

# 5 BEST ANCILLARY PRODUCTS

You should be selling to diversify your book and help more people with their healthcare.

2024



# Why Sell Ancillary Products?

The short answer is to make more money.

- The more products you have with a client, the more likely they will keep you as their agent. That increased persistency is the #1 key to building a solid block of renewals.
- If you don't sell ancillary products, you're pushing your clients into the arms of another agent who does offer ancillaries. You want to be a one-stop shop for your clients. Your current book, is another agent's lead.
- It takes a lot of time and marketing money to acquire a new client. Once you've written their first policy, selling them an ancillary costs little or nothing.
- If you have an appointment during Lock-In who you cannot help with their Medicare coverage, you absolutely have to talk about ancillary products and schedule a follow-up call on October 1st to discuss new Medicare Advantage Plans.
- If you will talk about these products on every single appointment, you will sell 1 out of 3. Selling just one per week will earn you an extra \$13,000+ in first year commissions, enough to make up for a significant portion of your prorated commissions!

NCC's founder, Jerold Johnson, talked to an agent who needed to earn some money quickly. Jerold told him about Cigna Flexible Choice Cancer and told him how to sell it. That was on a Thursday. On Friday the agent sold three policies. On Monday he had \$900 in his checking account. That's how much money you can earn and how quickly you can earn it.

# Why Sell Ancillary Products?

Many Medicare clients come to find out too late that Original Medicare, Medicare Advantage (MA), and Medicare Supplement (MediGap) plans don't offer coverage for things like hospital stays, dental/vision/hearing coverage, common critical illnesses, and extended care. By offering ancillary plans you can help protect you Medicare beneficiary from incurring high out-of-pocket costs while adding value to your relationship and money to your business.

Some reasons to sell Ancillary Products are:

- The more products you have with a client, the more likely they will keep you as their agent. That increased persistency is the #1 key to building a solid block of renewals.
- If you don't sell ancillary products, you're pushing your clients into the arms of another agent who does offer ancillaries. You want to be a one-stop shop for your clients. Your current book, is another agent's lead.
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# Ancillary Sales on a Medicare Appointment

Any of these plans CAN be sold on a Medicare Advantage or Medicare Supplement appointment. There is no need to schedule a follow-up appointment to discuss any health-related ancillary products.

Just be sure to have your client initial next to any of these products you plan to discuss on the Scope of Appointment (SOA) form. If your client brings up these products without initialing the SOA form, simply complete another SOA form before you discuss them further.

Stand-alone Medicare Prescription Drug Plans (Part D)

Medicare Advantage Plans (Part C) and Cost Plans

Dental/Vision/Hearing Products Supplemental

Health Products

Medicare Supplement (Medigap) Products

## Things to Remember

- You CANNOT talk about or sell life insurance on a Medicare Advantage/PDP appointment.
- You CANNOT talk about or sell annuities or other investment products on a Medicare Advantage/PDP appointment.
- You CAN sell any health-related insurance products on a Medicare Advantage/ PDP appointment as long as it is initialed in the SOA.

# Cancer

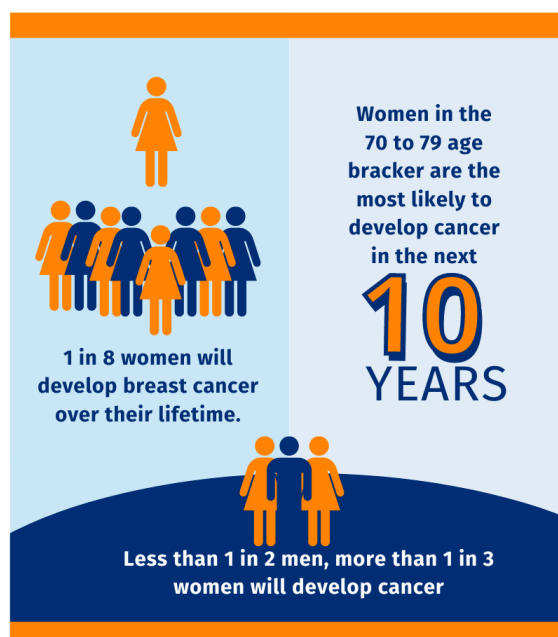
With individual cancer treatments costing upwards of \$10,000, clients who get diagnosed are quickly going to hit their out-of-pocket maximum. If they are diagnosed toward the end of the year, it could cost them over \$13,000 in a few months just for medical bills, never mind non-medical expenses. Even if they have a Medicare Supplement Plan, they could still have thousands of dollars in out-of-pocket cost.

