Medigap Pricing

The primary factor an insurance company uses when deciding their Medigap premiums is how a state rates. These ratings are not determined by the insurance carrier.

The three types of rating are:

* Community Rate — Everyone in the plan receives the same premiums regardless of age. Rate increases occur due to factors such as claims experience for the carrier and inflation.
* Issue-Age Rated — The premium is based on the age the policyholder is when they enter the plan. This means that someone who enrolls at age 65, is going to have a lower premium than someone who enrolls at age 70, regardless of how long they have the policy. Increases are based on factors such as claims experience for the carrier and inflation.
* Attained-Age Rated — The premiums are based on age, and continue to go up as the policyholder gets older. Premiums go up based on factors such as carrier claims, experience and inflation. These plans can be the most expensive over the life of the policy. People often move these plans every few years, as long as they can pass underwriting, or they have other options to move their plans based on state regulations.