



Medicare Supplement Market Survey Summary



Highlights of 2024 Results

Contents

Participating Companies	3
Background	4
Summary of Results	
Premium and Lives	5
Inforce Premium and Lives Growth Rates	
Sales Premium and Lives Growth Rates	
Sales Premium and Lives by Plan Type	
Business Performance	6
Profit Margins and Loss Ratios	
Observed and Expected Claims Trends	
Distribution of Lapse Rates, Including Mortality	
Underwriting	7
Applications Processed Through Underwriting	
Outcomes of Underwritten Applications	
Utilizing Automated Underwriting Systems	
Claims Management	8
Claims Outcomes by Block Status	
Change in Number of Fraudulent Claims	
Types of Fraud Monitored	
Distribution	9
Utilization & Percentage of Premium by Distribution Channel	
Distribution of First-Year Commissions Paid	
Type of Advance Offered for Commissions	
About Gen Re	10

General Re Life Corporation is committed to adhering to antitrust laws, and cautions all recipients that this report is intended solely to provide general industry knowledge. Under no circumstances shall it be used as a means for representatives of competing companies, and/or firms, to reach any understanding whatsoever, whether it be about specific pricing of specific products, if particular products should be marketed to the public, or the terms under which products are marketed.

Participating Companies

- Aetna¹
- Allstate Health Solutions²
- Americo Financial Life and Annuity
- Arkansas Blue Cross Blue Shield
- Bankers Fidelity Life³
- Blue Cross Blue Shield of Minnesota⁴
- Blue Cross Blue Shield of North Carolina
- CareFirst BlueCross BlueShield⁵
- Central States Health & Life Co. of Omaha (CSO)
- Central States Indemnity Co. of Omaha (CSI)
- Chubb/Combined (ACE P&C)
- The Cigna Group⁶
- Everence
- Gen Re⁷
- Globe Life⁸
- Great Southern Life
- Guarantee Trust Life
- Health Care Service Corp.⁹
- Humana, Inc.¹⁰
- Individual Assurance Company
- Mutual of Omaha¹¹
- Oxford Life¹²
- Pekin Life
- Physicians Mutual¹³
- Prosperity Life Group¹⁴
- Standard Life and Accident
- State Farm Mutual Automobile Insurance Co.
- State Mutual
- Transamerica Life
- USAA Life
- Washington National (CNO)
- Wellabe¹⁵

1. Includes Accendo Insurance Company, Aetna Health Insurance Company, Aetna Health and Life Insurance Company, Aetna Life Insurance Company, American Continental Insurance Company, Continental Life Insurance Company, Coventry Health and Life Insurance Company, First Health Life and Health Insurance Company, Genworth Life and Annuity Insurance Company, Genworth Life Insurance Company

2. Includes American Heritage Life Insurance Company, National Health Insurance Company

3. Includes Atlantic Capital Life Assurance Company, Bankers Fidelity Assurance Company, Bankers Fidelity Life Insurance Company

4. Includes Blue Cross, Blue Plus

5. Includes CareFirst of Maryland, Inc. (CFMI), First Care, Inc. (FCI), Group Hospitalization and Medical Services, Inc. (GHMSI)

6. Includes American Retirement Life Insurance Company, Cigna Health & Life Insurance Company, Cigna Insurance Company, Cigna National Health Insurance Company, Loyal American Life Insurance Company, Medco Containment Life Insurance Company, Provident American Life and Health Insurance Company, Sterling Life Insurance Company

7. Includes closed blocks of business reinsured by Gen Re (eight companies listed under Gen Re, but counted separately in the total)

8. Includes Globe Life and Accident Insurance Company, Globe Life Insurance Company of New York, Liberty National Life Insurance Company, United American Insurance Company

9. Includes Health Care Service Corporation (HCSC), Health Insurance Services Company (HISC)

10. Includes CompBenefits Insurance Company, Emphesys Insurance Company, Humana Benefit Plan of IL Inc., Humana Dental Insurance Company, Humana Health Benefit Plan of LA Inc., Humana Health Insurance Company of FL Inc., Humana Health Plan, Inc., Humana Insurance Company, Humana Insurance Company of KY, Humana Insurance Company of NY

