The Issue-Age Medigap Myth: Why â??Age Doesnâ??t Matterâ?• Isnâ??t the Whole Story

Description

When shopping for Medicare Supplement insurance (*Medigap*), you may hear that an *issue-age* Medigap policy guarantees stable premiums â?? that once you buy the plan, your age doesnâ??t affect your cost anymore. While itâ??s true that an issue-age plan does not increase premiums *just because youâ??re older*, that doesnâ??t mean premiums stay flat or that this pricing model is the best choice for everyone.

In this article weâ??ll explain how issue-age pricing works, why premiums *can* still rise over time, how it compares with other pricing systems, and where issue-age plans are required by law. By the end, youâ??ll understand why the name â??issue ageâ?• can sound appealing â?? but often starts with higher costs and doesnâ??t eliminate future rate increases.

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What Is Issue-Age Pricing (and How Medigap Premiums Are Set)

Medigap policies in the U.S. are priced in one of three ways, depending largely on state rules and carrier decisions:



- **Attained-Age Rated:** Premiums are based on your current age and generally increase as you get older. (Medigap Attained-age)
- **Issue-Age Rated:** Premiums are based on your age *when you first buy the policy*. Your age at issue determines the rate category, and your premium wonâ??t automatically increase simply because youâ??ve had another birthday. (Medicare Interactive)
- **Community Rated:** Everyone pays the same base premium in a given region regardless of age or gender. (Community Rated Medigap)

More detailed explanations of these pricing methods are available on our full **Medigap pricing methods** guide. (Medigap Pricing Methods)

For issue-age plans, if you buy at age 65 versus age 75, the 65-year-old rate is locked in â?? even when you turn 70, 80 or beyond. Thatâ??s where the *myth* comes from: you wonâ??t automatically pay more *because you are older*. But that doesnâ??t mean your premium wonâ??t increase.

Premiums Still Increase Over Time â?? Even With Issue-Age Plans

Hereâ??s the key truth: **no Medigap plan guarantees premiums will stay the same year after year**. Even with issue-age pricing, premiums can increase for reasons *other than your age*:

- **Inflation and healthcare cost trends** â?? insurers raise premiums across the board to keep pace with rising medical costs. (Medicare Interactive)
- **Claims or pool experience** â?? if claims are higher than expected in a pricing pool, insurers may increase rates.
- **Regulatory or administrative changes** â?? state insurance departments may approve rate adjustments that apply to all policyholders. (How Are Medigap Premiums Set)

So while issue-age plans wonâ??t automatically increase just because youâ??ve turned 70, 75, or 85, they *can and do* increase due to the factors above. In many cases, issue-age premiums start out significantly higher than equivalent *attained-age* plans because the carrier must price in future risk upfront. (Why Do Medigap Rates Vary So Much)

That means someone enrolling in an issue-age plan at age 65 may pay *more initially* than someone who buys an attained-age plan. Over decades, the total cost difference will depend on how much and how often rates increase for each plan type.

States That Require or Allow Issue-Age Pricing

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Issue-age Medigap plans are **not available in every state**. In most of the country, insurers can choose which pricing model to offer. But in a few states, attained-age pricing is prohibited, so Medigap plans are priced either by issue age or by community rating.

States where insurers cannot use attained-age pricing and thus issue-age plans are common include:

- **Arizona**
- **Florida**
- **Georgia**
- **Missouri**

In Georgia, for example, Medigap insurers are prohibited from using attained-age pricing on plans issued since 2009, making issue-age the dominant pricing method for many carriers there.

Itâ??s worth noting that a separate set of states requires *community-rated* premiums, where age never affects cost, but these are different from issue age states. Examples of community-rated states include New York, Connecticut, and Minnesota. (KFF)

Why Issue-Age Plans Tend to Start With Higher Premiums

Financially, issue-age plans are priced to account for the expected increase in medical costs over the lifetime of an older enrollee. Since the insurer knows they cannot adjust premium based on future age changes under this model, they charge a higher initial rate to reflect that long-term exposure.

Put more simply:

- **Attained-age rates** typically start lower because carriers plan to raise rates as you age. (Attained-age Medigap)
- **Issue-age rates** are often higher at the start because they bake in future costs up front. (Medigap Pricing Methods)

This is especially relevant if you delay enrolling in Medigap. If you wait until age 70 to buy an issue-age policy, youâ??re locked into that age 70 price for life â?? and that price will be significantly higher than if youâ??d enrolled at age 65.

How to Compare Pricing Models When Shopping Medigap

When youâ??re comparing Medigap plans, price is just one variable alongside coverage level, company stability, and service quality. But understanding the pricing methodology helps you project your long-term costs more accurately.

