



American Association
for Medicare Supplement Insurance™

9th National
Medicare Supplement
Insurance Industry
Summit

April 11-13, 2017
Dallas, TX

8 Million Med Supp Quotes Later, Here's What We See

- Bryan Neary FSA, MAAA
- Brien Welch, Sales Director

Access conference recordings

www.medicare.org/library

8 Million Med Supp Quotes Later, Here's What We See

- ❑ Market Advisor Overview (Quoting Tool)

- ❑ Market Activity Study

- ❑ Market Activity Results
 - Time
 - Demographic Results
 - Area
 - Competitive Positioning

- ❑ Final Comments / Questions

8 Million Med Supp Quotes Later, Here's What We See

- ❑ *CSG Market Advisor* Medicare Supplement Quote Tool
 - ❑ First Quote Ran in 2011
- ❑ Wide Range of Users
 - Independent & Career Agents
 - Insurance Marketing Organizations
 - Insurance Carriers
 - Call Centers
 - Actual Consumers
- ❑ Comprehensive coverage of the market
 - Over 10,000+ users, in all 50 states
 - Over 130+ carriers on the tool
 - Web based, Mobile, and API Access

8 Million Med Supp Quotes Later, Here's What We See

CSG Actuarial

Compare Quotes ⓘ

Universal Compare Quotes ⓘ

EXPORT

ADJUST VIEW

Expand Quotes

Apply Discounts

Annual Rate

Market Analytics

My Companies

Select Plans

UNDERWRITING

Add Underwriting Data ▾

FILTER QUOTES

Containing HH Discounts

Without Policy Fee

Include Filters

OPTIONS

Options Navigation

☰ MEDICARE SUPPLEMENT ▾
+ NEW ⚙️ SETTINGS

\$112.78 /mo*
Philadelphia American Life Insurance Company

HH Discount: 6.0%

Policy Fee: \$20.00

Parent: **New Era Life Grp**

AM Best Rating: **B+ (Outlook Positive)**

Rate Type: **Attained age**

Plan: **F**

S&P Rating: **n/a**

Rating Class: **n/a**

Years in Market: **13**

Effective Date: **02/20/2017**

Age Increases		
Age	Monthly Amount	Increase
66	\$ 112.78 /mo*	0.0%
67	\$ 112.78 /mo*	0.0%
68	\$ 115.66 /mo*	2.6%
69	\$ 118.52 /mo*	2.5%
Average		1.3%

Increase History	
Date	Amount
N/A	N/A
Average	N/A

Market Data		
	National	State
Lives	53,501	139
Premium	\$99,776,330	\$688,347
Loss Ratio	77.03%	58.15%
Market %	0.38%	0.04%

Plan Details ⓘ
Electronic Application 📄
PDF Application ⬇️
1

\$117.88 /mo*
Cigna Health And Life Insurance Company

HH Discount: 7.0%

Parent: **Cigna Hlth Grp**

AM Best Rating: **A (Outlook Under Review - Developing)**

Rate Type: **Attained age**

Plan: **F**

S&P Rating: **n/a**

Rating Class: **n/a**

Years in Market: **1**

Effective Date: **09/09/2016**

Rating Class: **n/a**

Age Increases		
Age	Monthly Amount	Increase
66	\$ 117.88 /mo*	0.0%
67	\$ 117.88 /mo*	0.0%
68	\$ 118.68 /mo*	0.7%
69	\$ 123.17 /mo*	3.8%
Average		1.1%

Increase History	
Date	Amount
N/A	N/A
Average	N/A

Market Data		
	National	State
Lives	1,474	N/A
Premium	\$4,492,675	N/A
Loss Ratio	95.71%	N/A
Market %	0.02%	N/A

8 Million Med Supp Quotes Later, Here's What We See

❑ Study Overview

- Actual, Real Time Medicare Supplement market activity
- Captured Activity Since July of 2015
- 2016 Total Quotes = 4,569,908

❑ Why

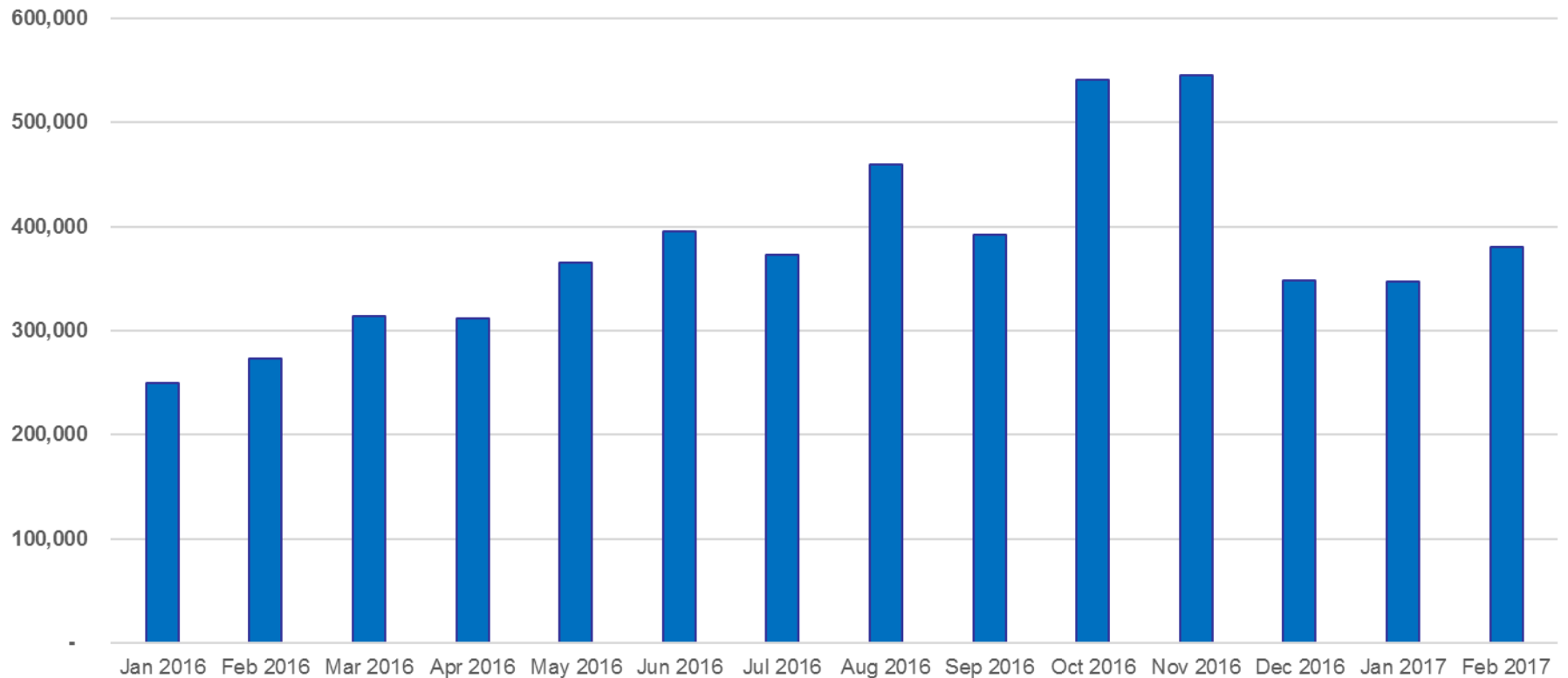
- Limited market data at the zip code level
- Rapidly growing market
 - 2017 In-force Premium (\$30B+)
 - 2017 New Sales (\$4.5B)
- Highly Competitive Market
- Market is evolving
 - Changes in distribution, shifting plans, consumer behaviors, etc.

8 Million Med Supp Quotes Later, Here's What We See

When is Medicare Supplement being quoted?

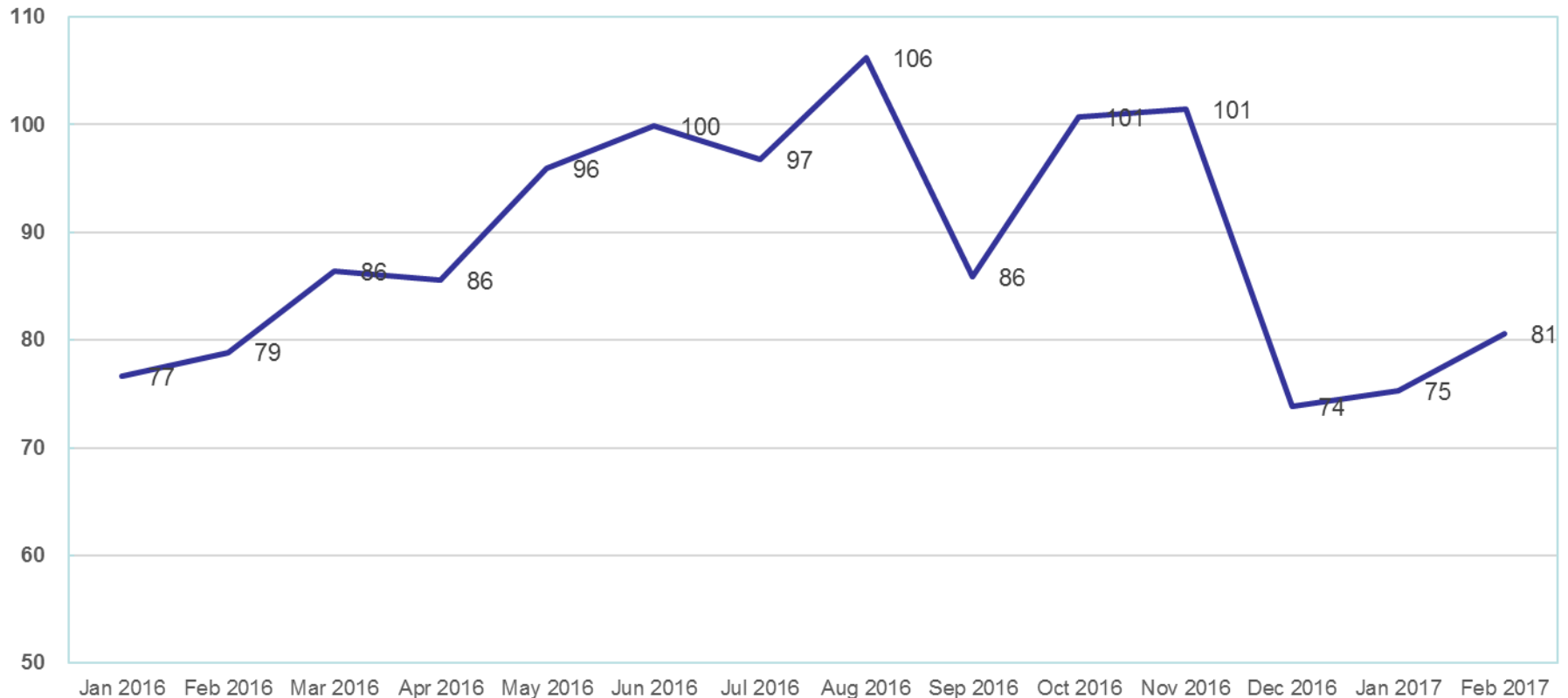
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Medicare Supplement Quotes by Month



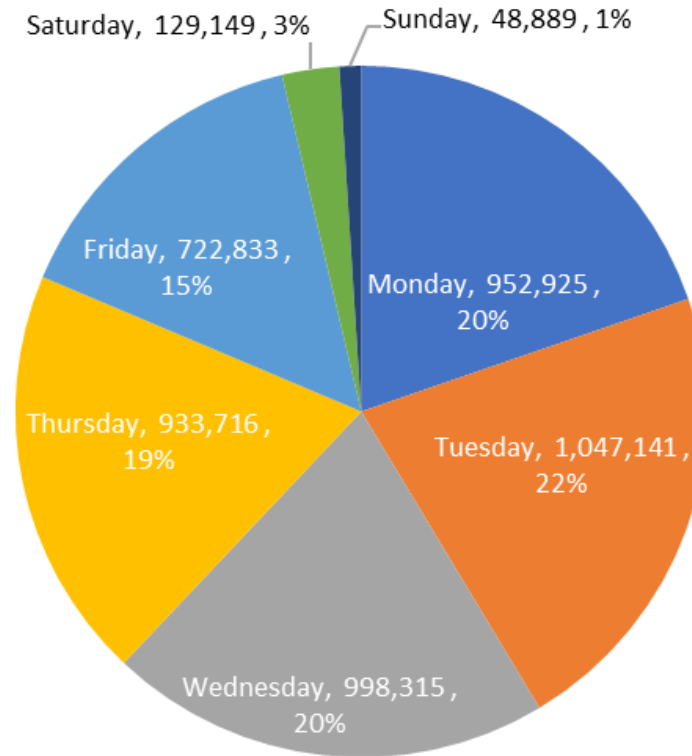
8 Million Med Supp Quotes Later, Here's What We See

Medicare Supplement Quotes Per User



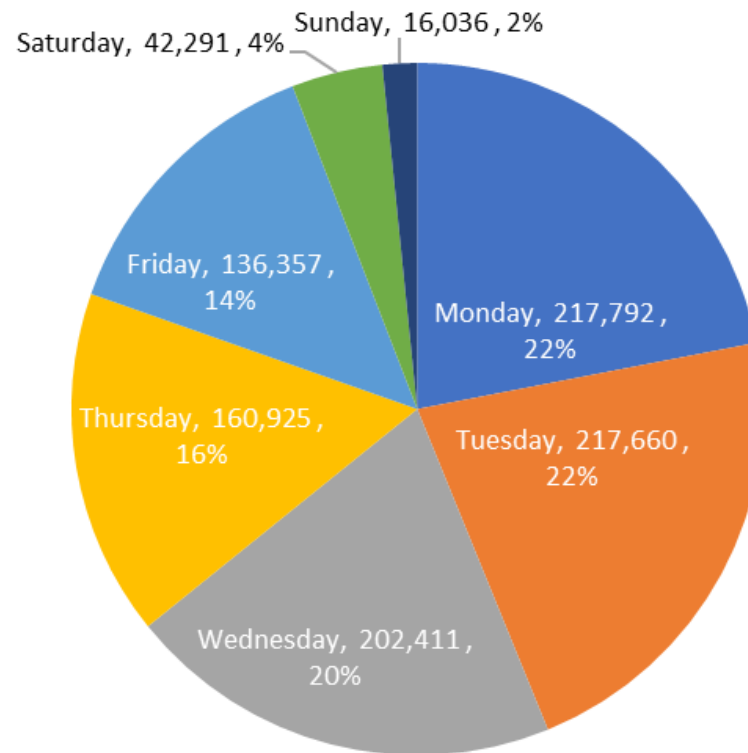
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2016 Medicare Supplement Quotes by Day of Week



