

## **Switching Medicare Supplement Policies Takes Time**

### **By Woodrow Wilcox**

In the last few days, I noticed that several people who visited were a bit confused about Medicare, Medicare supplement insurance policies, insurance companies, insurance agents, and the amount of time needed to process applications, claims, and problem solving.

One woman thought that when she gave a check to an insurance agent on one day, she would be covered by the Medicare supplement insurance company the very next day. That might be the way it is in automobile insurance transactions, but that is not the way it is in Medicare supplement insurance matters.

A man who had helped his mother to purchase Medicare supplement insurance thought that when he gave a check to the agent on August 29, his mother's coverage would start on September 1, just two days later. Again, Medicare supplement insurance is different from property insurance policies. But, Medicare supplement insurance is similar to regular health insurance in the amount of time needed for any processing.

In dealing with Medicare or Medicare supplement insurance changes of any kind, one must remember that both a government bureaucracy and a business bureaucracy must change their records. That takes time. Medicare supplement insurance companies usually want thirty days notice to cancel or change a policy. Whenever someone switches from one Medicare supplement insurance company to another, the new company usually wants at least thirty days to review the application and accept the client.

Don't cancel a current Medicare supplement insurance policy without first being accepted by the new Medicare supplement insurance company. Make sure that you have coverage. Your insurance agent may ask you to write or sign a letter to request cancellation of the old policy, but that letter should not be sent until the new policy with the new company is approved.

Some people don't understand that the insurance agent has no control over whether an application is accepted and a policy issued. That determination is made by an insurance underwriter at the insurance company. The underwriter reviews the application, the medical history, and

other factors to determine if the insurance company should issue an insurance policy.

The insurance underwriter relies on what is on the application. But, the insurance company wants to make sure that what is on the application is accurate. Most insurance companies have another employee telephone the applicant to ask some of the same questions that are on the application. The interviewer will check to make sure that the applicant's name is spelled correctly, that the address is correct, that the Medicare ID number is accurate, and that the medical history is accurate.

Sometimes, an applicant is rejected for a Medicare supplement insurance policy. But, in my experience, I believe that usually this is caused by a misunderstanding or by a faulty memory. In such cases, some clarification can correct the matter and the applicant can be accepted for a policy.

Let me clarify this for you. Sometimes, if an applicant has trouble seeing or reading, an agent will ask the client a question as it is on the application. The agent will write the answer given. Later, during the telephone interview, the applicant might answer the same or similar question differently and cause the insurance company to wonder if the application was taken correctly. Because the applicant answered the same or almost the same question differently on two different occasions, the insurance company, often, will decide to protect itself by rejecting the application.

If this happens, contact your insurance agent. Sometimes, the different responses can be explained by clarification of the medical matter or history which is the subject of the question. Sometimes, the applicant did not correctly hear or understand the question over the telephone. Some senior citizens have an easier time hearing and understanding an agent who is with them rather than a person on the other side of a telephone conversation.

In any case, be honest about your answers. Being honest about the answers helps you not have to remember too much. Also, it protects you, too. Most insurance companies have clauses in their contracts that state that the insurance company is relying on the honesty of the applicant's answers, but that if the answers are later discovered to be false, the insurance company does not have to honor the insurance contract.