital stays and nursing care make up significant portions of senior health care spending. Ancillary products like [Hospital Indemnity](#) and [Home Health](#) policies go a long way toward easing your clients' financial burden when they need more advanced care.

You'll receive some secondary benefits when you sell ancillaries, as well. The more products a client has through you, the more likely they are to stay loyal. Additionally, effective positioning can lead to more referrals. Clients who have the ancillary policies they need when they need them will be grateful to you for helping them avert financial disaster, and they'll show that gratitude by telling their friends.

Step 2: Keep Comprehensive, Up-to-Date Records

You want your clients to be confident in their coverage and your representation of them, and you want to *earn* that confidence. Good record-keeping is a vital part of your client retention strategy because it allows you to communicate with clients on a personal level and respond to changes in their coverage more quickly.

How to Track Client Information

Agents just starting out or with smaller client bases may find that a spreadsheet does the job, but we strongly recommend using a customer relationship management tool (CRM) to track your client information.



CRMs can seem like a significant investment, but the return you get in terms of efficiency makes the cost more than worthwhile. A spreadsheet will track details. A CRM will track those details and help you use them to automate processes and communication.

The list of available CRMs is vast, and the cost varies widely, but you can usually find a starter plan for less than \$50 a month. At that price point, if your CRM helps you retain just three clients, it has paid for itself.

What to Record

If you do choose to try tracking on your own with a spreadsheet, start with the basics:

- ▶ The client's essential information like name, address, and date-of-birth.
- ▶ The date the client initially enrolled.
- ▶ All plans in which the client is enrolled.
- ▶ Any yearly changes or updates to the client's coverage.

It's also useful to track personal details about your clients. Keep up with things like:

- ▶ **Family Members**
Is the client married? What are the names of their spouse, children, or grandchildren? Any recent milestones?
- ▶ **Work and Work History**
Does the client work? If they are retired, from what industry?
- ▶ **Hobbies and Interests**
Does the client have hobbies? Watch sports? Volunteer?

If you're still on the fence about what record-keeping system is best for your business, the NCC team is happy to provide guidance. Call [800-695-0280](tel:800-695-0280) to talk to a Marketing Specialist.

Step 3: Keep Open Communication with Your Clients

Client communication is essential in every industry, but even more so when you're dealing with Medicare beneficiaries who count on you to make sure they're getting the health care coverage they need.

Reach out Twice a Year at a Minimum

You should be checking in with your clients *at least* twice a year. Any effort you put in beyond that will be rewarded with increased loyalty. In fact, Humana recommends a much broader approach, especially in your client's first year. They call it "3-30-60-90." They've written an excellent guide that you can find [here](#). We highly recommend reading it and trying out this approach.

Outside of regular check-ins, refer to your records so that you can send birthday cards, call and check on your client's new grandchild, or ask them how they feel about their favorite sports team's prospects this season. Connect with them on a personal level, and follow that up by verifying that they're still happy with their coverage and don't have any questions or concerns.



Always Check in Near AEP

Even if you stick with the minimum two contacts per year (and we strongly recommend you go beyond that), make sure that one of those contacts happens near AEP. Not only do you need to review each client's coverage annually, but you also need to get ahead of other agents. They, like you, will be working overtime to grow their book of business.

Take the first two weeks of October to check in with your current clients. Let them know of any changes to their coverage and verify that they're happy with their existing plans.

It's rare for beneficiaries to change plans during AEP. Generally, fewer than 10% do so.² However, it's still important to check in with clients and make sure they know you're always keeping their best interests in mind.

Respond as Quickly as Possible

If your client is the one reaching out to you, you must respond as quickly as possible. 82% of consumers say they will stop doing business with a company if they're dissatisfied with the service they receive.³ While the Medicare market is unique in many ways, you can still lose clients by neglecting to respond promptly, especially when their concerns are health-related.

Retention Starts with the First Contact

As you head into AEP and start contacting leads, keep in mind that you're setting the stage now for a long-term relationship. Clients whose loyalty you've already earned may give you some leeway. New prospects are far more likely to consider other options.

Just like with your existing clients, you should return calls from prospects as quickly as possible. Keep notes during every conversation so that you're prepared for whatever concern the prospect has. Start learning about your prospects and recording details about them immediately, and you'll have a stable foundation to start building loyalty.