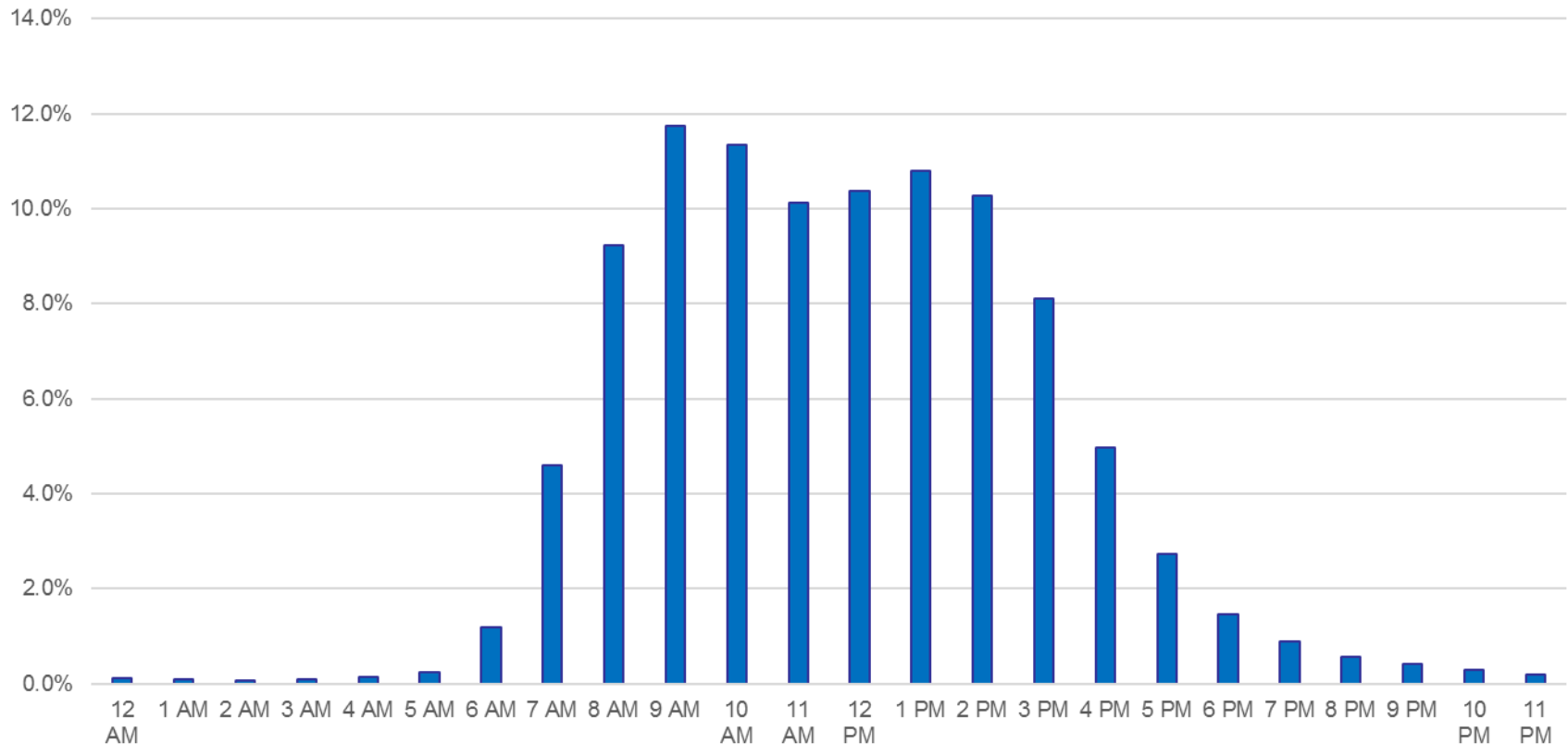
8 Million Med Supp Quotes Later, Here's What We See

2016 Medicare Supplement Quotes by Day of Week During AEP



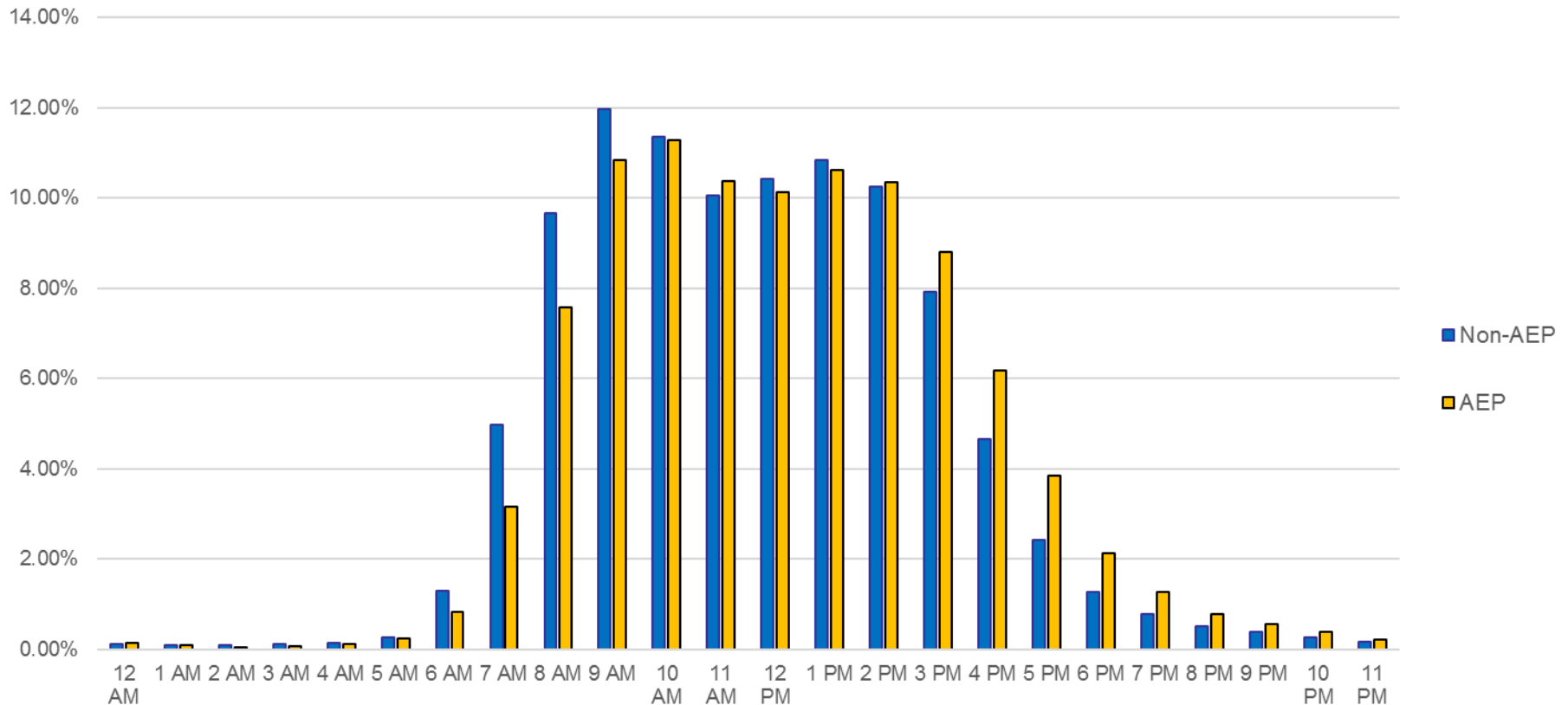
8 Million Med Supp Quotes Later, Here's What We See

2016 Medicare Supplement Quotes by Hour - CST



8 Million Med Supp Quotes Later, Here's What We See

2016 Medicare Supplement Quotes by Hour During AEP - CST

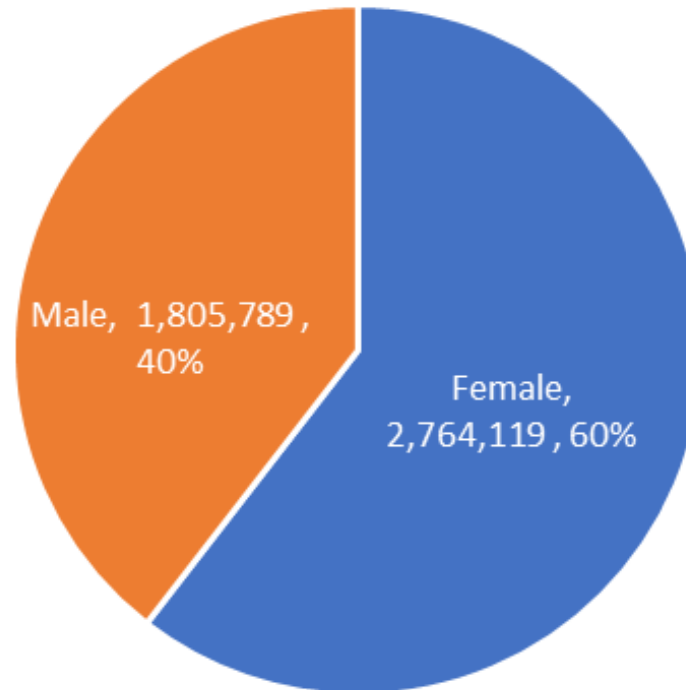


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What are the demographics being quoted?

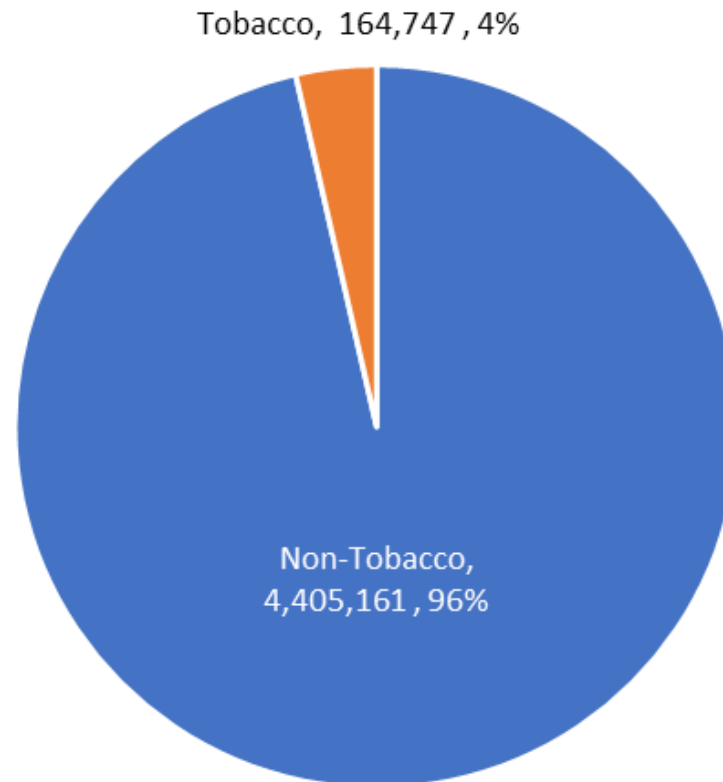
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2016 Medicare Supplement Quotes by Gender



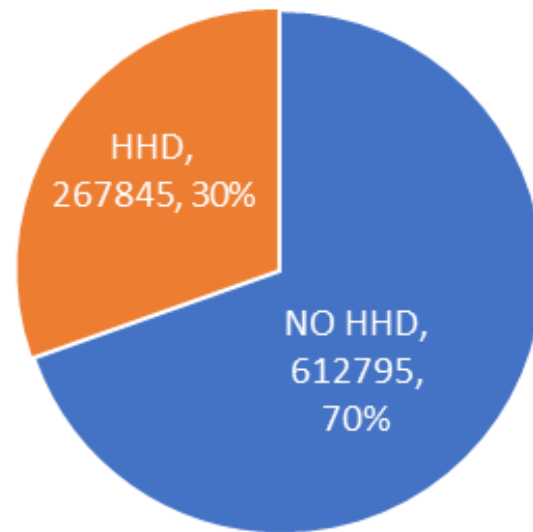
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2016 Medicare Supplement Quotes by Tobacco Usage