11. Includes Mutual of Omaha, Omaha Insurance Company, Omaha Supplemental Insurance Company, United of Omaha, United World

12. Includes Christian Fidelity Life Insurance Company, Oxford Life Insurance Company

13. Includes Physicians Life Insurance Company, Physicians Mutual Insurance Company, Physicians Select Insurance Company

14. Includes SBLI, S.USA

15. Includes American Republic Corp. Insurance Company, American Republic Insurance Company, Medico Corp. Life Insurance Company, Medico Insurance Company, Medico Life and Health Insurance Company

Background

Gen Re is pleased to present this summary of key highlights from our 2024/2025 *U.S. Medicare Supplement Market Survey*. The full report covers Medicare Supplement (Med Supp) results and market trends for 2024, capturing sales and inforce data, business performance, rate increase activity, underwriting tools and practices, claim metrics, and compensation and distribution details. The comprehensive report is available to participating companies only.

Thirty-nine questionnaires were completed, representing 87 companies with Med Supp business. Throughout this report, the results are based on the analysis of the 39 completed surveys. Depending on the type of question, not all companies were eligible provide a response. To aid in your review, the number of respondents is displayed as “R=.” When reviewing the results please note that participants may vary from year to year.

Participating companies were segmented by whether they reported open and/or closed blocks of Med Supp business. “Open blocks” refers to blocks of business that accepted new applications in 2024. Nineteen companies (49%) manage both open and closed blocks, while 18 (46%) manage only closed blocks.

Participating Company Status

	Percentage of Companies
Both open and closed blocks	49%
Open blocks only	5%
Closed blocks only	46%

Inforce Premium and Lives Growth Rates

	Premium		% Change	Lives		% Change
	2023	2024		2023	2024	
Open blocks	\$8,321,731,196	\$8,823,431,839	6.0%	3,742,297	3,773,160	0.8%
Closed blocks	\$5,566,717,116	\$5,974,078,666	7.3%	1,681,996	1,812,657	7.8%
Total inforce	\$13,888,448,312	\$14,797,510,505	6.5%	5,424,293	5,585,817	3.0%

Premium & Lives: R=21 (Open blocks); 37 (Closed blocks); 39 (Total inforce)

Participating companies reported \$14.8 billion of Medicare Supplement inforce premium for 2024, an increase of 6.5% over 2023.

Inforce premium increased 6% for open blocks and 7% for closed blocks, which was mainly due to one company closing a large block.

Nearly 5.6 million covered lives were reported in 2024, an increase of 3% over 2023 results.

Sales Premium and Lives Growth Rates

	2023	2024	% Change
Premium	\$1,166,736,553	\$1,410,199,432	20.9%
Lives	714,260	808,543	13.2%