For about \$30/month you could sell your client a \$10,000 Lump-sum Cancer Plan (or about \$45/month for a \$15,000 plan) that pays upon first diagnosis and can be used to pay for anything your client needs.

## Who is the Ideal Client?

According to the American Cancer Society, one-third of all women and half of all men will develop cancer at some point in their lifetime. With that in mind, most people you encounter could benefit from Cancer insurance.

These policies can be sold to Medicare beneficiaries as well as those in the under 65 market.

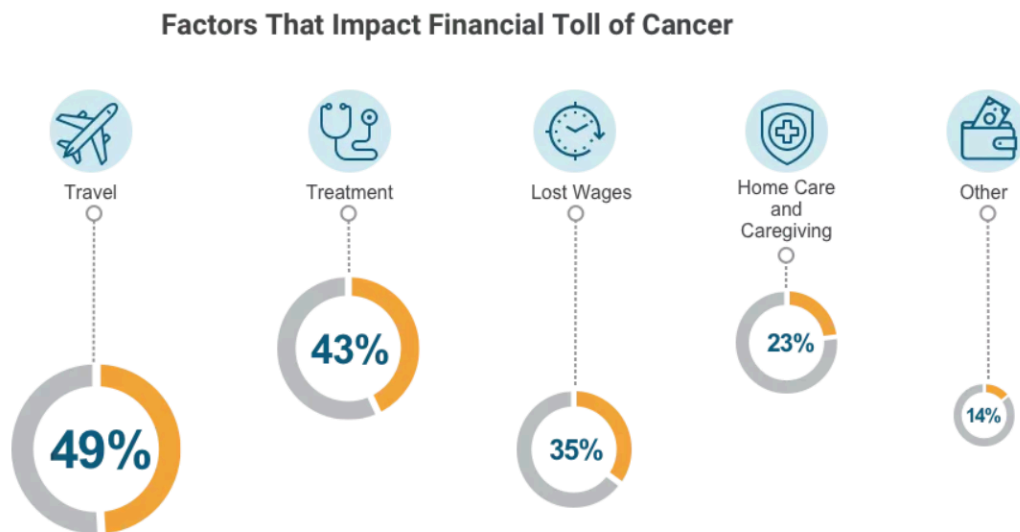


## Talking to Your Clients

- ▶ “Have you ever known anyone who has gone through chemotherapy?”
- ▶ “Many of my clients with your same plan have decided to get this extra coverage.”
- ▶ “Who do you currently have your cancer insurance with?”
- ▶ “Whatever you do, make sure you don’t drop your cancer policy!”

When you think about Cancer, the non medical costs are not considered. Major medical, Medicare, Medicare Advantage, and Medicare Supplements do not cover the indirect costs related to cancer like travel, loss of income, childcare, experimental treatments, etc.

Below is a graphic that details some of the financial impacts that beneficiaries may incur. Cancer policies can help cover these costs.



Source: The Mesothelioma Center at Asbestos.com, 2019

# Dental, Vision & Hearing

Dental, Vision, and Hearing (DVH) insurance is an insurance policy that provides coverage for preventative services, routine services, and emergent services. Many beneficiaries have coverage through an employer, whether it's individual policy or a parent or spouse's policy. Policies can be individual or combined as a DVH policy.

## Why Sell DVH?

### What Medicare WON'T COVER :

#### Dental

- ⊘ Cleanings, checkups, fillings, crowns, or tooth extractions.
- ⊘ Dentures, dental plates, bridges, or other dental devices.

#### Vision

- ⊘ Eye examinations related to prescribing glasses, with some exceptions.
- ⊘ Eyeglasses or contact lenses (unless prescribed following cataract surgery).