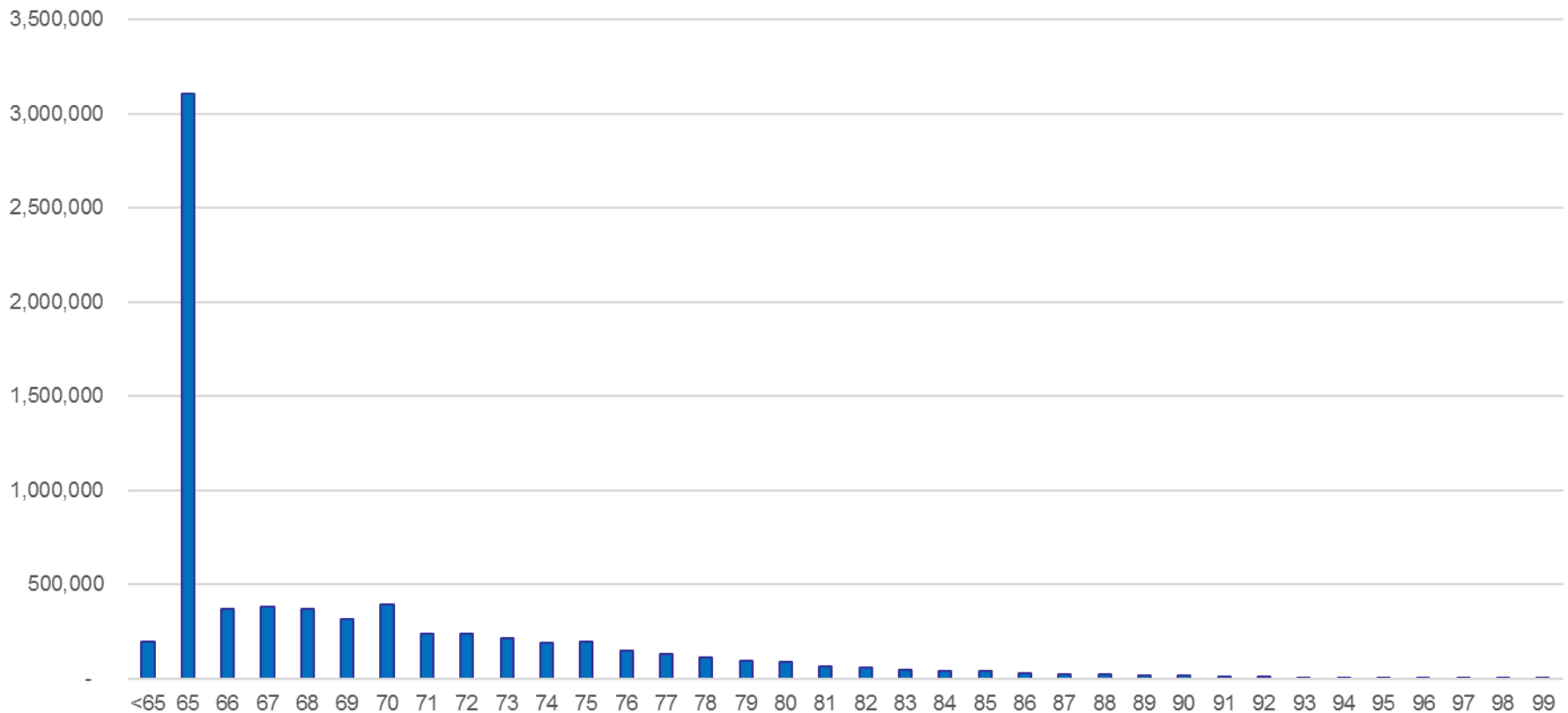
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2016 Medicare Supplement Quotes by Household Discount (All Plans)



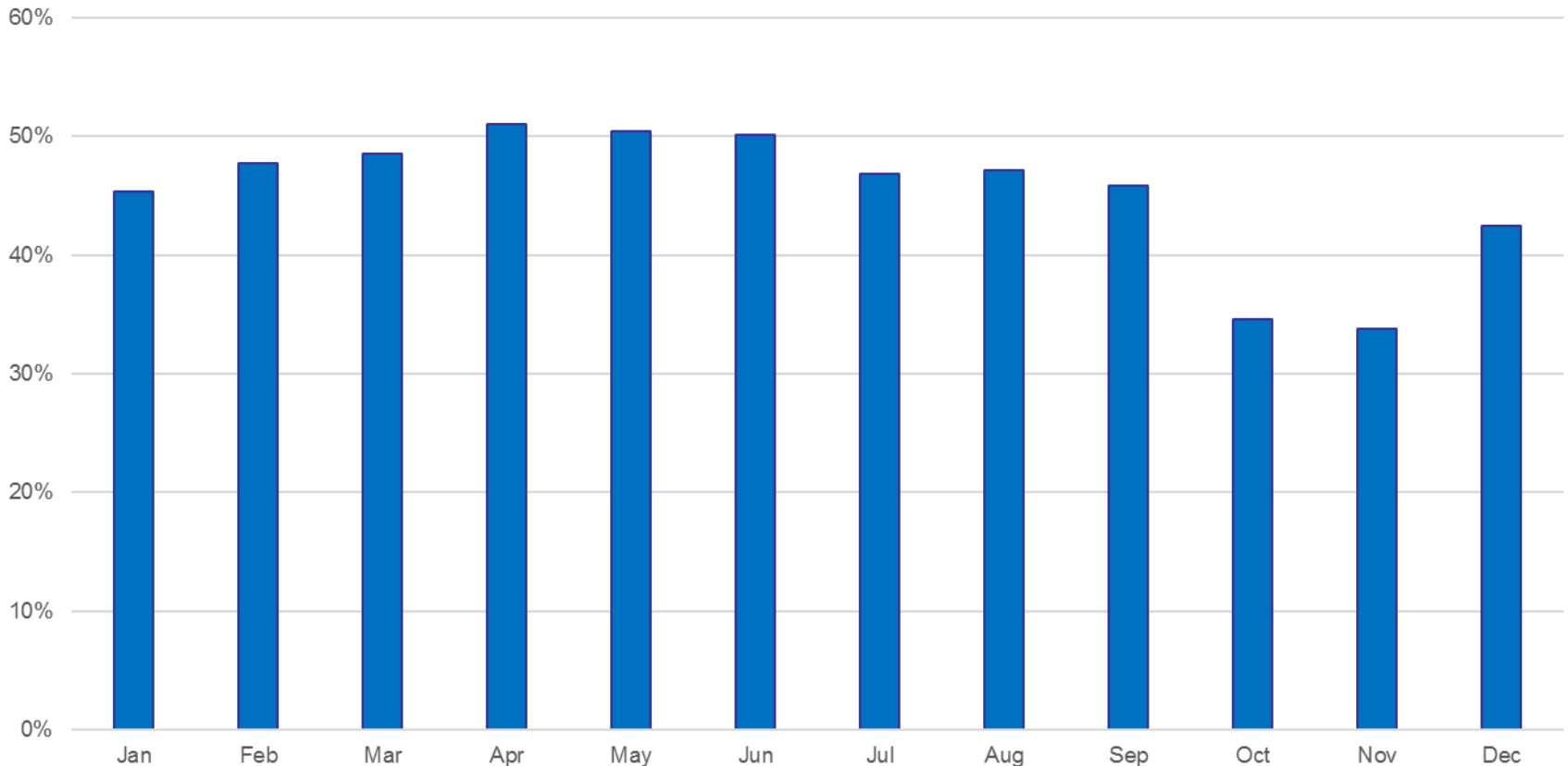
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2015, 2016, 2017 Medicare Supplement Quotes by Age



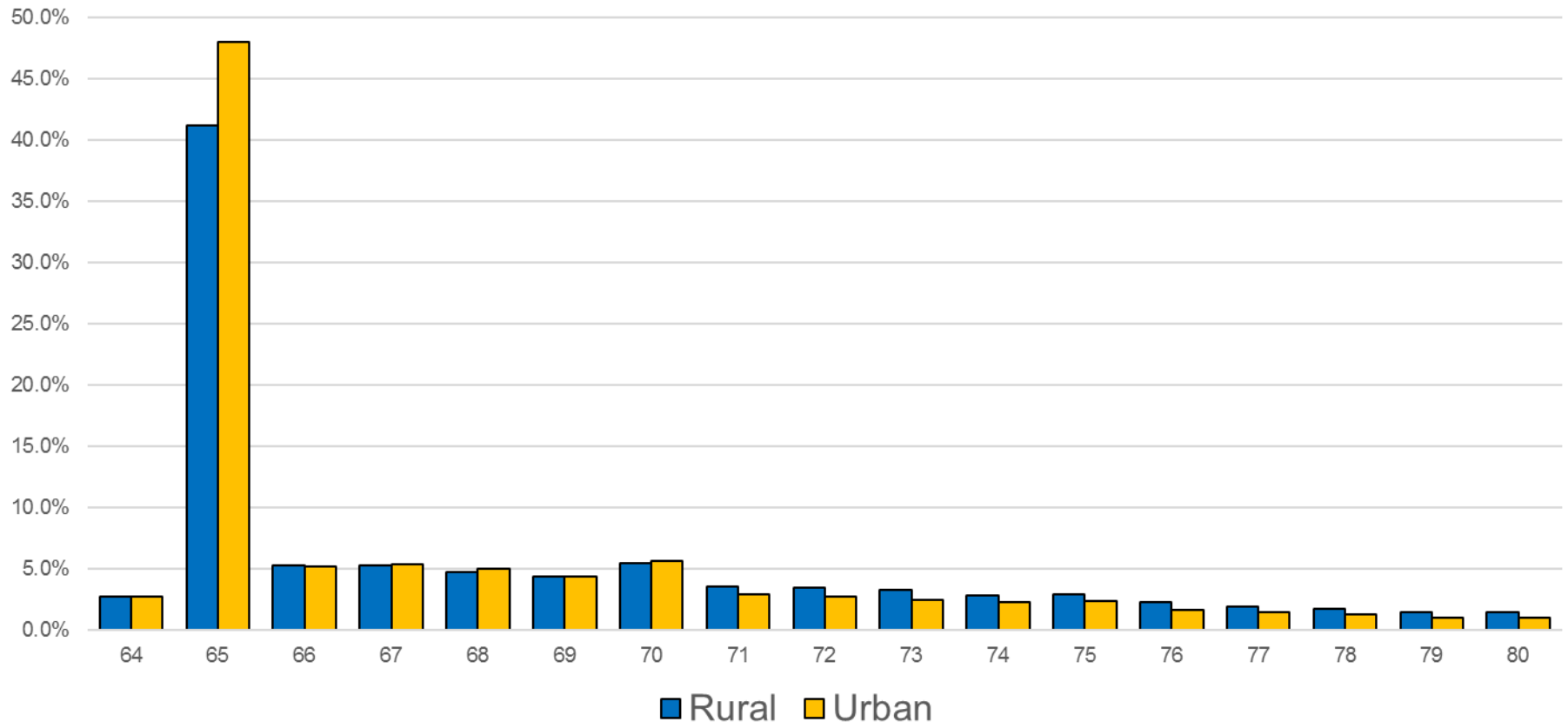
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Age 65 % of Quotes by Month



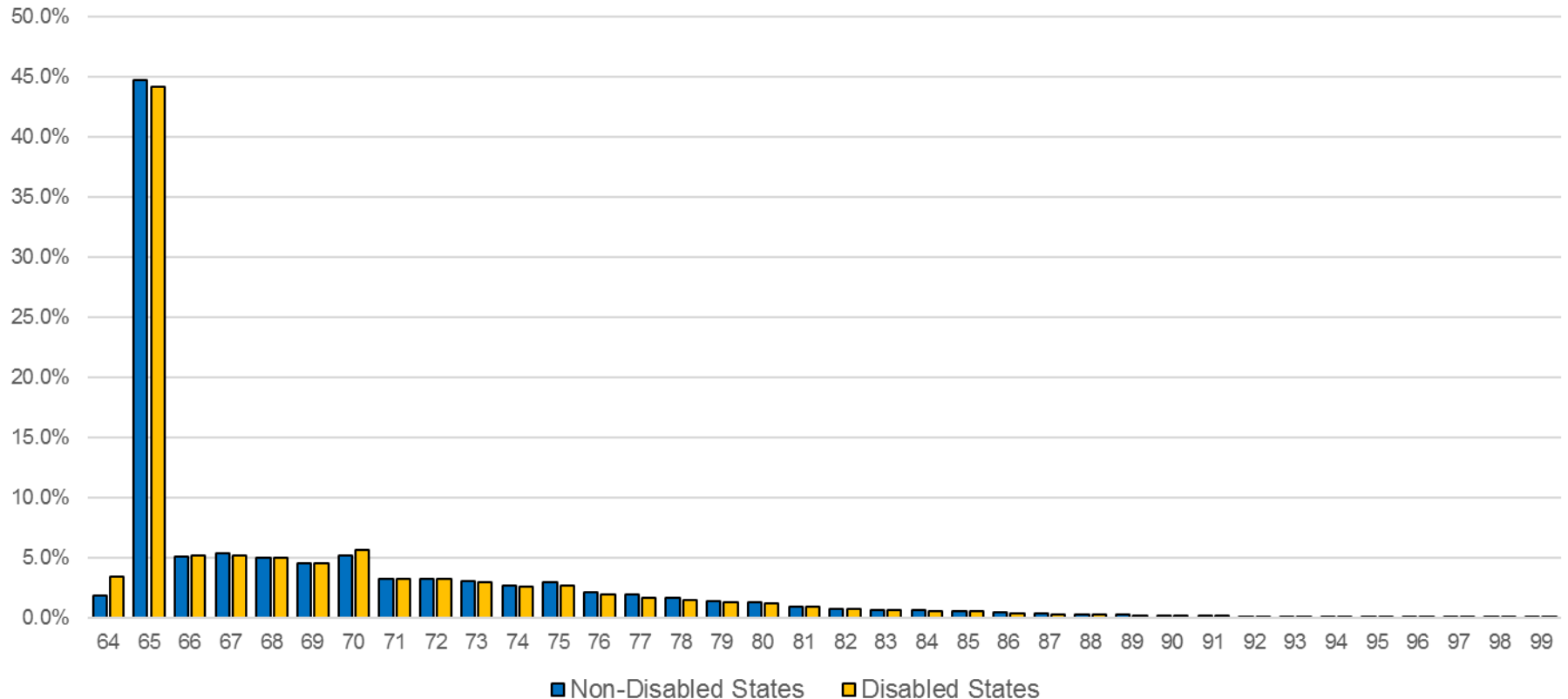
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2016 % of Medicare Supplement Quotes by Age