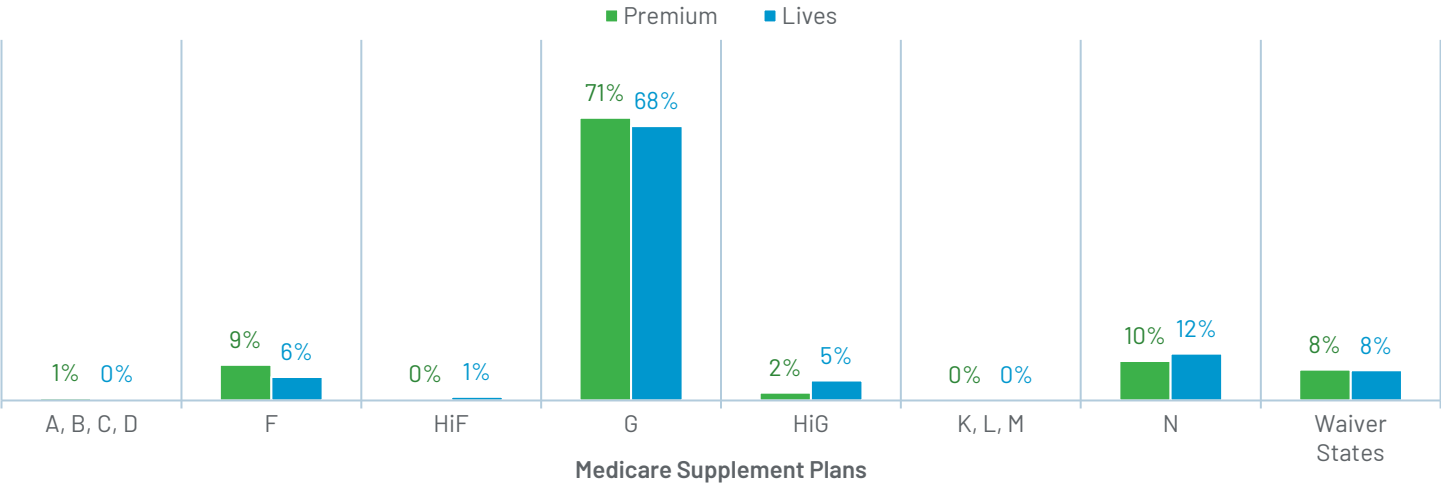
Premium & Lives: R=20

Companies reported more than \$1.4 billion of Med Supp new sales premium for 2024, increasing by 21% or \$243.5 million over 2023.

The number of new lives covered increased by 13%, or more than 94,000 lives.

Almost all companies (95%) sold Plans G and N in 2024, with one company that sells in Waiver States exclusively being the exception. Plan G accounts for 71% of new sales premium and 68% of new lives, whereas Plan N accounts for 10% of new premium and 12% of new lives. While 17 companies (85%) sold Plan A, it represents less than 1% of total new sales premium.

Sales Premium and Lives by Plan Type



R=20

2024 Profit Margins and Loss Ratios

	Profit Margins			Loss Ratios		
	Average	Median	Range	Average	Median	Range
Open blocks	-8.1%	-3.8%	-33%–4%	87.1%	85.1%	66%–102%
Closed blocks	-2.7%	1.2%	-57%–21%	85.0%	81.6%	67%–130%

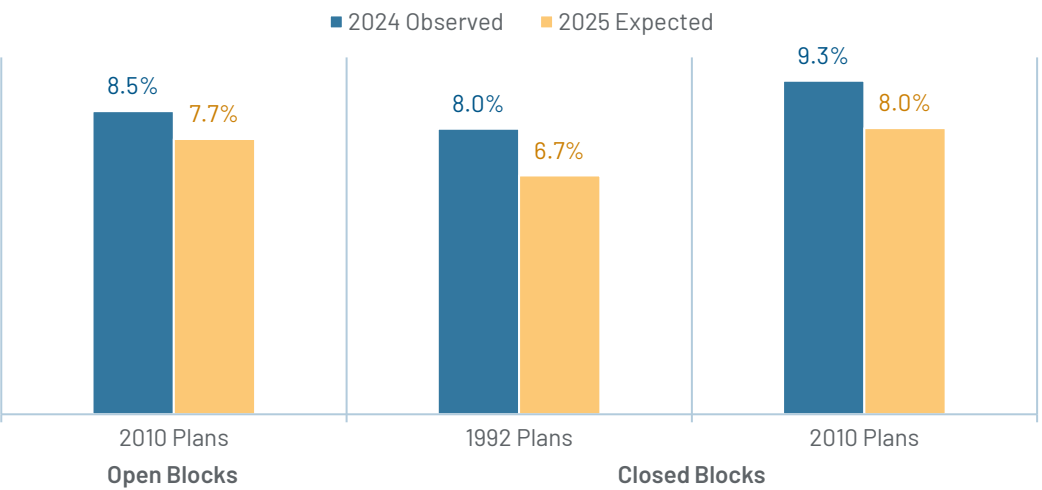
Open & Closed blocks: R=20, 33 (Profit margins); R=21, 37 (Loss ratios)

Seventy-six percent of companies with open blocks and 51% with closed blocks reported a decrease in 2024 profitability when compared to 2023 results.

Profit margins averaged -8% for open blocks and -3% for closed blocks.

Loss ratios averaged 87% for open blocks and ranged from 66% to 102%. For closed blocks, loss ratios averaged 85% and ranged from 67% to 130%.

