

# Medicare Opportunity

## Health Care is Top Concern Among Baby Boomers



### Sick about Health Care

When asked "What is your one biggest area of concern regarding your finances for retirement?" **Twenty-four percent** of members listed health care. That was the second highest response after their worries about the plunging economy. In an additional question, we asked them how much they agreed with the statement "I have planned, saved or insured enough for my future health care." Only **36%** of members agreed that they felt ready.

### Medicare: Safe Haven - Surprise Party

For unprepared boomer retirees, Medicare will be welcomed as a safe haven of coverage. It is the most widely available health care solution for retirees--insuring over 45 million Americans. In a time of vanishing corporate retiree health plans and soaring individual premiums, reaching the enrollment age of 65 will be both a party and a surprise.

Celebrating this coverage, members may be shocked by the multitude of decisions, rules, and out-of-pocket costs. Medicare enrollees must understand:

- Which parts of the program to elect: Parts A & B or Advantage, Supplemental parts A-L, and Part D.
- Which carrier to choose: With dozens of choices to sort through during the election window.
- How it works: Government-provided rules and explanations are confusing and difficult to understand.
- How to fill the gaps: How to handle uncovered needs and out-of-pocket expenses.

Our research found that **34%** of members felt that healthcare advice was an important service they wanted from their primary financial institution.

In terms of gaps, our research found that even those already living in retirement had issues with gaps in insurance. When asked to rate whether "I feel I have enough health insurance to cover me in retirement," only 58% agreed. This showed us that Medicare products from private insurers that would fill the gaps left by the traditional parts A & B could be a real value to members.

### Members Needing Help

#### Boomers Hitting Retirement

33 million members, the baby boomers, are racing towards retirement. These members face more complex retirement challenges than past generations. Paying for and having enough healthcare coverage are major issues. **Credit unions can benefit by playing a key role in addressing these member needs. ...But how?**

#### About Our Research

Starting in the fourth quarter of 2008, in the middle of the first economic downturn, CUNA Mutual commissioned boomer retiree research aimed at understanding what would cause members to stay with their credit unions throughout retirement. Out of focus groups conducted across the country, health care concerns kept bubbling to the surface. Based on these discussions, we looked deeper into this issue during our subsequent national survey.

#### Visit Our Web Site:

[www.cunamutual.com/marketconnection](http://www.cunamutual.com/marketconnection) for more information about the strategic boomer market. You can request the white paper "Boomer or Bust" A Generation You Can't Afford to Lose" in addition to finding other valuable information and tools.

## Leverage Credit Union Trust

Even with credit unions helping members for over 100 years, some might ask whether they can really help their members with needs outside of financial services.

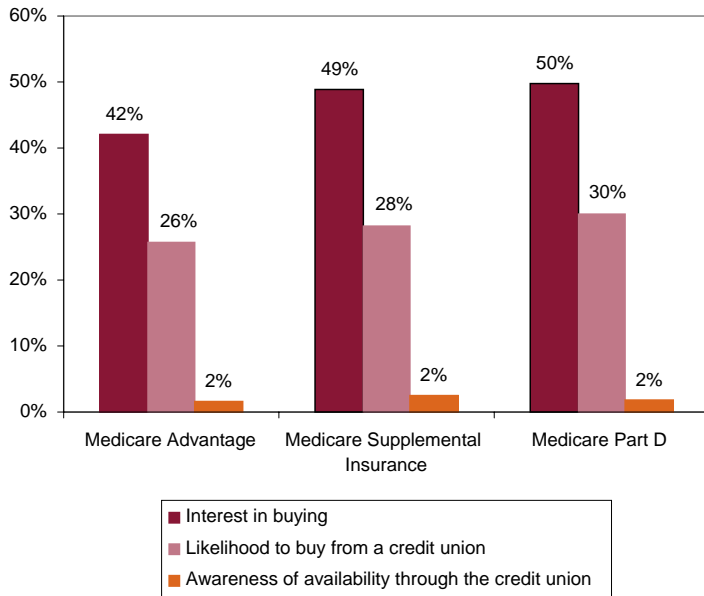
- What do credit unions have to offer?
- Are they credible providers?
- Would members be interested in their help with Medicare solutions?

Our focus group members revealed that credit unions can offer help in finding the right health care coverage and guiding the right decisions. The national survey provided the critical rationale—credit union trust. An impressive **67%** of members listed trust as a reason they would be likely to do more business with credit unions in the future.

It is this role of trusted endorser that made credit unions a source for other non-“banking” products such as auto insurance, life insurance, and investments. Trust has also allowed other large membership groups like AARP and their partner United Healthcare to become key providers of Medicare solutions for current seniors.

## Member Interest

Recognizing that a Medicare Suite is a new and yet-to-be marketed set of credit union products, we explored how much unmet member demand exists.



The results showed a high member interest in receiving Medicare solutions through their credit union. Close to half of boomer members were interested in purchasing Medicare products, while over a quarter said they would be likely to buy these products from their credit union. Yet, most of these members were correct in their lack of awareness of these products at their credit union.

With such a pressing need, boomer demographic opportunity, and latent product interest, we believe that credit unions should consider making a Medicare Suite available to their members.

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## CUNA Mutual Group Ready to Help Credit Unions

Based on the research, our true commitment to credit unions, and the success of other membership-based Medicare partnerships, CUNA Mutual Group has created a Medicare Suite for credit unions. Our MemberCONNECT<sup>®</sup> Program makes it easy for credit unions to make this direct-to-member program available.

For more information on how to help your members with this critical need for a Medicare Suite and retain them throughout retirement, **contact your CUNA Mutual Group Sales Executive directly or call us at 800.356.2644.**

CUNA Mutual Group is a leading provider of financial services to credit unions, their members, and valued customers worldwide. With more than 70 years of market commitment, CUNA Mutual's vision is unwavering: to be a trusted business partner who delivers service excellence with customer-focused, best-in-class products and market-driven innovation.

Visit [www.cunamutual.com](http://www.cunamutual.com) or call 800.356.2644 for more information.