



## Frequently Asked Questions

### ACA/General Health Insurance

- Q. I was recently laid-off from my job due to the coronavirus. I am 64 and turning 65 in September. Am I eligible to get health insurance coverage under the Affordable Care Act?**
- A. Yes, you would qualify for coverage under the Affordable Care Act as long as you are under the age of 65. Once you turn 65, you would then qualify for coverage under Medicare or Medicaid/Medicare. Remember to sign up during your eligibility window.

### Medicare

- Q. I just turned 65. I keep getting mail about Medicare Advantage Plans and Medicare supplement policies. What is the difference between the two?**
- A. Medicare beneficiaries who do not receive Medicaid or retiree benefits to supplement Medicare Parts A and B generally choose between either a Medicare Advantage Plan or a Medicare supplement.

The Medicare supplement policies (also called Medigap policies) are offered by private companies and help fill in the gaps in Medicare Parts A and B, known as Original Medicare. Original Medicare pays for a lot, but not all of the costs of health care services and supplies. Medicare supplement policies help pay for some of the remaining costs. Medicare beneficiaries who choose a Medicare supplement policy will also need a Medicare Part D plan. Medicare supplement plans are standardized, so you can compare the prices for the same plan from different companies. You cannot have a Medicare supplement plan and a Medicare Advantage plan.

Medicare Advantage Plans (also known as “Part C” plans) are administered by private insurance companies with contracts with the federal government. These plans “bundle” Medicare Part A,

Medicare Part B and usually Medicare Part D. The plans may also offer extra coverage such as vision or dental. In addition to the standard Medicare Part B premium, you will pay a monthly premium to the Medicare Advantage Plan.

There are different types of Medicare Advantage Plans. Most are similar to HMO and PPOs, so you will need to check if your providers are in-network. Seeing a doctor who is out-of-network may only be covered for an emergency or be more expensive. When you compare these plans, you will need to consider the network and any different benefits they offer, as well as the monthly premium costs.

## Life Insurance

**Q I am a senior and I am looking at purchasing a new life insurance policy. All the policies I see being offered to seniors are permanent life insurance policies. When I was working, I always had term life insurance policies. What is permanent life insurance and why isn't term life insurance available to me?**

A. Typically, term life insurance policies are written for periods of time – like 10 or 20 years, or to a specified age (such as 65).

Permanent life insurance policies are policies that have cash value and can be kept for as long as you need life insurance. These policies also have savings or investment features. Whole life, universal life and variable life are types of permanent life insurance policies.

Remember to use caution if someone contacts you unsolicited about a life insurance policy. The salesperson has probably obtained your information through a mailing list. Also, be wary of high-pressure sales tactics, such as “last-chance” deals. Be sure you thoroughly understand any life insurance policy you are purchasing by speaking with a trusted insurance professional or by contacting the Maryland Insurance Administration with questions.

**Q. What is Burial Insurance?**

A. Burial insurance usually refers to a policy with benefits for final expenses, such as funeral or burial costs. Coverage amounts can vary.

**Q. Why do some life insurance policies require a medical exam and others do not?**

A. Not having to go through a medical exam to obtain a life insurance policy may seem very convenient. However, you'll generally pay a lot for this convenience since the insurer will have much less information about you and your life expectancy. Based on your age and health, a medical exam may qualify you for the same amount of coverage but for a lower premium than a policy without a medical exam. You may want to proceed with a policy that requires a medical exam and use the no-exam life insurance policies as a last resort.

**Q. I currently have been paying on a 20 year level term life insurance policy. Is it true that once the 20 years is over I will have to purchase another policy?**

A. If you want to continue having life insurance, you will likely have to purchase a new policy. Term life insurance is generally purchased for terms of 10, 20 or 30 years. The death benefit amount will remain level during this time, regardless of the insured's health status. Premium amounts are usually guaranteed to remain level for the specified period of time. If your policy does not end, your premiums will probably be much higher. Talk to your insurance professional to find out what your options are before your term ends.

**Q. Will I be medically underwritten again once the established term in my term life insurance expires?**

A. It's likely you will be medically underwritten for a new policy, but talk to a trusted insurance professional about your life insurance options to find out what makes the most sense for you and your situation. Underwriting means that the company looks at your age, health history and other factors that may affect how long you are expected to live before deciding if you will be offered a policy and what the premium will be.

**Q. Can I cash in my term life policy prior to its expiration?**

A. No, term life insurance only pays a death benefit to your beneficiary if you die within the policy's term. Otherwise, it does not have any cash value.

**Q. What about selling my life insurance policy? What is a Viatical Settlement?**

A. A Viatical Settlement is a written agreement for the sale of a life insurance policy to a third party. The owner of the life insurance policy might sell a policy for a cash benefit. At one time, most Viatical Settlements were for people with a life-threatening illness. Today, individuals who are not facing a health crisis may also sell their life insurance policies. For more information, please see our brochure about Viatical Settlements at: <https://insurance.maryland.gov/Consumer/Documents/publications/viatical.pdf>.

**Q. Do I get a refund on my term life insurance policy if I decide to cancel it?**

A. If you are within the "free look period" right after you buy the policy, you may be able to get a refund. Once you cancel your term life insurance policy, you will not get any of your paid premiums back. If you have a term-life policy, you won't get any refund or cash if you cancel your policy or let it lapse.

**Q: How can I locate a missing life insurance policy or annuity contract for a deceased family member or close relationship?**

Check bank accounts and bills for evidence of an existing policy. Also, check safety deposit boxes and online accounts.

If you located a policy with contact information, you may contact the insurance company directly. If you are missing contact information for the insurance company, or the company is no longer in business, please contact the Maryland Insurance Administration for assistance at 800-492-6116.

If your search has not uncovered any leads, the National Association of Insurance Commissioners can help you. Their service is free of charge. Use this link: <https://eapps.naic.org/life-policy-locator>.

Make sure you have as much information as possible. Legal name, birthdate, death date, and Social Security number are required. Submitting previous legal names and addresses will allow the companies to conduct a more accurate search of their records.

**Q: Are relatives the only party allowed to request a life insurance policy search?**

A: Anyone who believes they are a beneficiary, next of kin, or representative can request this information.

**Q: I recently purchased a life insurance policy, should I tell my beneficiaries about the policy?**

A: It is important that you inform your beneficiaries or trusted family members or persons you have chosen to represent you, about your life insurance policy. Provide them with the name of your agent and the name of the insurance company that wrote the policy.

Place a current copy of your policy with your will or estate paperwork in a safe place where your family or beneficiaries will look for it and have access.

Consider asking your insurance company for an annual policy statement if one isn't provided. Review your policy on a regular basis to make sure your beneficiaries and their current contact details stay updated

## General Insurance

**Q: I was laid off from my job due to COVID-19. I have limited resources. I'm finding myself having to decide which bills to pay. Can my insurance company drop me for non-payment?**

A: The Insurance Commissioner issued Bulletin 20-10 in which health insurers were asked to make reasonable accommodations so people do not lose coverage due to nonpayment of premium. It is important to speak with your insurer directly and as soon as possible to avoid any lapse in insurance coverage(s) and to learn if the insurer has implemented any accommodations for the payment of premium. If you have an individual health insurance policy, or lost your health insurance from your job, you might want to contact the Maryland Health Benefits Exchange via its website [www.MarylandHealthConnection.gov](http://www.MarylandHealthConnection.gov) to see if you qualify for Medicaid or tax credits to help pay your premium.