Observed and Expected Claims Trends

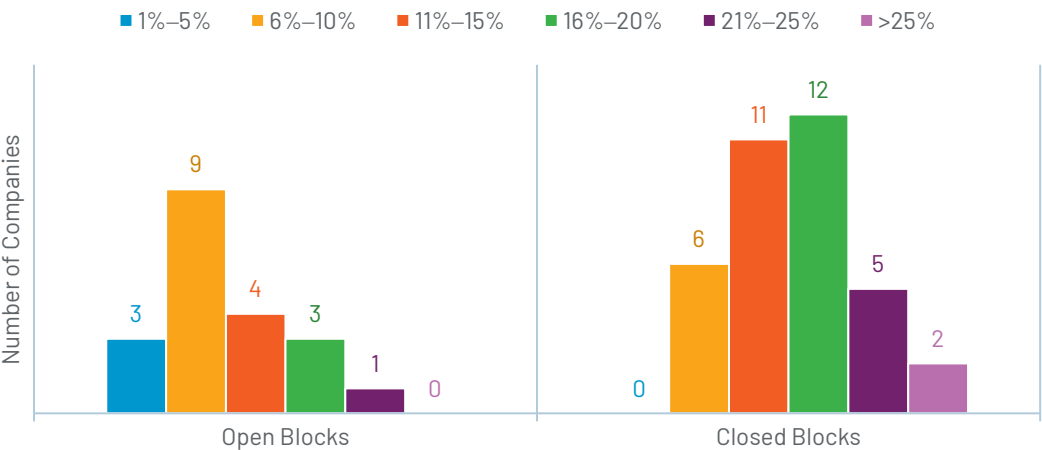


Open blocks R=21; Closed blocks R=23 (1992 plans); R=32 (2010 plans)

For open and closed blocks of 2010 plans, the 2024 observed claims trend averaged about 9%, while the expected claims trend for 2025 averaged 8%.

Closed blocks of 1992 plans averaged the lowest observed and expected claims trends at 8% and 7%, respectively.

Distribution of Lapse Rates, Including Mortality

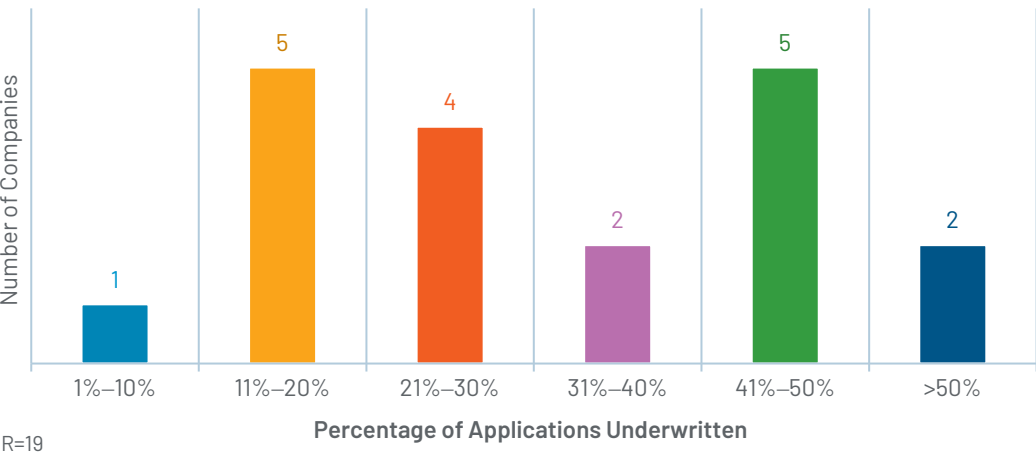


Open blocks R=20; Closed blocks R=36

For open blocks, lapse rates including mortality, averaged 11% in 2024 and ranged from 4% to 21%. For closed blocks, lapse rates averaged 16% and ranged from 6% to 31%.

For 2024, 40% of the companies with open blocks and 83% of the companies with closed blocks reported lapse rates of 11% or higher.

Percentage of Applications Processed Through Underwriting



On average, 33% of all Med Supp applications received in 2024 went through the underwriting process.

