



CROSS-SELLING HOSPITAL INDEMNITY PLANS

BEST PRACTICES GUIDE



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Cross-marketing hospital indemnity plans to Medicare clients can be a strategic approach to increase sales and provide additional coverage for your clients. Hospital indemnity plans can help fill the gaps left by Medicare, providing extra financial support for hospital stays and related expenses.

Income Opportunities

Suppose an insurance agent sells a hospital indemnity plan to a client. The annual premium for the plan is \$480, and the commission rate offered by the insurance company is 55% of the premium. The agent will earn a commission based on this rate.

Calculation:

Commission Rate: 55% (0.55 as a decimal)

Annual Premium: \$480

Commission Earned = Commission Rate x Annual Premium

Commission Earned = 0.55 x \$480

Commission Earned = \$264



Do the Math!

If you sell 100 MA plans a year and sell an HI Plan to 50% of them, **you are roughly making an extra 13k a year, not including renewals.** This is in addition to helping protect your clients from out-of-pocket expenses and preventing other agents from disrupting your relationships.

TAKE ACTION TODAY and start incorporating Hospital Indemnity plans into your business.

Cross-Selling Hospital Indemnity Plans

Here's a step-by-step guide on how to cross-market hospital indemnity to Medicare clients:

Understand Hospital Indemnity Plans: Familiarize yourself with the specifics of hospital indemnity plans. Know the coverage details, benefits, limitations, and how they complement Medicare. Understanding the key selling points will help you effectively communicate the value of these plans to your clients.

Know Your Audience: Identify your target audience within the Medicare market. Consider demographics, health needs, and any common concerns or gaps in coverage they may experience under Medicare.

Educate Your Clients: Many Medicare beneficiaries may not be aware of the potential gaps in their coverage. Educate your clients about Medicare's limitations, such as copayments, deductibles, and limited coverage for skilled nursing facilities or home health care.

Identify Coverage Needs: During your interactions with clients, ask probing questions to identify their specific coverage needs and potential areas where hospital indemnity plans can provide additional support.

Tailor Recommendations: Based on the information you gather, tailor your recommendations to suit each client's unique needs. Explain how a hospital indemnity plan can help cover costs that Medicare may not fully cover.

Compare Plans: Offer a comparison of different hospital indemnity plans available in the market. Highlight the features and benefits of each plan to help your clients make an informed decision.

Address Concerns: Be prepared to address any concerns or objections your clients may have. Common concerns may include costs, pre-existing conditions, or coverage limitations.

Use Real-Life Examples: Share real-life scenarios or case studies where hospital indemnity plans have been beneficial for other Medicare clients. This can help illustrate the potential value of these plans in practical terms.

Explain Enrollment Process: Clearly explain the enrollment process for the hospital indemnity plan. Ensure your clients understand the timing, paperwork, and any waiting periods or pre-existing condition limitations.

Provide Ongoing Support: Offer ongoing support to your clients even after enrollment. Be available to answer questions and address any issues that may arise regarding their hospital indemnity coverage.

Cross-Market with Other Products: If you offer other insurance products, consider cross-marketing hospital indemnity plans alongside them. For example, you could discuss how a comprehensive insurance package that includes hospital indemnity can provide more comprehensive coverage.

Stay Informed: Stay updated on any changes or updates in the Medicare and insurance industry. This knowledge will help you better assist your clients and adapt your cross-marketing strategies accordingly.

Remember, when cross-marketing hospital indemnity to Medicare clients, it's essential to be transparent and act in the best interest of your clients. Providing them with valuable information and suitable options will help build trust and enhance your reputation as an insurance professional.

Sample Script

Cross-marketing hospital indemnity plans to Medicare clients involves highlighting the additional benefits and coverage these plans offer in conjunction with their existing Medicare coverage. The script should focus on educating the clients about the value of the hospital indemnity plans and how they can fill the gaps left by Medicare. Here's a sample script to help guide your cross-marketing efforts:

Introduction:

Agent: Hello, [Client's Name], I hope you're doing well today. My name is [Your Name], and I'm a licensed insurance agent. I understand you currently have Medicare coverage, and I wanted to talk to you about an excellent option that can enhance your healthcare protection. Have you heard about hospital indemnity plans before?

Client's Response (Possible):

Client: Yes, I've heard of them, but I'm not sure if they're right for me.

Explanation of Hospital Indemnity Plans:

Agent: That's completely understandable. Let me provide you with more information about hospital indemnity plans. These plans work alongside your Medicare coverage, providing extra financial support for hospital stays and related expenses. With Medicare, there are certain out-of-pocket costs like copayments and deductibles, but a hospital indemnity plan can help fill those gaps, ensuring you're protected from unexpected medical expenses.

Benefits and Coverage:

Client: How can a hospital indemnity plan benefit me?

Agent: Hospital indemnity plans offer daily cash benefits for each day you spend in the hospital. These benefits are paid directly to you, allowing you to use the money as needed.

Whether it's to cover medical expenses, transportation costs, or even everyday bills while you're unable to work, the cash benefits provide flexibility and peace of mind during challenging times. Additionally, some plans may also offer coverage for skilled nursing facilities and ambulance services.

Addressing Client's Needs:

Client: I'm concerned about the cost. Will it be affordable for me?

Agent: Affordability is an essential consideration, and I completely understand your concern. Hospital indemnity plans come with various coverage levels and premium options, so we can find a plan that suits your budget. The value they provide in terms of added coverage and financial security during hospital stays can often outweigh the costs.

Building Trust:

Agent: [Client's Name], my goal is to be your trusted advisor and ensure you have the best possible coverage for your healthcare needs. I will take the time to understand your specific situation and find a hospital indemnity plan that complements your Medicare coverage. You can count on me to provide ongoing support and assistance throughout the process.

Call-to-Action:

Agent: Are you interested in exploring hospital indemnity plans further? Let's work together to find the best option for your needs and budget. It's all about enhancing your healthcare protection and ensuring you have the peace of mind that comes with comprehensive coverage.

Remember to customize the script based on the client's needs, concerns, and preferences. Emphasize the value, flexibility, and peace of mind that hospital indemnity plans can offer in combination with their existing Medicare coverage. Building trust and providing personalized recommendations will increase the likelihood of successful cross-marketing.

Testimonials



*"Thanks to PSM and the resources they provided, I was able to make an additional 4k on my Medicare sales this year by cross-marketing Hospital Indemnity to my Medicare Advantage clients. Certainly makes me wish I should have done it sooner!" - **Bill H.***

*"I was a bit hesitant at first to incorporate Hospital Indemnity into my sales process. I made the assumption most of my clients would not be interested. Boy was I wrong. Now I sell an HI plan with almost 60% of my MA sales. No turning back for me!" - **Allie S.***



*Cross-selling occurs when an opportunity to sell a Medicare plan is also utilized to sell a non-health related product (such as life or home insurance or financial planning services). This activity is prohibited by CMS during individual appointments, marketing/sales events or when providing Medicare plan enrollment materials to consumers. Review the current [Medicare Advantage Marketing Regulations](#) and make sure you're complying with Medicare's rules regarding cross-selling.

Questions?

Please contact us for assistance.

Call us at 1-800-998-7715 or email us at info@psmbrokerage.com.

Hours of operation: 8 a.m.–5 p.m. (CST), Monday–Friday.

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