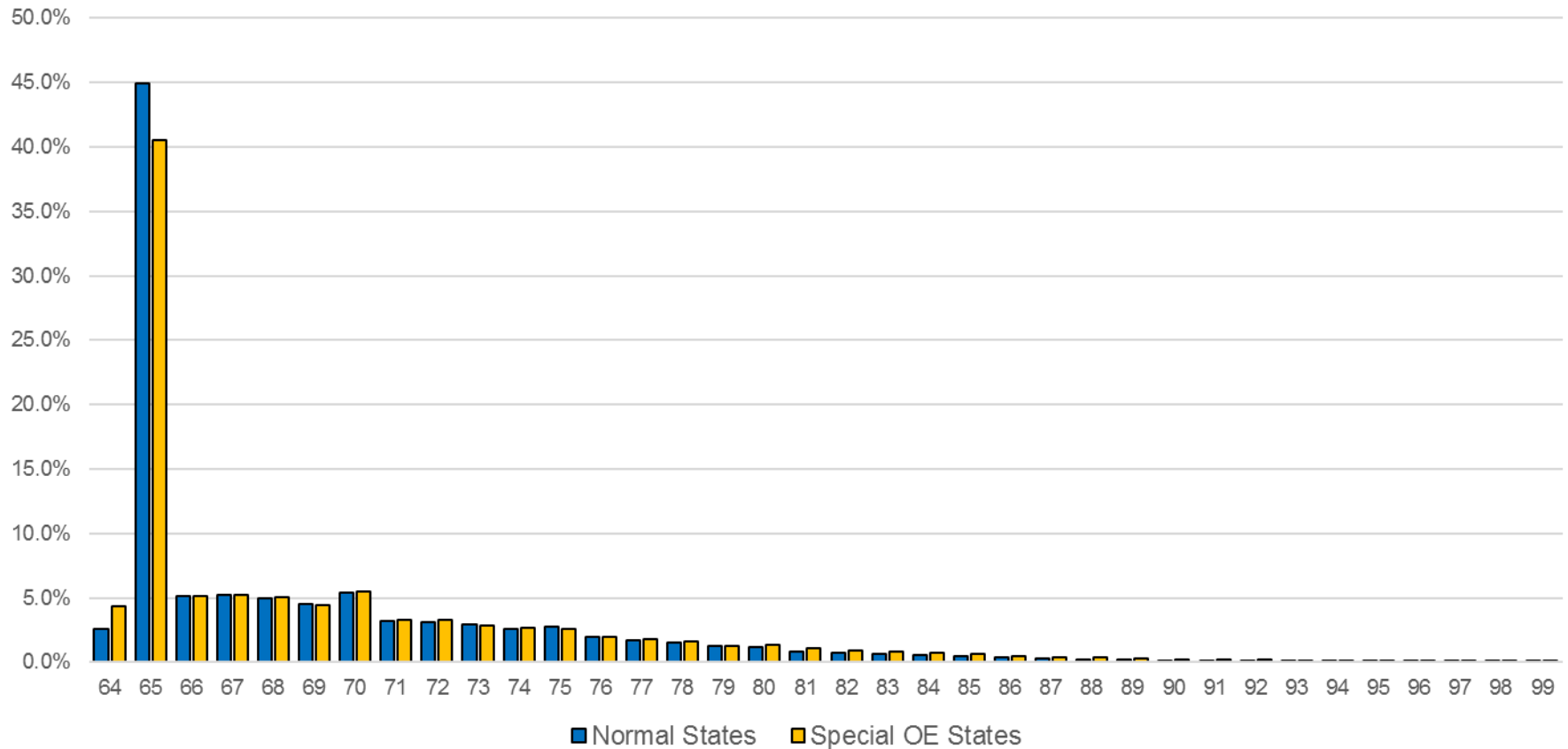
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2016 % of Medicare Supplement Quotes by Age

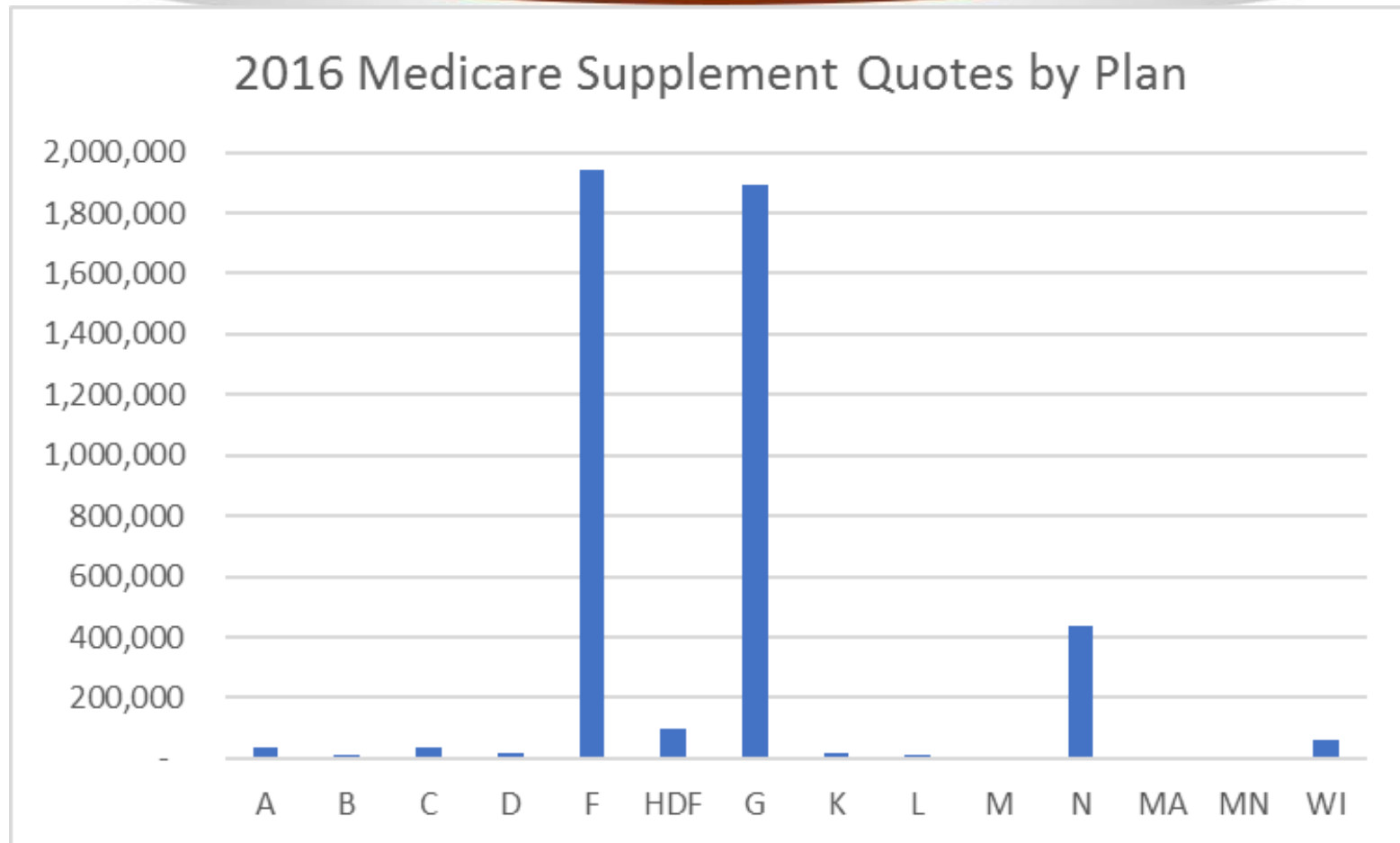


8 Million Med Supp Quotes Later, Here's What We See

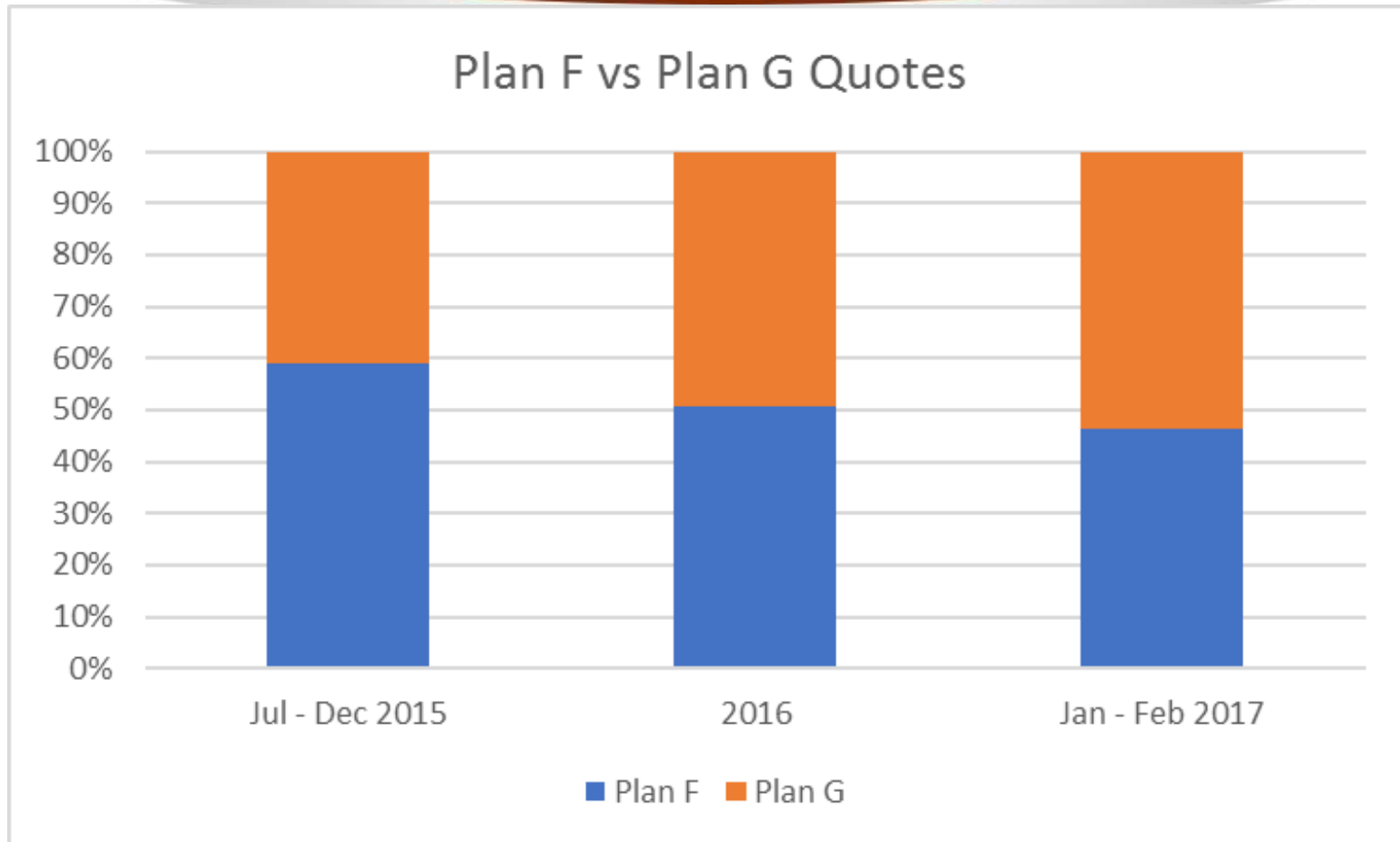
2016 % of Medicare Supplement Quotes by Age



8 Million Med Supp Quotes Later, Here's What We See



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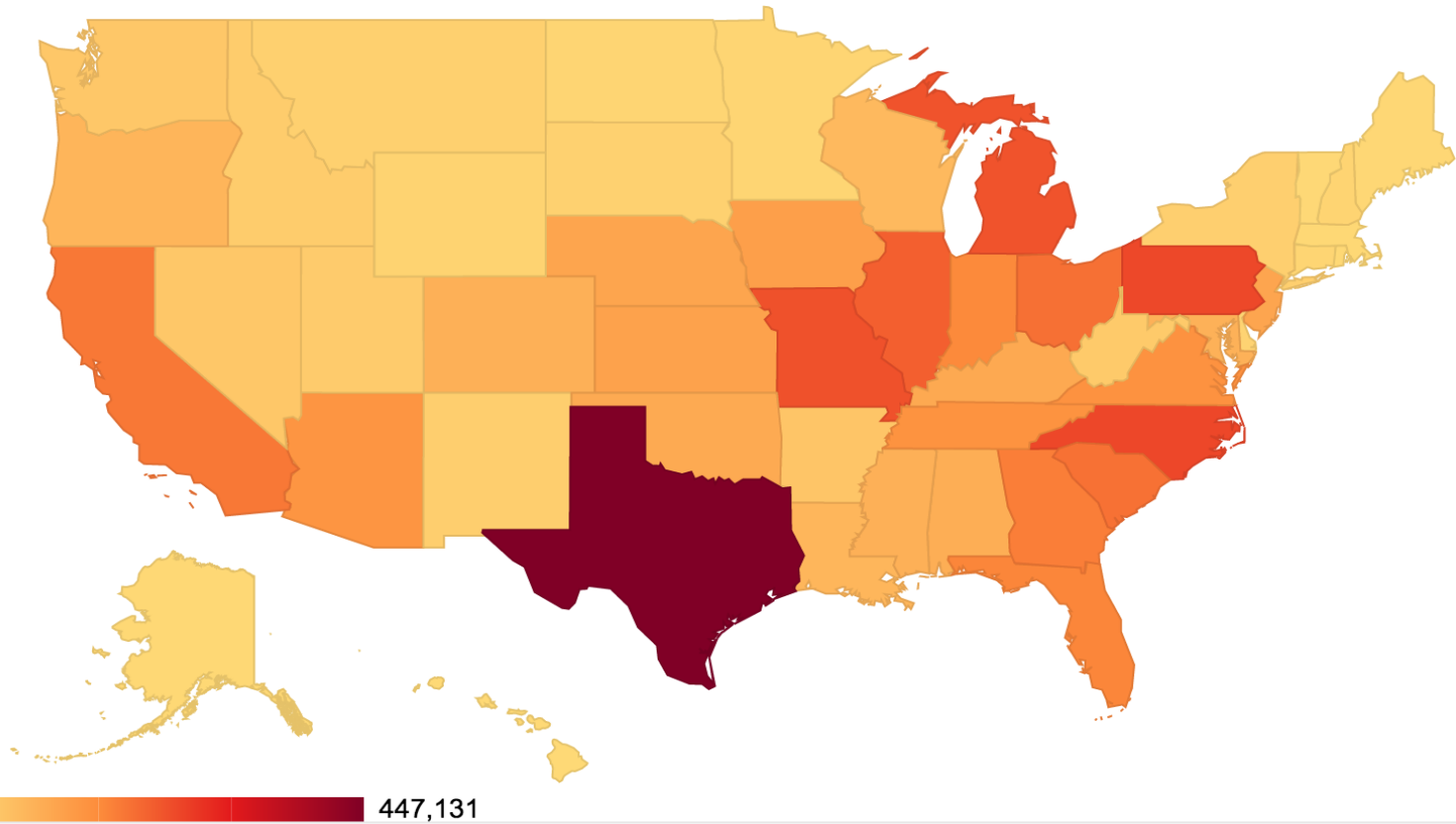
8 Million Med Supp Quotes Later, Here's What We See