Here are some practical tips:

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- **Get quotes in multiple pricing models.** If your state allows both issue-age and attained-age plans, compare quotes at your current age and see how they project over 5, 10, and 20 years.
- **Check rate history with the carrier.** Historical rate changes give insight into how aggressively a company has raised premiums due to inflation or claims.
- **Consider future plans.** If you expect to move to a different state or change Medicare coverage approach, price consistency and transfer options matter.

For more on this, see our full breakdown of **why Medigap rates vary so much** and what impacts premiums most. (Medigap Rate Differences)

20-Year Premium Comparison: Issue-Age vs Attained-Age vs Community-Rated

Example: 65-year-old enrolling in Plan G.
Assumes 4% annual inflation increase for all plans. Attained-age includes additional age-based increases.

Age	Issue-Age Monthly	Attained-Age Monthly	Community-Rated Monthly
65	$165	$135	$175
70	$201	$189	$213
75	$244	$256	$259
80	$296	$342	$314

Age	Issue-Age Monthly	Attained-Age Monthly	Community-Rated Monthly
85	$360	$452	$382

Estimated 20-Year Total Premium Paid

Pricing Model	Estimated 20-Year Total
Issue-Age	$63,800
Attained-Age	$67,400
Community-Rated	$67,900

Note: These figures are examples only. Actual premiums and rate increases vary by state, carrier, and individual factors.

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The Bottom Line on Issue-Age Medigap

Issue-age Medigap plans *sound* attractive because they donâ??t increase purely due to your birthday. But that feature comes with important trade-offs:

- **Initial premiums are usually higher** than attained-age plans. (Medigap Pricing Methods)
- **Premiums can still increase over time** due to inflation, claims, and regulatory changes. (How Are Medigap Premiums Set)
- **Issue age pricing is not available everywhere**, and in many states insurers offer attained-age plans instead. (KFF)

For many people, the best value comes from comparing multiple pricing models â?? and not assuming that â??issue ageâ?• means â??cheaper forever.â?• As with all Medicare decisions, start with guaranteed enrollment during your initial Medigap Open Enrollment period and review your options carefully.

Ready to compare Medigap plans and see what pricing options are available where you live? Start with our **Medigap quotes** page to get personalized quotes and pricing structures from top carriers.

Key Takeaways on Issue-Age Medigap Pricing

Issue-age Medigap plans are often misunderstood. While they do not automatically increase premiums simply because you get older, they are not â??locked inâ?• or guaranteed to stay the same price. Premiums can still rise due to inflation, healthcare cost trends, and overall claims experience. In many cases, issue-age plans start with higher premiums than attained-age plans because insurers must account for long-term risk upfront. The best pricing model depends on your state, carrier options, and long-term financial goals â?? not just the label attached to the policy.

Frequently Asked Questions About Issue-Age Medigap Plans

Does an issue-age Medigap plan ever increase in price?

Yes. An issue-age Medigap policy does not increase simply because you get older, but premiums can still rise due to inflation, higher healthcare costs, or overall claims experience in your state. Issue-age does not mean fixed or guaranteed premiums.

Is issue-age cheaper in the long run?

Not necessarily. Issue-age plans often start with higher premiums compared to attained-age plans. Over a long period of time, total costs may be similar depending on rate increases and market conditions. The pricing model alone does not determine long-term affordability.

What is the difference between issue-age and attained-age pricing?

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Issue-age pricing bases your premium on your age when you first enroll and does not increase automatically due to aging. Attained-age pricing starts lower but typically increases as you move into higher age bands over time. Both types can increase due to inflation and healthcare costs.

Are issue-age Medigap plans available in every state?

No. In some states, insurers are not allowed to use attained-age pricing. States such as Georgia, Arizona, Florida, and Missouri require insurers to use issue-age or community-rated pricing structures. Availability varies by state and carrier.

Why do issue-age plans usually cost more at age 65?

Because insurers must account for long-term medical risk upfront. Since they cannot increase premiums solely due to age later, the initial premium is typically higher to offset that future exposure.

Is community-rated pricing better than issue-age?

Community-rated plans charge the same base premium to everyone in a geographic area regardless of age. However, these plans can still increase over time due to inflation or claims trends. â??Betterâ?• depends on local market pricing and long-term rate stability.

Can I switch from an attained-age plan to an issue-age plan later?

In most states, switching Medigap plans after your Open Enrollment Period requires medical underwriting unless you qualify for a special enrollment right. Approval is not guaranteed.

Does the type of pricing affect coverage?

No. Medigap plans are federally standardized. A Plan G provides the same medical benefits regardless of whether it is issue-age, attained-age, or community-rated. The pricing model only affects how premiums are calculated.

What should I focus on when comparing Medigap pricing models?

Look at the current premium, historical rate increase patterns, company stability, and your long-term health outlook. Comparing real quotes and rate history is more important than choosing a pricing label alone.

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1. Uncategorized

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