#### Hearing

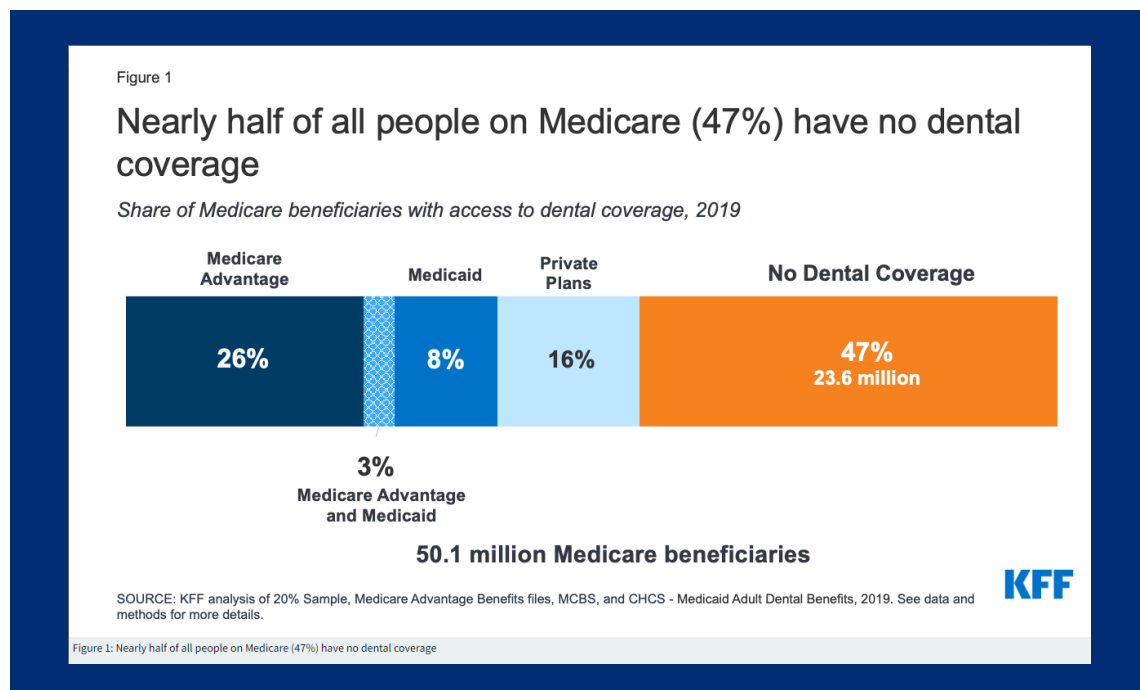
- ⊘ Routine hearing exams.
- ⊘ Hearing aids or fittings for hearing aids.

## Talking to Your Clients

- ▶ Do you regularly visit the dentist? Eye doctor?
- ▶ What coverage do you have in place to help pay for those visits?
- ▶ Who do you have your dental/vision insurance with?
- ▶ If they wear glasses, “Do you update your prescription annually?”

## Ideal Clients

Original Medicare and Medicare Supplements do not cover basic DVH services which means that anyone would benefit from purchasing a plan. Medicare Advantage beneficiaries may have some coverage but typically it is not comprehensive.



Discuss with beneficiaries that good coverage is important because it can help maintain healthy dental hygiene as well as ocular health. Paying for a policy is more than likely cheaper than paying out of pocket for services.



# Hospital Indemnity

Hospital Indemnity is a product that pays beneficiaries a pre-determined benefit amount directly to them when they are hospitalized. This allows the policy holder to not have network restrictions and use the funds as they see fit. They could use the funds to cover:

- Deductibles
- ER visit copays
- Observation stays
- Medications

## Doesn't Medicare Cover Hospital Costs?

Medicare Advantage Plans vary, but they typically have a co-pay of \$100 to 300 for days 1 through 6. Medicare Supplements may cover all hospital costs, but non-medical costs such as meals and transportation are not covered. A Hospital Indemnity Plan pays you cash to use as you see fit.

A client could be responsible for \$2,000 or more following an inpatient hospital stay. The average emergency room visit is \$1,233. Hospital stays are expensive with the average inpatient hospital stay in the U.S. costing \$2,883 per day.