	Plan F	Plan HDF	Plan G	Plan N
Top 1	NY (55.3%)	FL (10.8%)	LA (48.3%)	NH (17.3%)
Top 2	HI (55.2%)	NY (6.5%)	SD (48.2%)	NY (15.0%)
Top 3	OR (53.1%)	CT (5.8%)	AR (47.6%)	PA (14.9%)
Top 4	CA (51.1%)	WY (3.9%)	TN (47.6%)	NJ (14.8%)
Top 5	IA (50.5%)	VT (3.9%)	MI (47.4%)	VT (14.2%)
National Avg.	43.1%	2.2%	42.1%	9.7%
Bottom 1	NJ (36.6%)	PA (1.3%)	HI (31.8%)	TX (7.5%)
Bottom 2	MD (36.3%)	AL (1.2%)	CA (30.3%)	NI (7.5%)
Bottom 3	NM (36.1%)	VA (1.1%)	CT (29.8%)	MO (7.4%)
Bottom 4	WA (34.7%)	SC (1.1%)	FL (25.7%)	NE (5.5%)
Bottom 5	MI (33.9%)	MS (1.0%)	NY (17.0%)	IA (5.4%)

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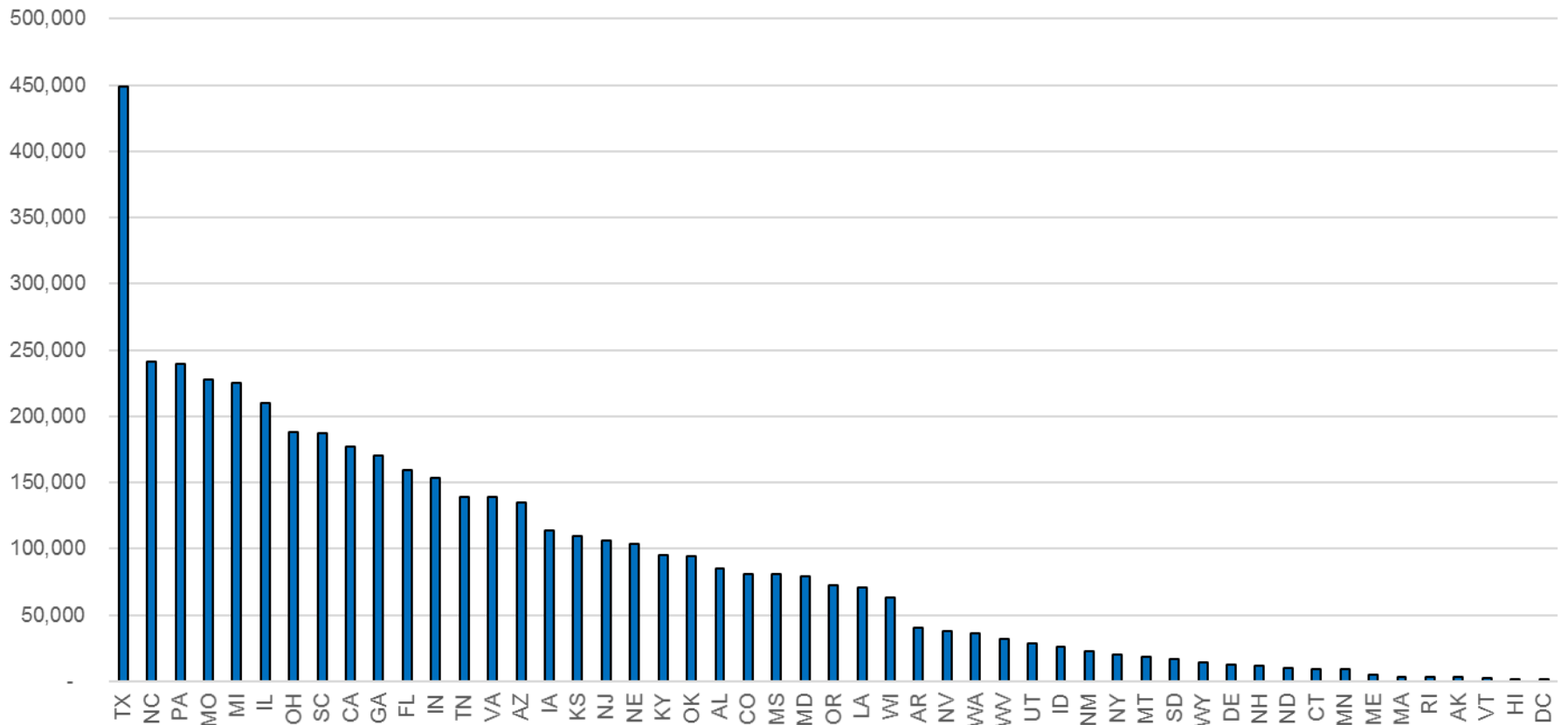
Where is the market activity by area?

8 Million Med Supp Quotes Later, Here's What We See



8 Million Med Supp Quotes Later, Here's What We See

2016 Medicare Supplement Quotes by State

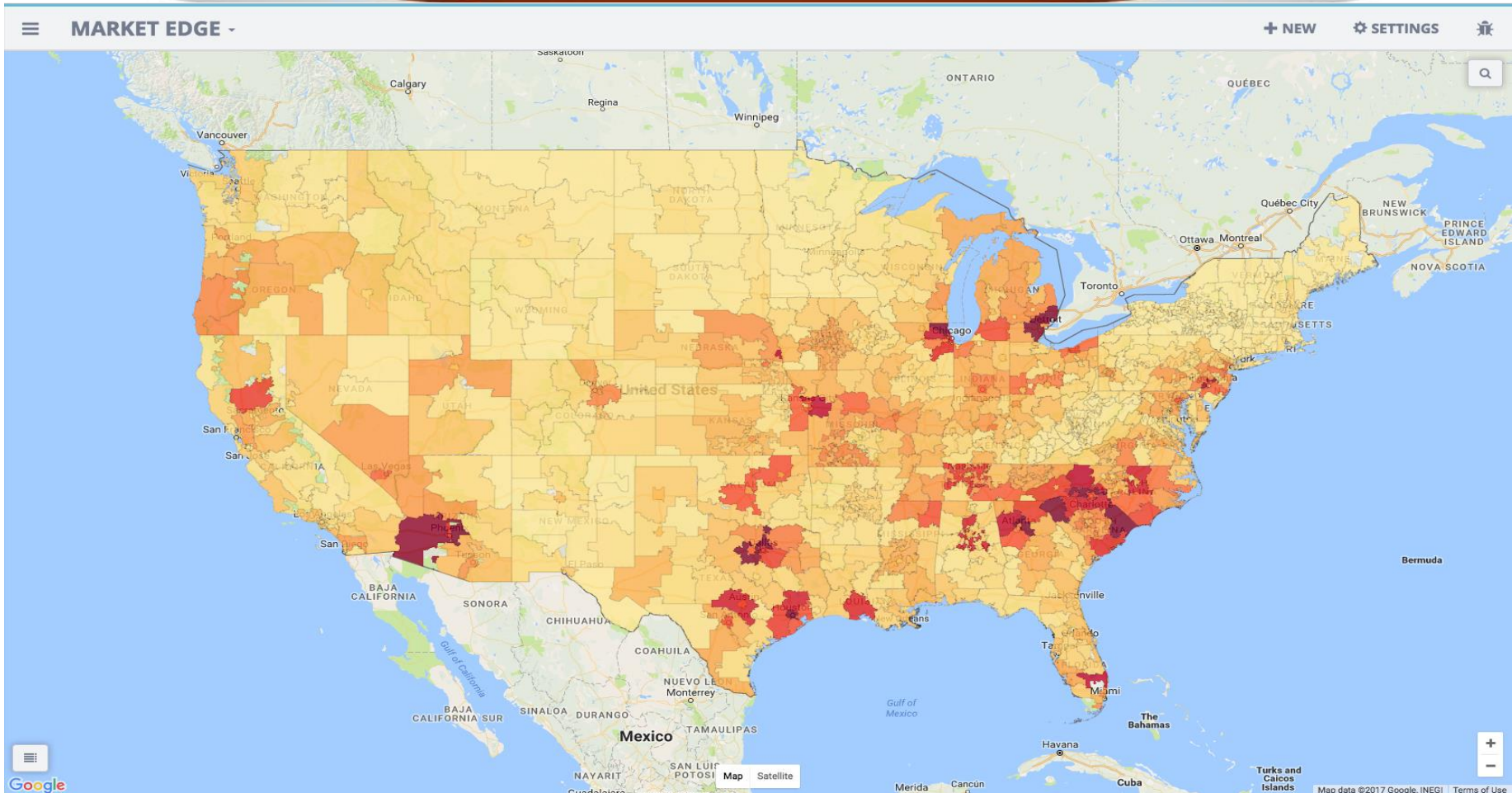


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Top 10 States by Market Activity

State	2015 Med Supp %	Eligibles Less MA %	Quote Ratio %	Difference
CA	7.30%	8.90%	3.90%	-3.40%
TX	5.90%	6.60%	9.80%	3.90%
IL	5.80%	4.30%	4.60%	-1.20%
PA	5.10%	4.10%	5.20%	0.10%
NC	3.60%	3.30%	5.30%	1.70%
OH	3.50%	3.60%	4.10%	0.60%
MI	3.30%	3.30%	4.90%	1.60%
GA	2.60%	2.80%	3.70%	1.10%
MO	2.50%	2.10%	5.00%	2.50%
SC	1.90%	1.90%	4.10%	2.20%

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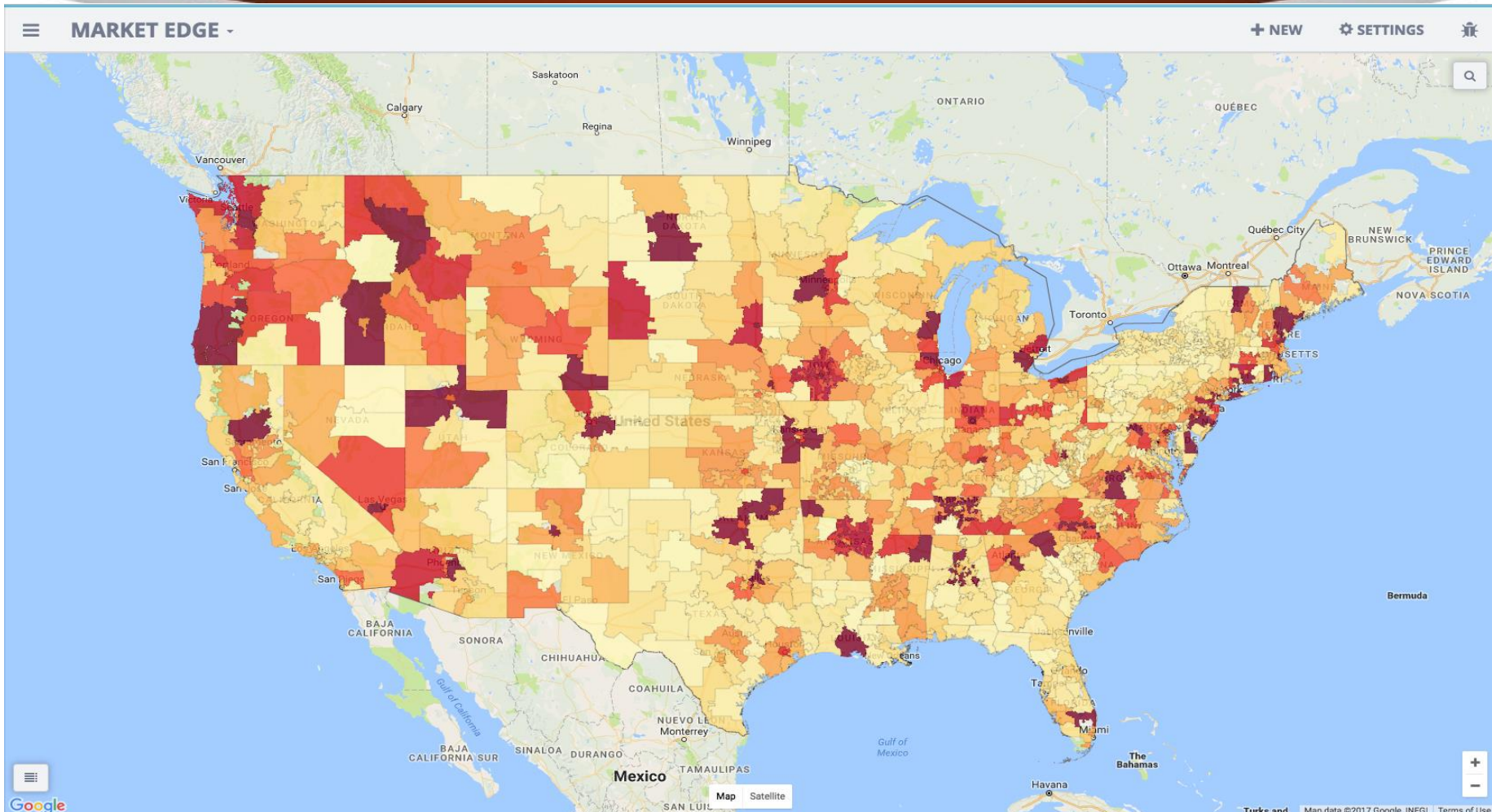


8 Million Med Supp Quotes Later, Here's What We See

TOP 10 Three Digit Zip Codes (2016)