References:

1. [Customer Acquisition Costs by Industry: What's a Good CAC?](#)
2. [No Itch to Switch: Few Medicare Beneficiaries Switch Plans During the Open Enrollment Period](#)
3. [Customer Retention Statistics & Predictions \[Updated: August 2020\]](#)
4. [Income and Assets of Medicare Beneficiaries, 2016-2035](#)
5. [Medical Spending of the US Elderly](#)

More Agent Resources



5 Best Medicare Ancillary Products
for financial peace

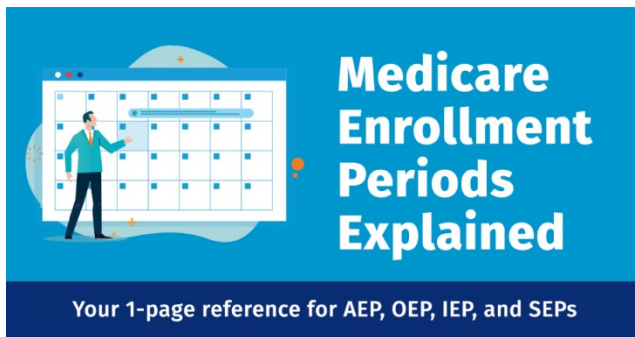
Illustration of five diverse people meditating.



Medicare Needs Assessment Form
for Medicare, MA, PDP & Medicaid

Illustration of a hand holding a pen over a checklist with four green checkmarks.

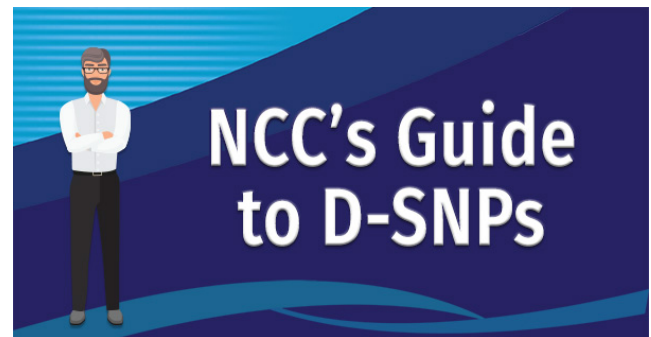
Fillable • Printable



Medicare Enrollment Periods Explained

Your 1-page reference for AEP, OEP, IEP, and SEPs

Illustration of a person pointing to a calendar grid.



NCC's Guide to D-SNPs

Illustration of a man with arms crossed.

Medicare Advantage Tools



Medicare Quote Engine

Instant quotes for Medicare Supplement, Medicare Advantage, PDP and Final Expense



AHIP & Certification Central

Guide to AHIP and carrier-specific certifications



How to Do a Medicare Advantage Needs Analysis

10 questions that will uncover the client's needs



Find Plans by State, Carrier, or Product Type

Plans from 40+ carriers in our easy-to-use Product Finder



Product Kit

State-specific apps, brochures, rates and commissions for any of our plans



Enrollment Central

Online quoting and enrollment tool for Medicare agents



Agent Black Book

Find phone numbers, agent portals, contracting, links and more



Supply Ordering

Links and detailed instructions for ordering supplies from a number of insurance carriers

NCC's Product Catalog

Products

Cancer, Heart Attack, Stroke	Hospital Indemnity
Critical Illness Expense	Long Term Care
Dental, Hearing, Vision	Medicare Advantage
Disability	Medicare PDP Part D
Home Health	Medicare Supplement

Carriers

Aetna	Lumico
Americo	Manhattan Life
Amerigroup	Medico
BlueCross BlueShield of TN	Mutual of Omaha
Capitol Life	National Guardian Life (NGL)
Cigna	New Era (NEC, NEMC, PALIC)
Clover Health	Oxford Life
Combined Insurance	Pekin Life Insurance
Companion Life	S.USA
CSO	Shared Health of MS
EnvisionRxPlus	Shenandoah Life
GPM Life	SilverScript
Great Southern Life	Standard Life and Casualty
Great Southern Life	Thrivent Financial
Guarantee Trust Life (GTL)	Transamerica Life
Humana	United American
Individual Assurance Company	UnitedHealthcare
Lasso Healthcare	WellCare
Liberty Bankers Life	All Carriers



About National Contracting Center

National Contracting Center is an insurance Field Marketing Organization (FMO, also known as an IMO, VMO, or NMO). Founded in 1992, we have helped thousands of independent insurance agents and agencies to grow their sales of Medicare and senior health and financial products.

"As a new agent with no insurance experience, looking to switch careers midlife, I was overwhelmed by all of the steps and options. Choosing to use NCC as my FMO was the right decision."

- Melissa, Illinois

What We Do for You

- ❖ Marketing and lead generation
- ❖ Sales and compliance training
- ❖ Supplies and product information
- ❖ Questions about carriers and commissions
- ❖ Back office support so you can focus on selling
- ❖ Contracting and licensing

We Know the Business Because We're in the Business



Jerold Johnson

National Contracting Center is the kind of FMO that every agent wants because an agent designed it. Jerold Johnson created NCC to be a different kind of FMO. He started selling insurance in 1983 and founded NCC in 1992. The readers of City View magazine have named Jerold "Best Insurance Agent in Knoxville" every year from 2014 to 2018.

An agent built NCC, we're here for agents, and many members of our staff are agents themselves. Our team of insurance pros delivers the advice, answers, and services our clients need. In other words, we do all the things that take time that don't make money. That frees you to focus on selling.

NCCagent.com

[Contact Us](#)

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