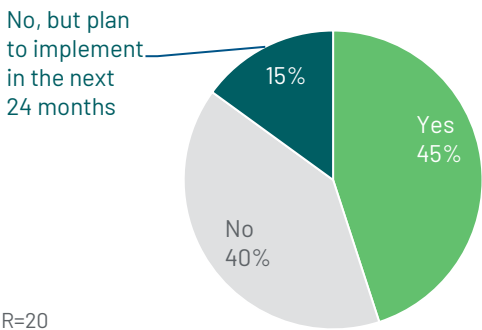
Seventeen companies (89%) reported that less than half of their applications were underwritten, while two (11%) said more than 50% went through the underwriting process.

Outcomes of Underwritten Applications

	Average	Median	Range
Approved and placed	76%	79%	32%–99%
Approved and not taken	3%	2%	0%–20%
Declined	15%	11%	1%–57%
Incomplete or withdrawn	5%	5%	0%–19%

In 2024, 76% of underwritten applications were approved and placed, and 15% were declined.

Utilizing Automated Underwriting Systems



Percentage of Applications Directed to an AU System

Average	Range
95%	68%–100%

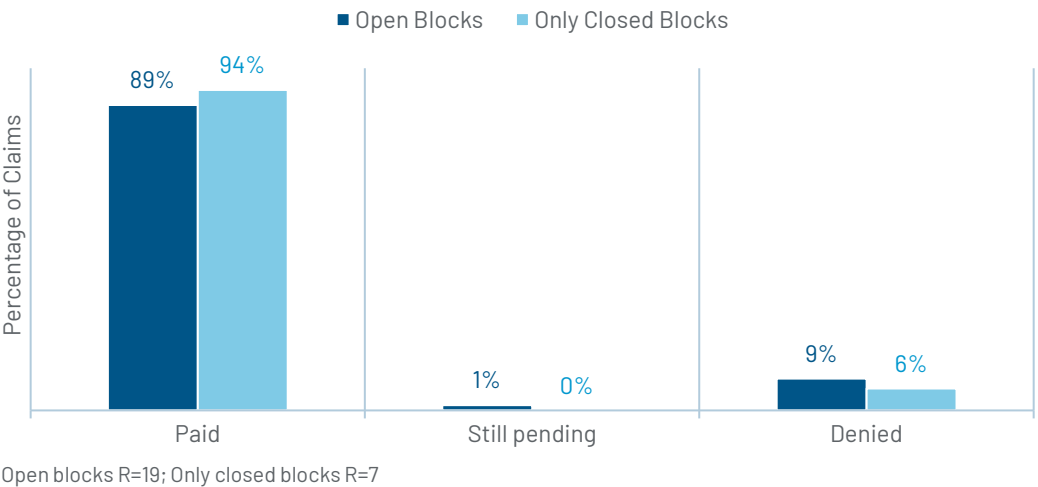
R=9

For this survey, an automated underwriting (AU) platform was defined as a system used to make decisions on underwritten, web-based applications without human involvement.

Of the 20 responding companies, less than half (45%) currently use an AU system, while three (15%) plan to implement one in the next 24 months.

Companies that use an AU system reported that on average, 95% of underwritten applications were directed to their AU system in 2024.

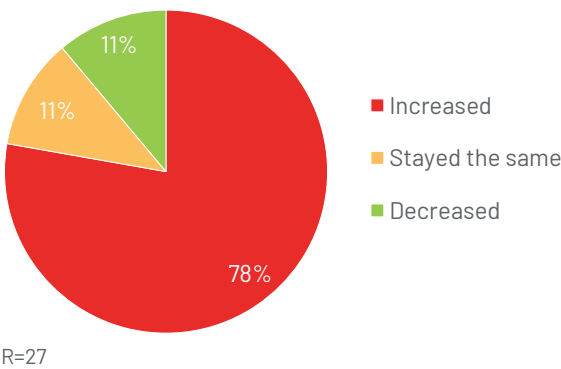
Claims Outcomes by Block Status



Participating companies received 178.8 million Med Supp claims in 2024.

Overall, 89% of the claims received in 2024 were paid, 9% were denied, and less than 2% were still pending. For companies with only closed blocks, 94% of the claims were paid, while 6% were declined.