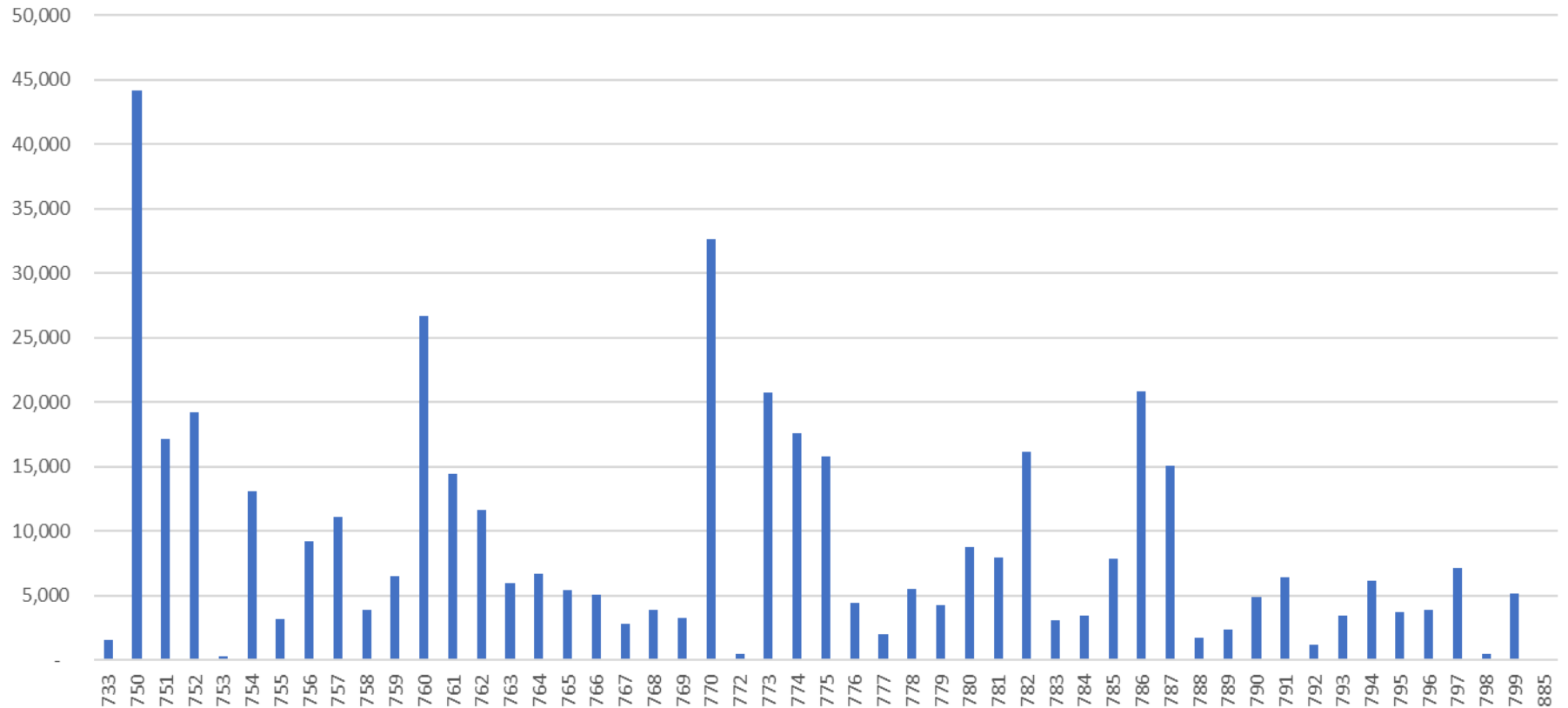
<u>3-Digit Zip</u>	<u>State</u>	<u>Area</u>	<u>2016 Quotes</u>	<u>Age 65+ Pop.</u>	<u>Quote %</u>	<u>Med Adv %</u>
296	SC	Greenville	48,808	133,812	36.5%	33.3%
750	TX	Dallas (North)	44,210	178,717	24.7%	35.8%
300	GA	Atlanta (East)	35,812	182,219	19.7%	38.8%
295	SC	Florence	33,722	99,630	33.8%	17.0%
481	MI	Detroit	32,741	197,095	16.6%	38.0%
770	TX	Houston	32,635	246,138	13.3%	44.0%
852	AZ	Phoenix	31,983	203,430	15.7%	43.3%
280	NC	Charlotte	29,961	91,258	32.8%	37.9%
480	MI	Detroit	29,566	160,839	18.4%	33.8%
600	IL	Chicago	27,739	217,631	12.7%	25.4%

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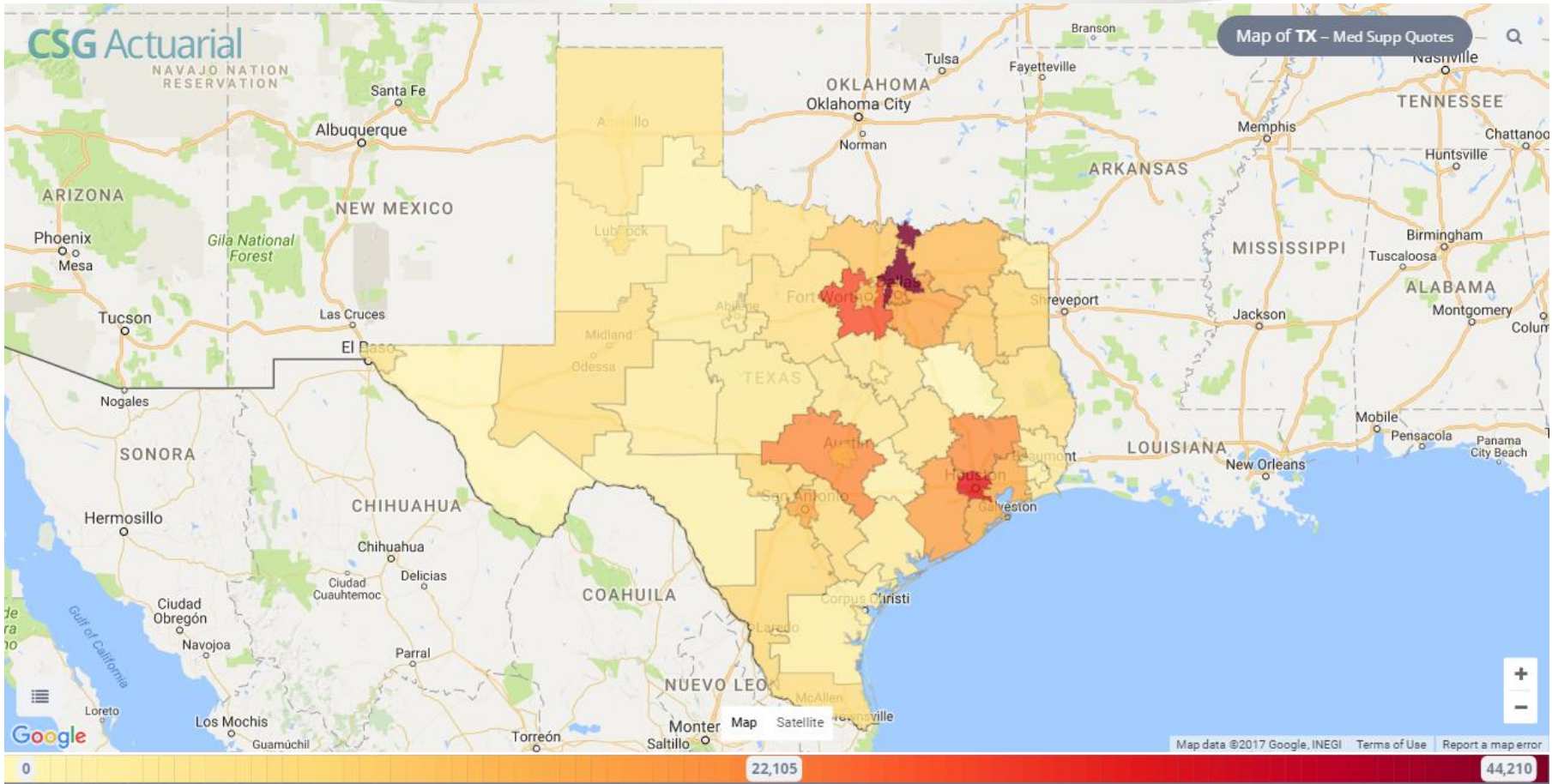


8 Million Med Supp Quotes Later, Here's What We See

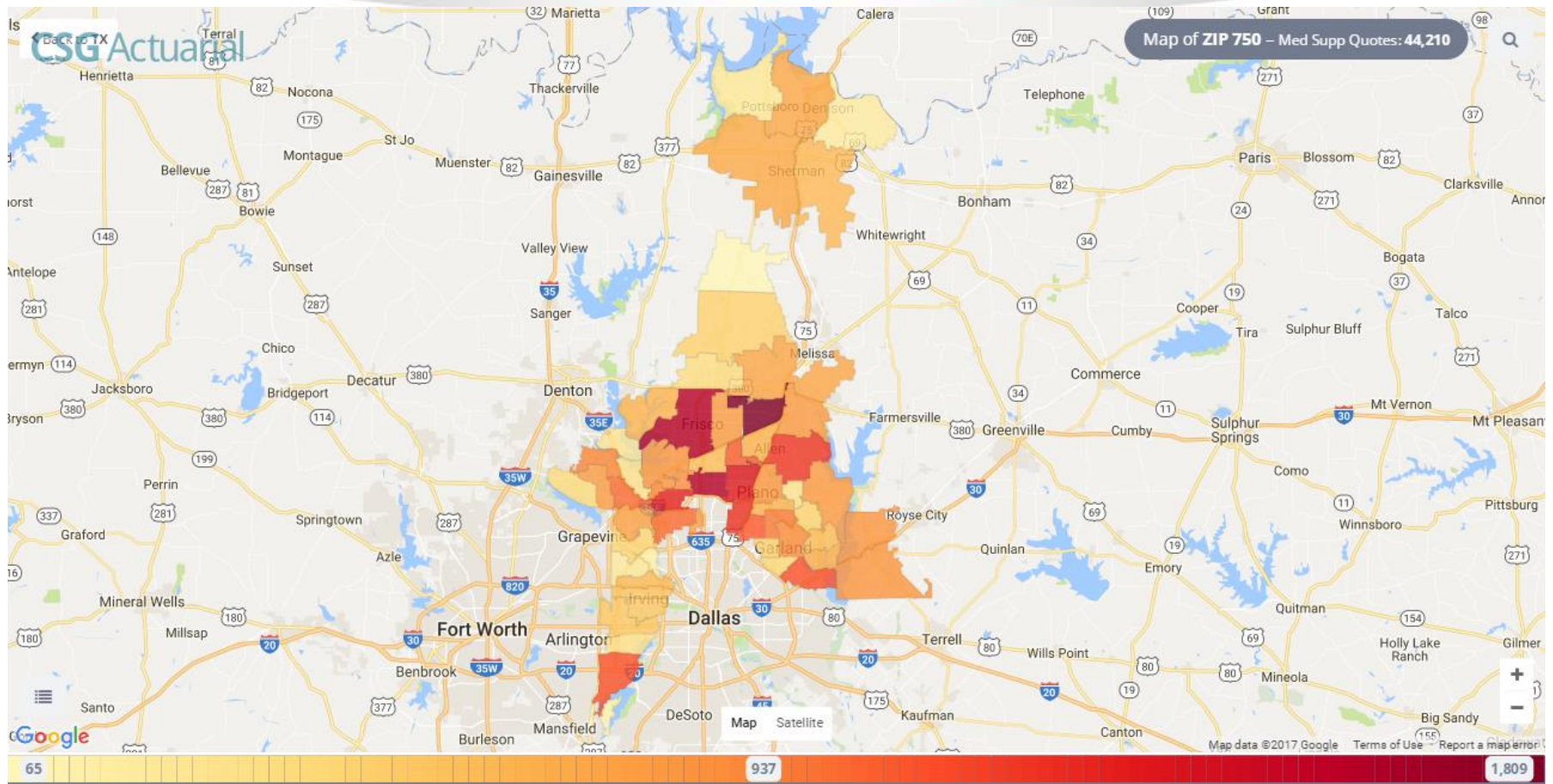
2016 Texas Medicare Supplement Quotes by 3 Digit Zipcode



