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Striking Price Differences Persist in Medigap Despite Identical Benefits

Weiss Ratings Urges Consumers to Comparison Shop among 10 Available Plans

JUPITER, Fla., August 29, 2005 – Although Medicare supplement insurance (Medigap) benefits have been standardized since 1992, consumers continue to encounter striking differences in premium rates for policies offering identical coverage, according to Weiss Ratings, Inc., the nation's leading independent provider of ratings and analyses of financial services companies, mutual funds, and stocks.

Weiss analyzed premium rates offered by 117 of the 159 insurers that write Medigap policies and found that wide variations in rates continue to exist for all plans. The national average¹ cost of a Medigap policy for a 65-year-old female ranged from \$1,159 to \$3,443. Pricing disparities are even more dramatic on specific plans; for instance, rates for the popular Plan C varied from a minimum of \$651 to more than \$9,000. The broad ranges in premium rates for Plans A through J are illustrated below:

2005 Medigap Premium Rates²

Plan	Minimum (\$)	Maximum (\$)	Average (\$)
A	355.32	5,986.00	1,159.85
B	693.00	3,980.43	1,446.01
C	651.24	9,798.40	1,766.22
D	697.60	4,588.25	1,437.30
E	747.00	3,099.00	1,362.41
F	516.00	10,788.80	1,755.49

¹ Averages were calculated using mean.

² Calculations based on a 65-year-old female nationwide, excluding Minnesota, Wisconsin, and Massachusetts, which do not follow the standard A-J plan descriptions. Calculations include all pricing methods.

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G	700.80	4,624.00	1,452.02
H ³	916.80	12,319.64	3,228.73
I ³	1,457.40	9,283.89	3,346.29
J ³	1,738.80	7,460.00	3,443.43

Weiss Ratings Advises Consumers to Comparison Shop

Regional differences in health costs, insurers' underwriting and pricing methodologies, the health status of the target population, and state policies regulating rates account for the wide pricing disparities of Medigap policies. In reviewing the rates for a 65-year-old female, Weiss found the following pricing contrasts:

In Arizona, Plan C costs \$976 with Pennsylvania Life Insurance Company, while Guarantee Trust Life Insurance Company issues the same policy for \$2,735, representing a 180 percent difference in cost. In Ohio, the same plan ranges from \$888 with Paramount Insurance Company to \$3,622 with Mutual Protective Insurance Company, more than a 300 percent difference.

In Pennsylvania, premiums for Plan F vary from a low of \$1,236 with Humana Insurance Company to a high of \$2,655 with Standard Life & Accident Insurance Company, representing nearly a 115 percent difference in cost, while rates in Indiana run from \$940 with Lincoln Heritage Life Insurance Company to \$3,304 with Oxford Life Insurance Company.

"Consumers have been plagued with Medigap pricing inconsistencies on standard plans for more than a decade now," said Melissa Gannon, vice president of Weiss Ratings, Inc. "With the introduction of two new plans and prescription drug coverage in January, seniors will face countless choices, making it more important than ever to comparison shop for price and financial safety," advised Gannon.

Senior citizens shopping for the least expensive Medigap policies with the safest insurers can obtain a Shopper's Guide to Medicare Supplement Insurance (\$49 plus S&H) available from Weiss Ratings at 800-289-9222 or by visiting www.WeissRatings.com. The report, based on each consumer's individual circumstances, provides customized comparisons of the actual premium rates offered in his or her county of residence for each of the ten Medigap plans, along with the Weiss Safety Rating for each carrier.

³ Plans H, I, and J are the most expensive because they include prescription drug coverage. When the Medicare Prescription Drug Act (MMA) becomes effective in 2006, these plans will no longer be sold with drug coverage to new participants.

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Weiss Ratings, Inc. reviews more than 8,000 stocks daily, including all those traded on the New York Stock Exchange, the American Stock Exchange, and Nasdaq. Weiss also issues investment ratings on more than 12,000 mutual funds, covering equity, fixed-income, and closed-end funds, and provides financial risk ratings on more than 15,000 financial institutions, including banks and insurance companies. It is the only major rating agency that receives no direct or indirect compensation from the companies it rates. Ratings and analyses are available through www.weissratings.com or by calling 800-289-9222.

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Note to Editors: [State listings of the highest and lowest quotes per plan for plans A-J](#) in primary metropolitan areas are available. In addition, a [separate table listing premium averages by state for Plan C and Plan F](#) is also available.