Change in Number of Fraudulent Claims



Twenty-four companies (89%) saw a change to the number of fraudulent claims in 2024 when compared to 2023. Twenty-one (78%) reported an increase in the number of fraudulent claims, while three (11%) reported a decrease.

Of the 25 companies (93%) that monitor DME fraud, 22 reported an increase in this type of fraud in 2024 when compared to 2023. Twenty-one companies (78%) monitor billing for services not rendered and 14 reported an increase in this type of fraud.

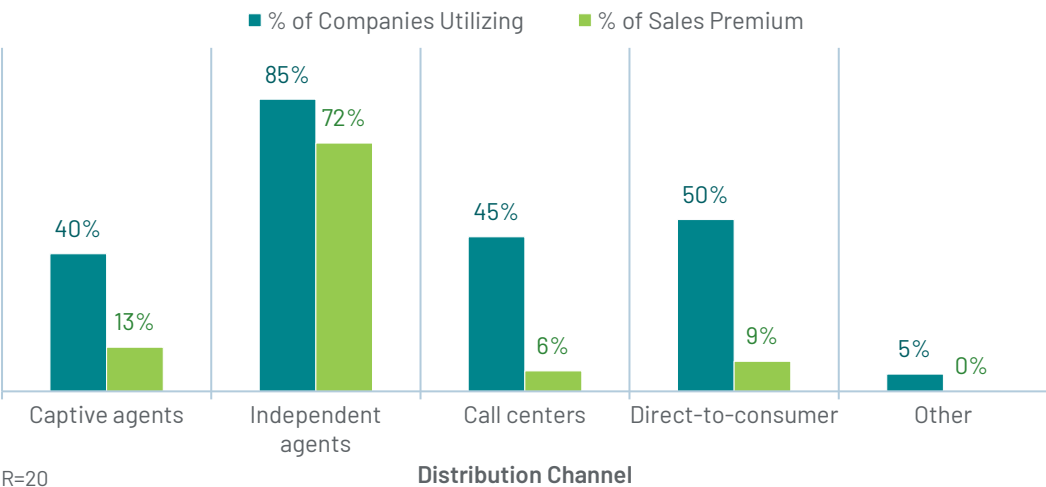
Types of Fraud Monitored

	% of Cos.		% of Cos.
Durable medical equipment	93%	Unlicensed or unqualified providers	30%
Billing for services not rendered	78%	Drug and alcohol detox fraud	26%
Telemarketing schemes	41%	Home health/personal care services	26%
Unbundling of services	37%	Prescription fraud	19%
Upcoding/upbilling	33%	Remote patient monitoring	19%

About 65% of the companies utilize an automated fraud detection system to help identify questionable claims; most (58%) use an in-house system, while the remaining use an external system.

Of the 35% not currently using a fraud detection system, 12% plan to implement one within the next year.

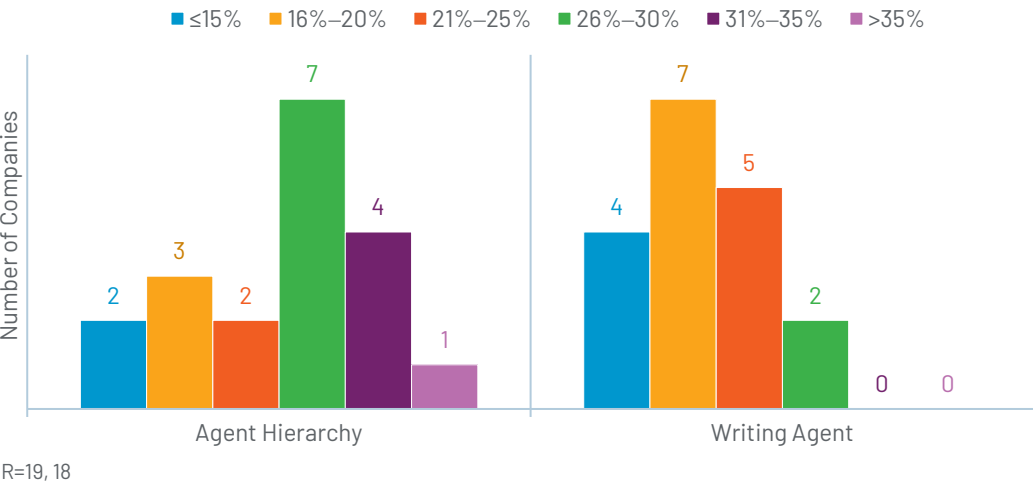
Utilization and Percentage of Premium by Distribution Channel