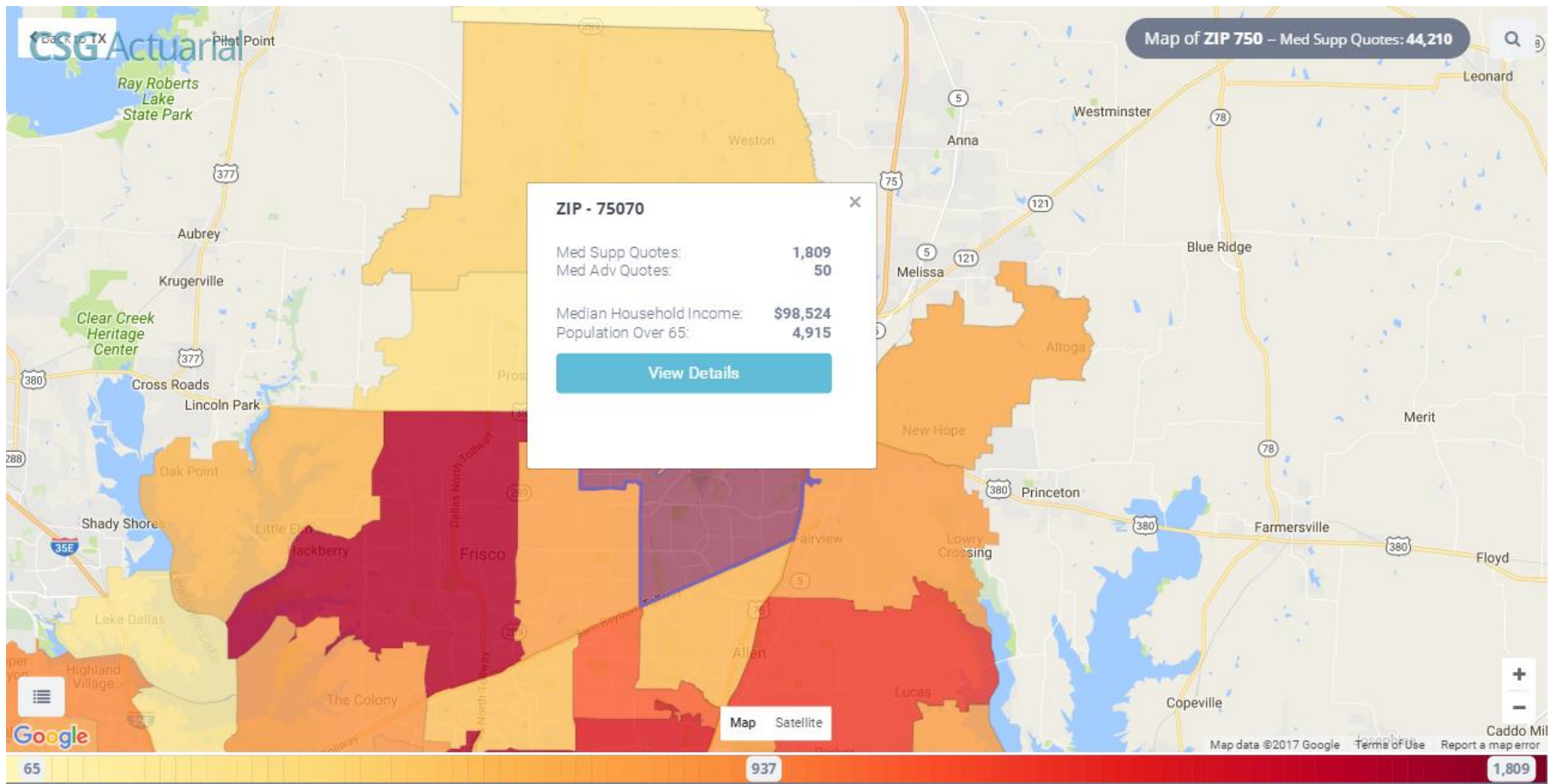
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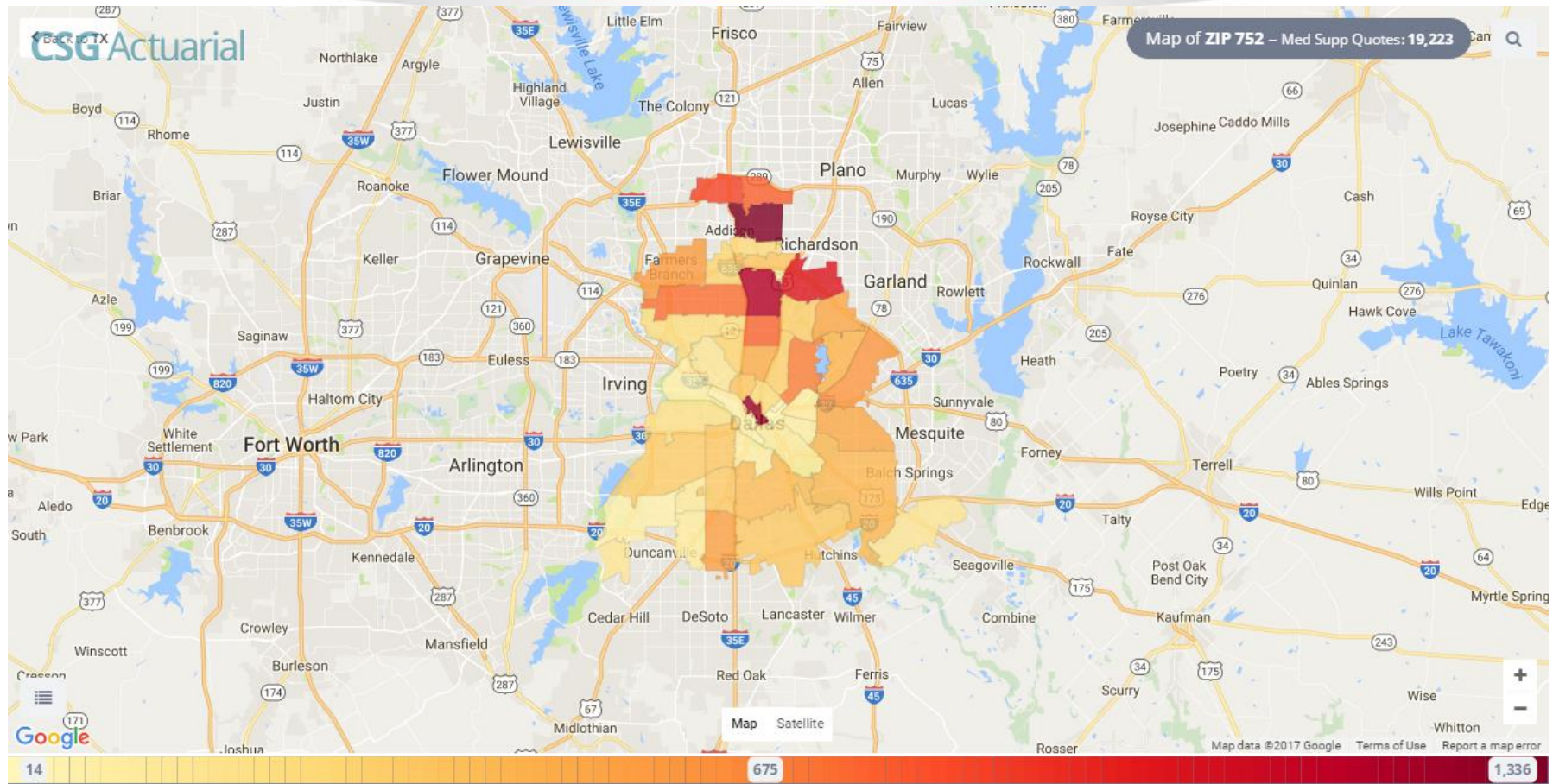
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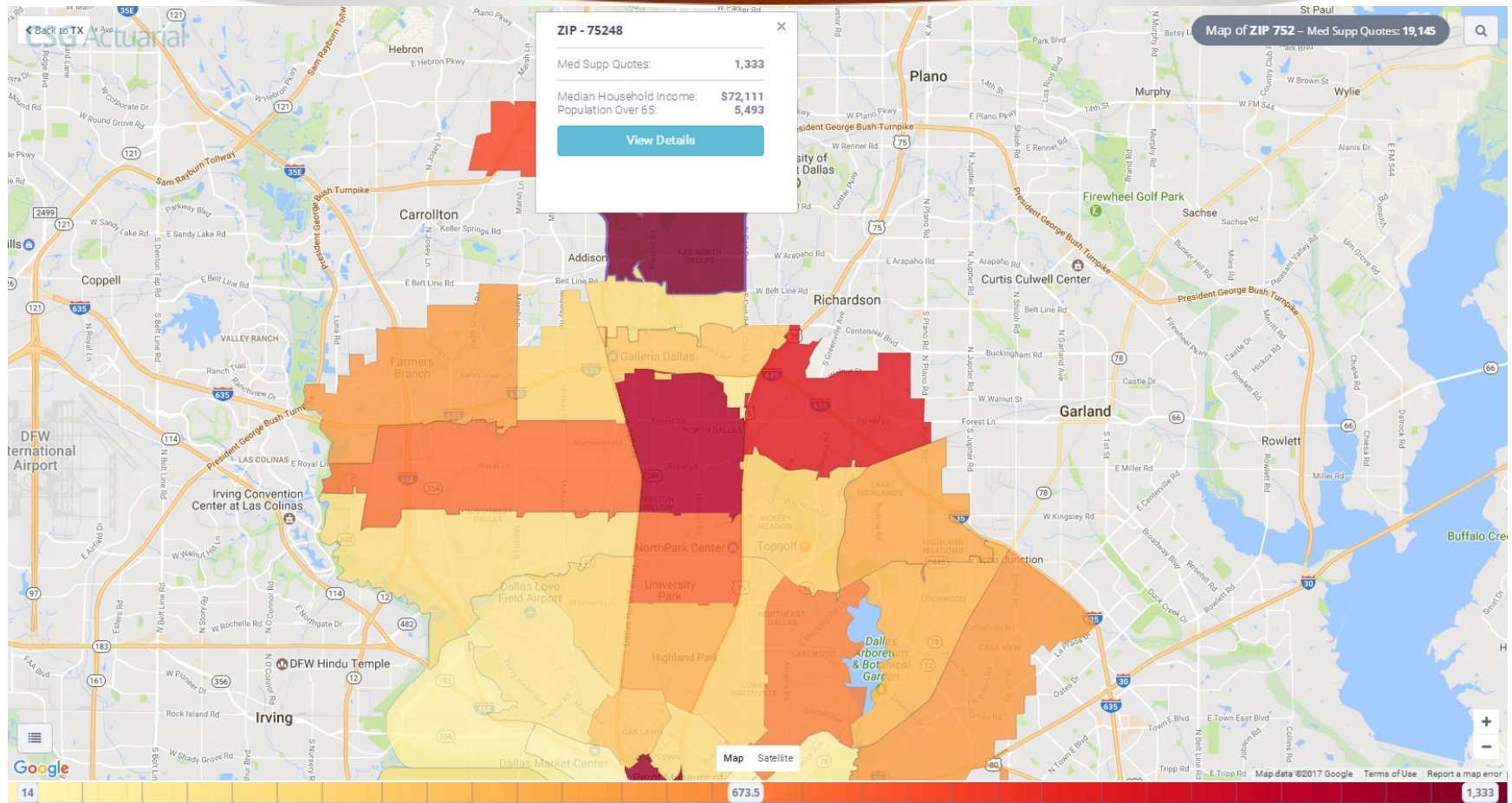
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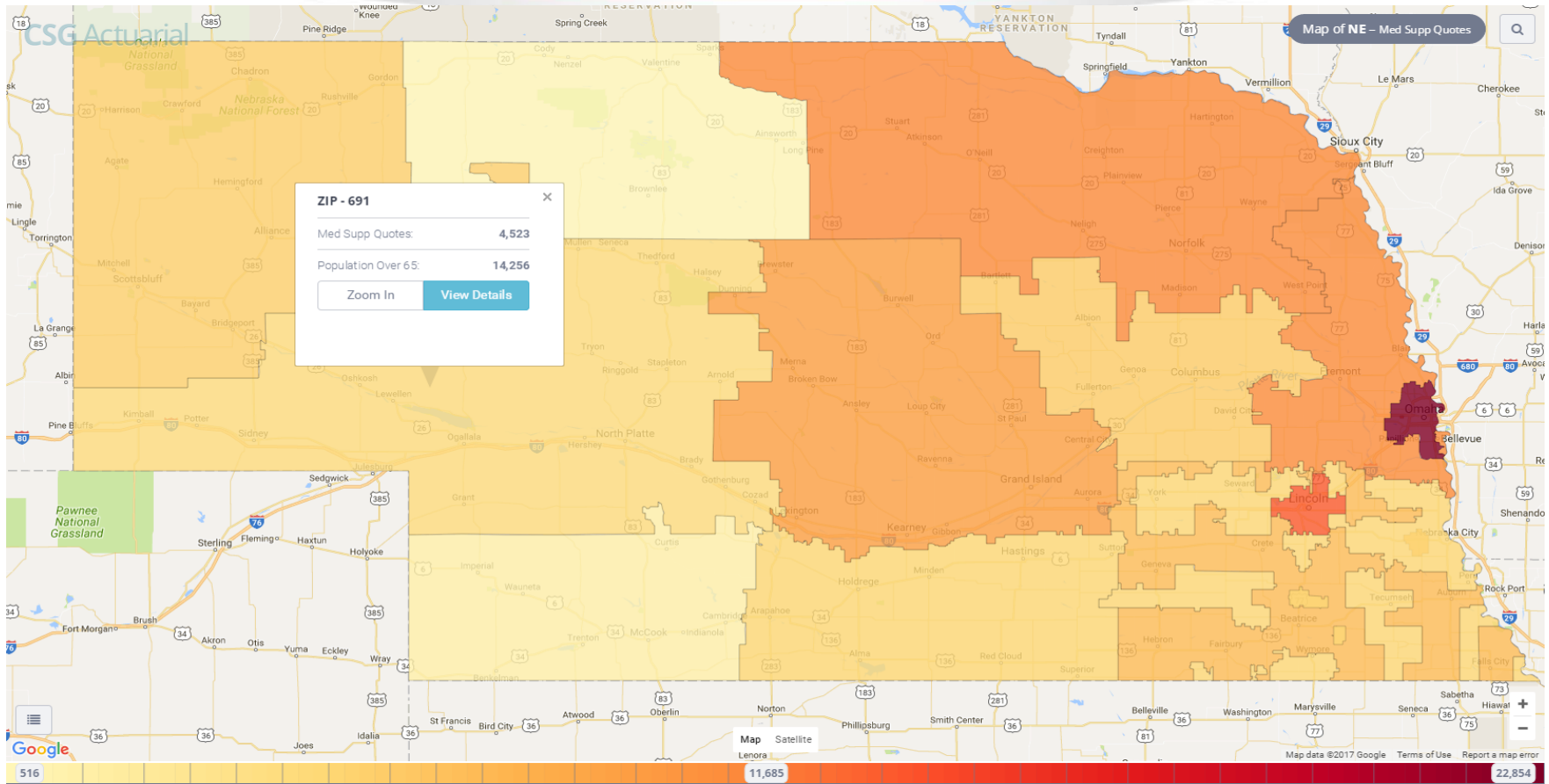
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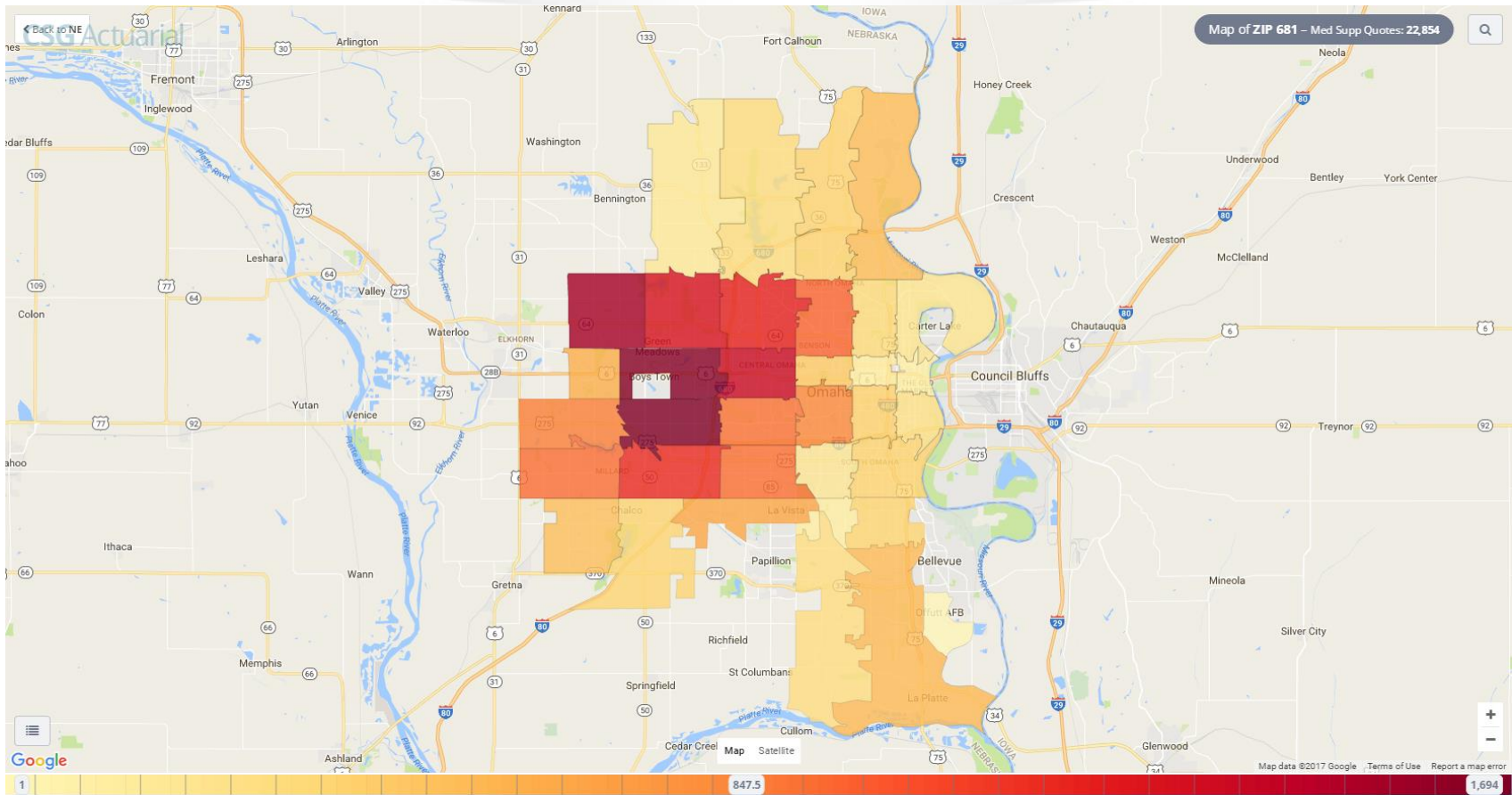
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8 Million Med Supp Quotes Later, Here's What We See

