

PREMIUM SPIKE

Medigap premiums leap, and consumers have few alternatives

JULIE APPLEBY

KFF Health News (TNS)

After decades of selling insurance, Illinois-based broker John Jaggi had never seen anything like it.

More than 80 of his customers who were enrolled in the same Medicare supplemental plan from the insurer Chubb got hit last August with a 45% increase.

“In my 49 years of doing biz as a broker, I’ve never seen a premium increase be effective immediately on everyone, instead of on their policy anniversary,” said Jaggi, whose brokerage scrambled to find more affordable options for clients. The policies pick up deductibles and other costs not covered in traditional Medicare, and without one there is no upper limit on how much a consumer might owe each year.

While 45% was an unusually big jump, Jaggi and other brokers say double-digit premium increases for Medicare supplemental, or Medigap, policies are becoming the norm.

A Chubb spokesperson did not respond to requests for comment on the increase.

More than 12 million people — about 43% of those in traditional Medicare — buy a Medigap policy. Others rely on some sort of retiree employer coverage or a different backup. About 13% of people in traditional Medicare don’t have supplemental coverage, according to KFF, meaning they could be vulnerable to large costs if they have a serious illness.

In the supplemental market, following big increases last year, rates appear to be rising again. In early 2026 filings with state insurance commissioners from Aetna, Blue Cross Blue Shield, Cigna, Humana, Mutual of Omaha, and United-Healthcare, rate increases for Plan G policies — the most commonly purchased supplement type — ranged from just over 12% to more than 26% in the first quarter, according to Nebraska-based consulting firm Telos Actuarial.

“While this is a small dataset across a select number of states, it’s an indication that carriers are looking to correct their premium rates in light of upward pressure on their claims experience,” said Brett Mushett, a consulting actuary with Telos.

CLIMBING NUMBERS

Premium rates vary based on the type of coverage chosen, where a beneficiary lives, and their age. For Plan G coverage, beneficiaries paid an average monthly premium of \$164 in 2023, according to KFF. That amount has likely risen since.

“In some states, like Ohio, Medicare supplements for years would have a 3% to 5% year-over-year increase. Now it’s 10% to 15%,” said Amanda Brewton, owner of Medicare Answers Now, a marketing organization whose clients are sales agents.

In Alaska, Premera Blue Cross raised the premiums on its Plan G policies by nearly 12% for this year, according to rate sheets provided to KFF Health News by insurance agent Patricia Mack, who said another insurer raised rates by nearly 13%.

For example, a 65-year-old woman who last year would have been charged \$172 a month for a Plan G policy would now face a monthly rate of \$192, said Mack, who owns Alaska Insurance Benefits in Wasilla.

Premera spokesperson Courtney Wallace said in an email that Medicare makes changes to deductible and copayment rates each year, which affects supplemental plans that cover those increasing amounts.

Wallace also noted that the insurer saw higher medical

service use among its members, “which further drove claims costs and ultimately impacted premiums.”

Agents and policy experts blame a range of factors for rising premiums: an increase in the use of medical services by beneficiaries; the aging of the population; increases in labor and medical costs; rules in some states governing Medigap plans; and people’s enrolling in — or getting out of — private Medicare Advantage plans.

“Five years ago, it was exceedingly uncommon to have a carrier with a rate increase of more than 10%. Now it’s very uncommon to see a rate increase below 10%, and it’s not uncommon to see it over 20%,” said Chalen Jackson, vice president for government affairs at Integrity, a Dallas-based company that sells life and health insurance.

Jaggi, who co-owns Jaggi Petry Insurance & Investments in Forsyth, Illinois, along with his daughter, said he eventually found other options for many of those 80-plus clients with the large increase, which came from an insurer that had previously been the lowest-cost option. But it wasn’t easy — and continuing increases are expected.

“These are unbelievable increases,” said Jaggi, who said he is seeing premium hikes exceeding 15% this year across a range of insurers.

HOW THIS PLAYS OUT

People generally qualify for Medicare when they turn 65. Beneficiaries have six months after they initially enroll in the traditional fee-for-service program to purchase a Medigap plan at standard rates without having to answer health-related questions.

Strict rules then kick in around when beneficiaries can enroll in or switch Medigap coverage and options become much more limited, with each one generally involving trade-offs or tough choices.

At least 16 states have what’s known as a “birthday rule,” which requires insurers once a year to allow people enrolled in a Medigap plan to change to different supplemental coverage — usually around their birthdays — without being medically underwritten. Those rules can help consumers, including those with health conditions, to switch.

An additional four states — Connecticut, Massachusetts, Maine, and New York — require insurers to offer at least one Medigap policy to all applicants either year-round or during an annual enrollment period, depending on the state. Changes are allowed no matter the person’s health.

Another option for those facing high Medigap costs is to leave traditional Medicare and enroll in a private-sector Medicare Advantage plan, which have out-of-pocket caps. But joining one means beneficiaries must generally rely on a set of in-network doctors and hospitals. And if they change their mind and want to go back to traditional Medicare, they have only a 12-month window in which to purchase a Medigap plan without passing health questions. After that, it can be more difficult.

“A lot of people don’t know that if they are in Medicare Advantage for a year, they can get turned down by a Medigap plan or charged really high premiums because of a preexisting condition, which for many people effectively traps them in MA plans,” said Brian Keyser, a research associate at the liberal Center for American Progress and co-author of a recent report on the issue.

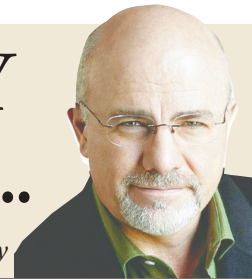
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ADOBE STOCK

MONEY TALKS ...

By Dave Ramsey



The executor of estate has one job

Dear Dave,

My wife and her siblings each inherited about \$10,000 when their dad passed away.

One of her siblings, who was named executor of the estate, told my wife that she plans to withhold the money from one of their siblings. She said it’s because she thinks she’s financially irresponsible.

My wife and I don’t think this is the right thing to do, and we’re wondering if it’s even legal.

Can you give us some answers?

— Mike

Dear Mike,

You and your wife are correct. What her sibling is planning isn’t right.

On top of that, this person also doesn’t have the legal authority to withhold the money.

The reason a person is called the “executor” in these situations is because it’s their sole job to execute the directives of the deceased person that are contained in the will. The executor isn’t a trust officer who gets to decide what’s best.

An executor is there to make sure the directions in the will are followed. Period. It doesn’t matter what the executor thinks about the deceased’s wishes or if they agree with them.

When you pick the executor of your will, you should always make sure that person has the honesty and integrity to execute your will.

Any executor who tries pulling something like this is liable to be sued by the person from whom they withheld an inheritance.

And guess what? The person suing them would win, because the executor will have violated their fiduciary responsibility.

Mike, if you and your wife haven’t already spoken with the sibling who’s the executor, you need to do it now — before this thing gets too far out of hand.

Sooner or later, someone in the family’s going to let it slip that one sibling did another one dirty where the will is concerned.

Families talk. You know that, and I know that. It will happen.

And right now, this particular sibling-executor is about to create a whole lot of trouble for themselves if they follow through with this dumb idea.

— Dave

Dave Ramsey is a nine-time national bestselling author, personal finance expert and host of “The Ramsey Show.” He has appeared on Good Morning America, CBS This Morning, Today, Fox News, CNN, Fox Business and many more. Since 1992, Dave has helped people take control of their money, build wealth and enhance their lives. He also serves as CEO for Ramsey Solutions.