Many clients would be devastated if they had to pay those costs at one time. For \$30 to \$45/month, you could sell your client an easy to understand Hospital Indemnity Plan that will pay them a selected benefit amount over a certain number of days.

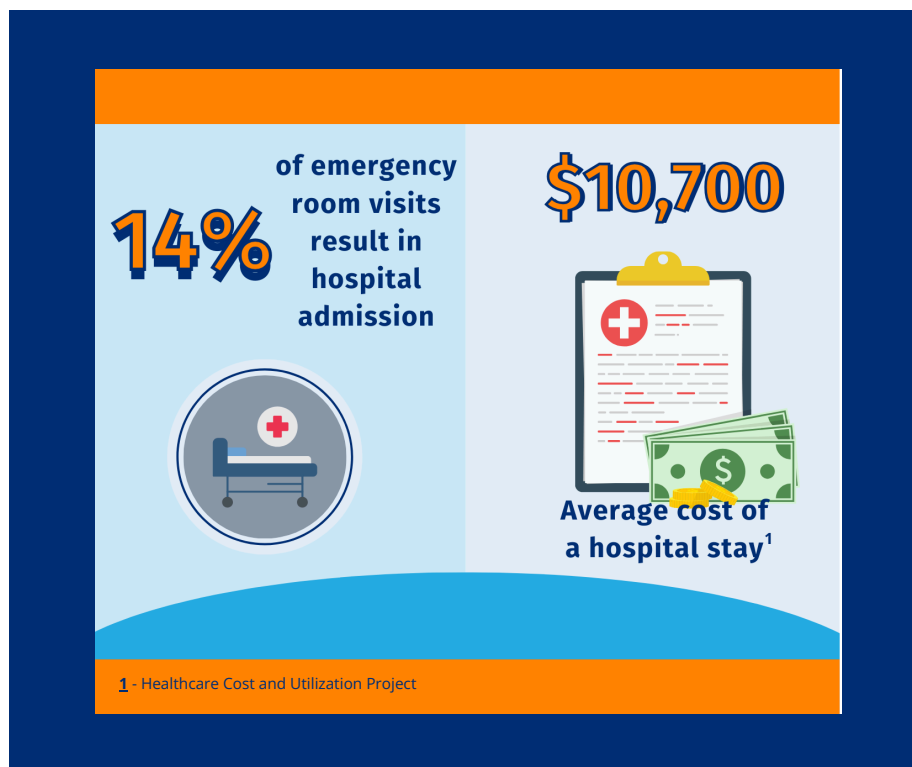
1Kaiser Family Foundation, Hospital Adjusted Expenses per Inpatient Day, 2021

## Talking to Your Clients

- Do you regularly visit the dentist? Eye doctor?
- What coverage do you have in place to help pay for those visits?
- Who do you have your dental/vision insurance with?
- If they wear glasses, “Do you update your prescription annually?”

## Ideal Clients

People of all ages can enroll in a hospital indemnity policy. This makes it a great fit for just about anyone. Specifically, think about your MA beneficiaries with \$0- premiums. These policies typically have higher inpatient hospital copays. Also think of Medical Savings Plan owners. These plans have higher deductibles and if a hospital emergency happens, they’ll owe a lot of money.



Discuss with beneficiaries that good coverage is important because it can help maintain healthy dental hygiene as well as ocular health. Paying for a policy is more than likely cheaper than paying out of pocket for services.