- How Do Carriers Rank and Appear in the Quote Results?
 - Average Rank
 - % from the Lowest
 - Top 5

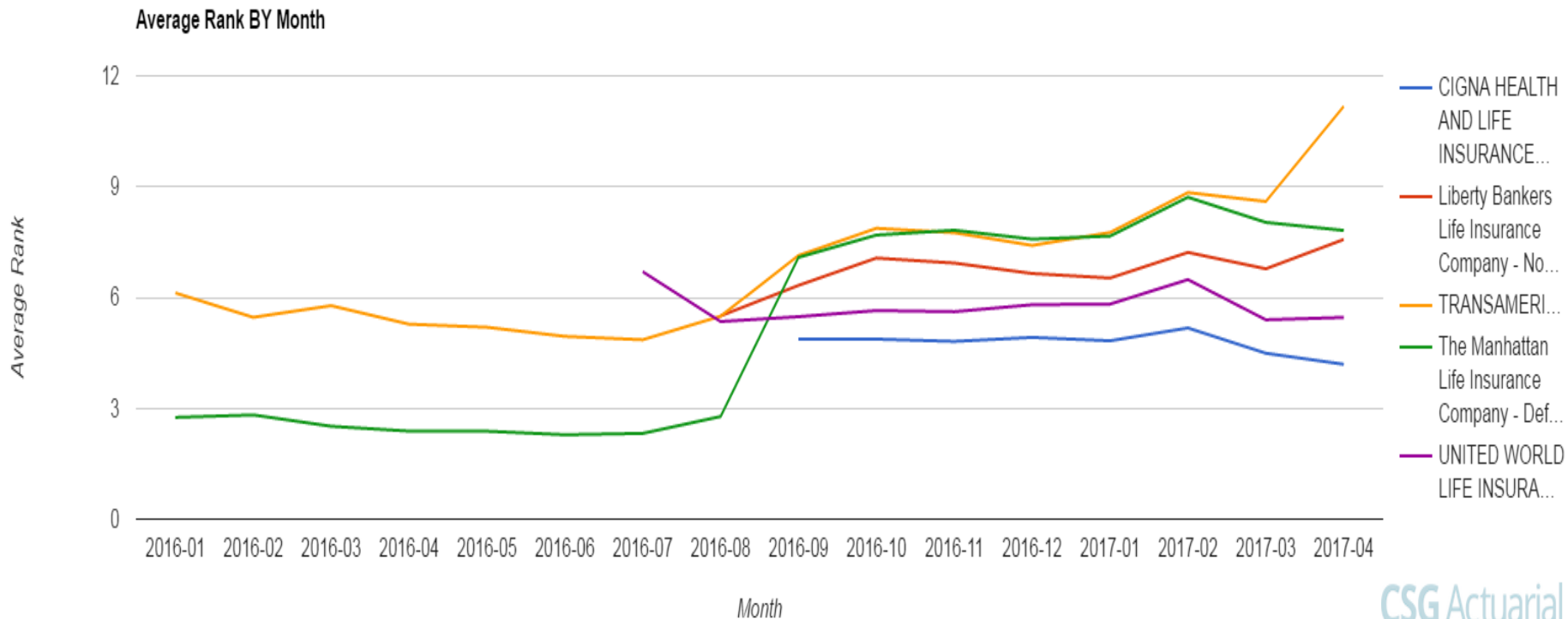
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TEXAS – All 2016 Quotes (Average Competitive Ranking)

Company	Plan G	Plan F	Plan N
The Manhattan Life Insurance Company	4.7	15.3	1.7
CIGNA HEALTH AND LIFE INSURANCE COMPANY	4.9	4.4	5.3
UNITED WORLD LIFE INSURANCE COMPANY	5.6	14.3	6.5
TRANSAMERICA PREMIER LIFE INSURANCE COMPANY	6.2	8.7	18.2
Liberty Bankers Life Insurance Company	6.6	9.7	7.1
STANDARD LIFE AND CASUALTY INSURANCE COMPANY	7.4	21.5	6.6
New Era Life Insurance Company of the Midwest	7.5	28.2	
Sentinel Security Life Insurance Company	8.7	39.0	15.2
UNITED OF OMAHA LIFE INSURANCE COMPANY	8.8	18.9	
CSI Life Insurance Company	9.6	12.0	6.2
Omaha Insurance Company	10.8	17.3	
INDIVIDUAL ASSURANCE COMPANY, LIFE, HEALTH & ACCIDENT	11.0	19.9	14.7
UNIFIED LIFE INSURANCE COMPANY	11.2	11.7	8.4
Bankers Fidelity Assurance Company	11.3		
Continental Life Insurance Company of Brentwood, Tennessee	11.7	32.7	12.4

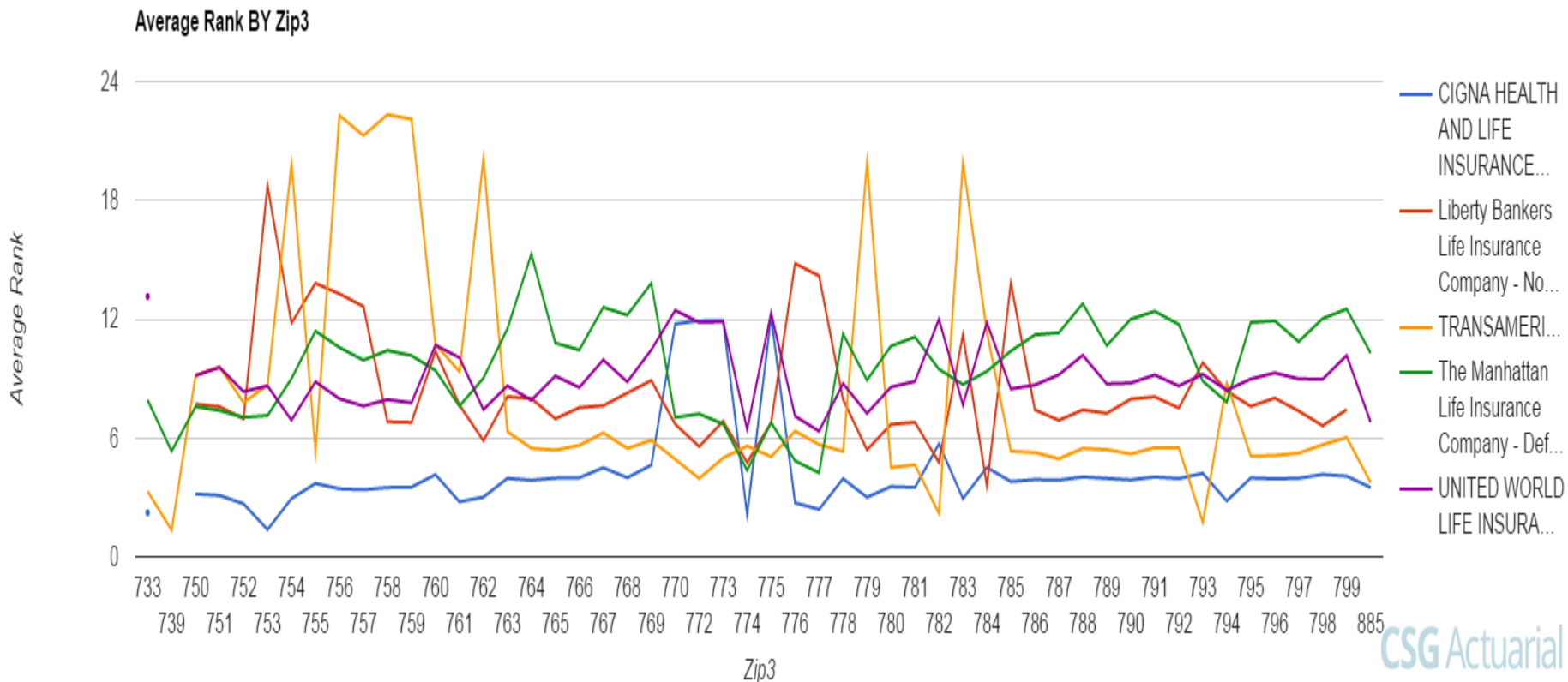
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Texas Plan G Average Competitive Rank by Month



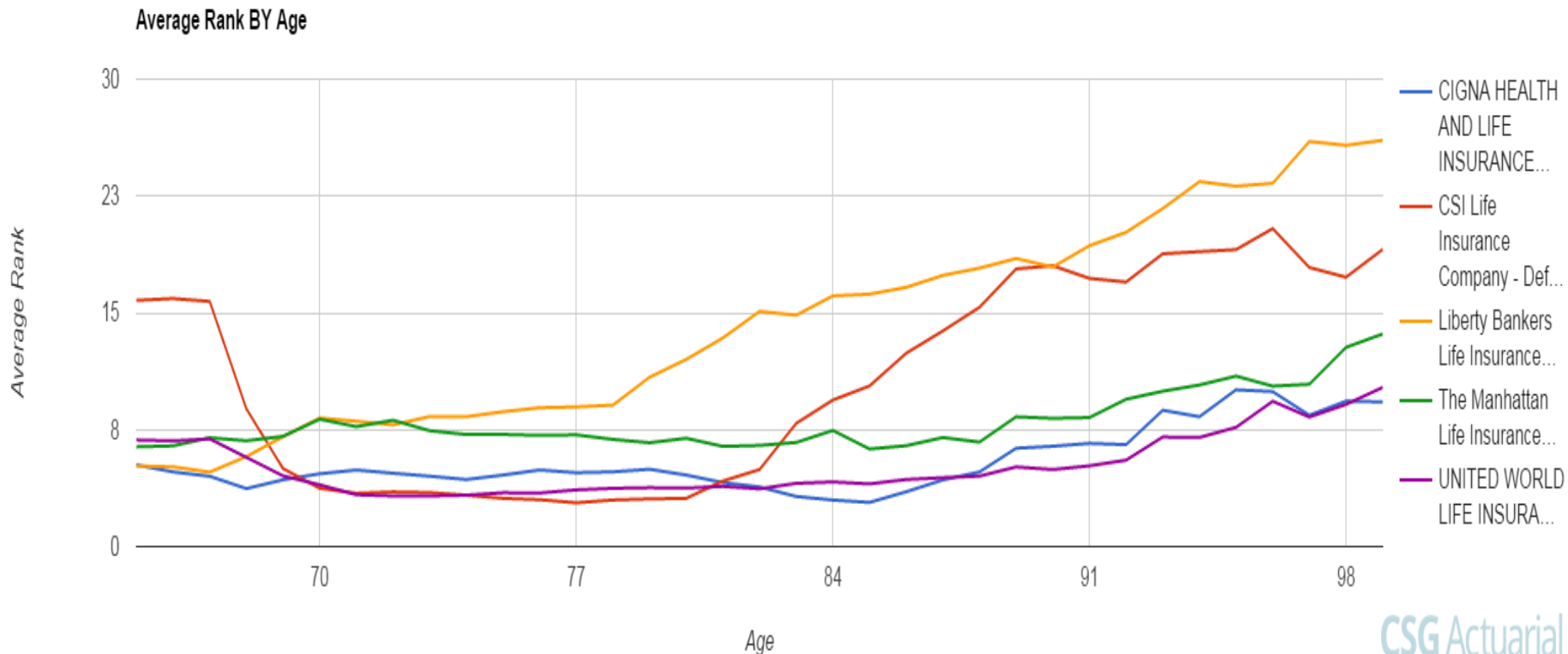
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Texas Plan G Average Competitive Rank by ZIP3



8 Million Med Supp Quotes Later, Here's What We See

Texas Plan G Average Competitive Rank by Age



8 Million Med Supp Quotes Later, Here's What We See

- What Does this all Mean?
- Future Enhancements
 - Expand Medicare Advantage
 - Incorporate Additional Data Elements
 - Implement Predictive Analytics
- Questions?