Eighty-five percent of the companies utilize independent agents to sell Medicare Supplement, while half sell direct-to-consumer (D2C). One company mentioned senior private exchanges as another distribution method.

On average, independent agents account for 72% of the Med Supp sold in 2024, while captive agents account for 13%.

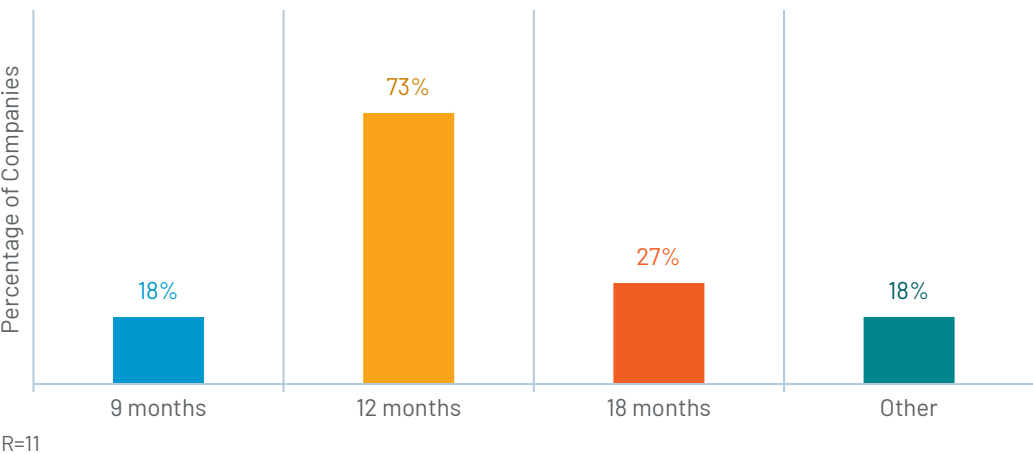
Distribution of First-Year Commissions Paid



The maximum first-year commission paid to the agent hierarchy averaged 26% and ranged from 9% to 37%. The first-year commission paid to the writing agent averaged 19% and ranged from 9% to 29%.

Twelve companies (63%) pay a maximum first-year commission of more than 25% to the agent hierarchy, while 16 companies (89%) pay a commission of 25% or less to the writing agent.

Type of Advance Offered for Commissions



Of the 19 responding companies, 11 (58%) offer an advance for commissions on Med Supp. Eight companies (73%) offer a 12-month advance, while three offer more than one type of advance, with one company offering up to 48 months.

About Gen Re

Gen Re, a Berkshire Hathaway Company, is one of the leading Life/Health and Property/Casualty reinsurers in the world. Our North American Life and Health reinsurance company, General Re Life Corporation, has superior financial strength ratings among Life and Health reinsurers.

A.M. Best

A++
(Superior)

Standard & Poor's

AA+

Moody's

Aa1

Through our leading industry surveys, Gen Re's Research team provides data analysis, trends, and insights for the markets your company is competing in. Gen Re delivers reinsurance solutions for the following lines of business:



Individual Life



Medicare
Supplement



Group Life
and AD&D



Individual Disability



Critical Illness



Accident

GEN RE RESEARCH CENTER

400 Atlantic Street
Stamford, CT 06901
Tel. 203 352 3000

genre.com/research-center

Gen Re has produced this comprehensive report for the exclusive use of the participating companies. No part may be shared with other organizations, redistributed, reproduced or reprinted in whole or in part without Gen Re's written permission. The information contained in this report has been gathered from participating companies. Gen Re takes great care to check and verify the data provided, but makes no representation as to the accuracy of information submitted by participating companies.

genre.com



The difference is...the quality of the promise®