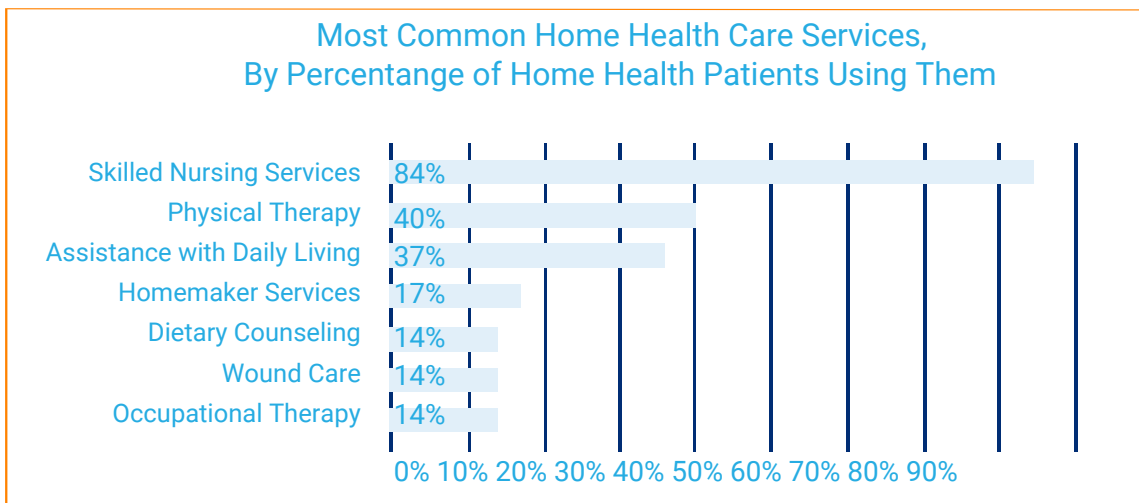
# Short Term Home Care

## Why Sell STCi

Short Term Care usually covers one year of qualifying care or less for assisted living and home health care. Many policies have 0-day elimination periods allowing beneficiaries to receive benefits day when they qualify for the policy.

According to the Centers for Disease Control, 84% of home health patients require skilled nursing services. A skilled nurse or therapist typically costs \$70.00 to \$100.00 per hour.

While Medicare Supplements cover care in a skilled nursing facility, they don't cover in-home skilled nursing. Medicare Advantage and Original Medicare only cover the first 20 days of home health care or nursing home stays.



## Talking to Your Clients

- ▶ If you needed care, would you want to go to a nursing home or stay home?
- ▶ Do you know of anyone that has ever needed care either at a facility or at home?
- ▶ What do you have in place for recovery care?
- ▶ Who would take care of you if you were unable to do daily activities?

## Ideal Clients

An ideal client for short term health would be a person who is looking for a cheaper alternative to Long Term Care. Perhaps someone that is aged out of qualifying for LTC or have been turned down for LTC. One segment to look for would be beneficiaries looking to cover MA copays for nursing home stays and home health care costs.

## Positioning STC

Medicare only covers the first 20 days in a skilled nursing facility, with additional options under a short-term care plan to avoid a nursing home stay.

To qualify for Medicare recovery care, patients must meet specific requirements:

- a hospital inpatient stay of at least three consecutive days,
- physician orders,
- entry into an approved facility within 30 days of hospital discharge,
- daily skilled care,
- showing improvement.

Due to the difficulty of meeting these requirements, a short-term care policy with a 0-day or 20-day waiting period ensures coverage. It's beneficial for short-term care policies to start early, as clients would otherwise bear out-of-pocket expenses. Additionally, for clients with long-term care plans with an elimination period, a short-term care plan provides immediate coverage.

# Critical Illness

Serious illness can happen at anytime to anyone. With that illness may come hardships, mainly financial strain. Loss of work plus medical bills and other expenses can add up. Critical illness insurance are plans that provide a lump-sum cash benefit to help cover expenses related to qualifying illness.

Critical illness policies pay the benefit directly to the policy holder. These plans can cover things like:

- Heart Attack
- Stroke
- Organ transplant
- Cancer
- Coronary Bypass
- Advanced Alzheimer's

For conditions like Heart Attack, Kidney Failure, and Alzheimer's, a critical illness policy can protect your client from large deductibles or out-of-pocket maximums.

Often the most overlooked expenses with conditions like these are non-medical. The cost of food, clothing, travel, hotel, and time lost by a caretaker can easily be more than the direct medical costs. With a Critical Illness Policy, a lump-sum benefit is paid to a client upon diagnosis of a covered condition. The money can be used to cover any medical or non-medical expenses they might incur.

## Ideal Clients

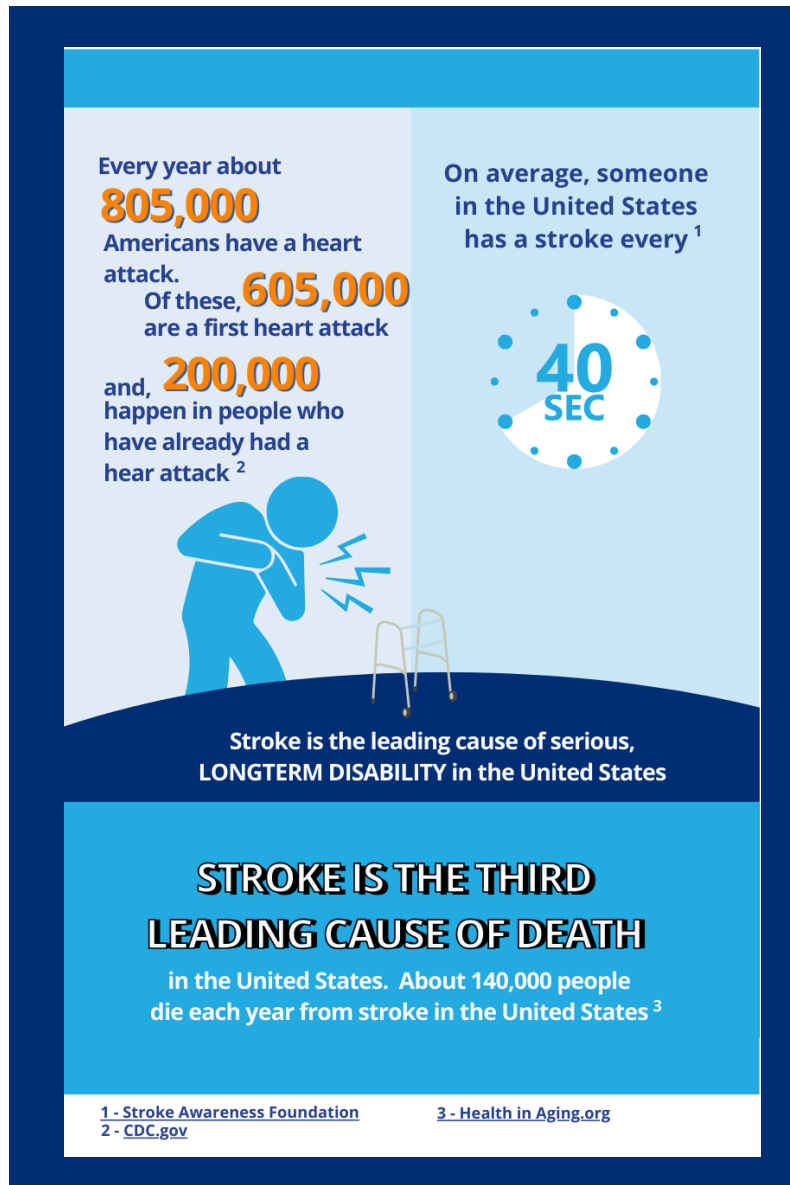
As with most of the ancillary products, most people could benefit from a critical illness policy. Medicare clients are a great target market. Anyone who has a family history of the conditions as well as anyone whose lifestyle increases risk for said conditions (i.e. smokers, obese individuals).

If you sell to under 65 population, you might target individuals with high risk jobs that disqualify them from disability coverage along with self-employed individuals.

## Talking to Your Clients

- ▶ Has anyone in your family suffered from a heart attack or stroke?
- ▶ How would you and your family pay bills if you contracted a critical illness?
- ▶ Could you pay for air travel to a facility if needed?

The need for Critical Illness policies grow each year. Below are some stats:



Discuss with beneficiaries what CI policies can do for them and how they can help them in a time where funds may be scarce.



## 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.

*"I spent a considerable amount of time evaluating field marketing organizations (FMO) for my new agency. I'm so glad I chose National Contracting Center! They have excellent training, resources and regular follow up which is much needed for a new agent. They've made me feel like family. I highly recommend NCC!" - Stephanie C.*

## What We Do for You

- Marketing and lead generation support
- 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
- Agent and agency development

## We Know the Business Because We're in the Business



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 named Jerold "Best Insurance Agent in Knoxville" 5 years in a row. 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 and don't make money.

***That frees you to focus on selling.***