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# Newsletter 2022

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## Newsletter for Individuals

*Tampa Bay, Florida***IN THIS ISSUE:**

- The 10 Best Cities for Veterans** Pg 1-3
- Mike's Notes** Pg 2
- Do you own or know somebody who owns a drone?** Pg 3-4
- Medicare Part D Patients May Pay More Than \$15K for Their Specialty Medications** Pg 4-7
- ABM's Joke of the Months** Pg 4
- Meet Our Representative...** Pg 5
- Seasonal allergies: 8 tips that offer relief** Pg 7
- Progressive Platinum Perks** Pg 8
- Referral Program** Pg 8

### **The 10 Best Cities for Veterans**

*By Deanna Cuadra*

For many veterans, returning home often means facing a high level of stress, unemployment and housing insecurity.

According to the Department of Housing and Urban Development, vets only make up 6% of the population but account for 8% of homeless people in the U.S. Veterans and their families also struggle with higher rates of financial stress, due to rising unemployment rates and healthcare costs, according to data from WalletHub. The pandemic has only worsened these stressors, with the Department of Labor estimating a 3% increase in unemployment rates.

To present an informed look at which cities offer supportive environments for a return to civilian life, WalletHub ranked the best places to live for vets. Cities were given a score out of 100 based on metrics such as vet employment rate, affordable housing, educational opportunities, accessible art and entertainment establishments, vaccination rates and quality of VA health facilities.

"All cities should be quick to take care of veterans' needs, considering how much veterans have sacrificed to serve the country and keep it safe," says Jill Gonzalez, an analyst at WalletHub. "We spend an enormous amount of money on national defense



## **Mike's Blog**

### **Inflation Inflation Inflation**

I have written about inflation in previous newsletters and unfortunately, must continue to discuss the effects of inflation on insurance and the products that protect our clients as inflation continues at a record pace.

The Merriam-Webster Definition of inflation is; A general increase in prices and fall in the purchasing value of money.

Many factors cause the increase in prices. However, in a free market economy, as in the United States, they are seldom arbitrary reasons as there is always a competitor willing to cut their price to accept market share, when possible. A limited supply of a product and/ or an increased demand will cause prices to increase but there is an abundance of competition in the insurance market place wanting market share however; Reasons for increased price in insurance can include: Natural disaster, Political changes, Environmental changes, among others. Everyone reading this recognizes the increase in prices and the effects of inflation at the grocery store and/or the gas pump. However, inflation extends throughout our economy and effects virtually every aspect of our lives. Consumer Price Index reported an 8.5% increase in prices. I would argue a much higher percentage based on the reduced purchasing ability in my family budget. Everyone's family budget is affected. Cost have increased!

"A landscaping client of ours reported that plants were three time more expensive than just one year ago." As you recognize, it is all relative and inflation affects everything.

Insurance companies predict losses based on cost and trends. Actuaries, are incredibly accurate in the calculation of insurance premiums and when cost are higher, premiums will increase.

Insurance is a shared risk among policy holders and companies predict losses based on cost and trends. Actuaries, are incredibly accurate in the calculation of insurance premiums and when cost are higher, premiums increase. If you own a home or car, you have seen the value of your property increase dramatically in a short period of time. Have you reviewed your insurance policy to make sure your property is protected in the event of a loss? Most property insurance policies include a Coinsurance clause. (If you do not insure your home to 80% of its replacement cost value and have a claim, your claim payment will be reduced significantly to cover the under insured value. The replacement cost value is based on the cost to replace your property and not the value of your property.) As discussed, gas, food, materials, labor, etc. have all increased in cost / value. What it cost to replace property just one year ago, has increased . If you have not reviewed your property insurance coverage in the past three years, you are significantly under insured and could be faced with a depreciated payment in the event of a loss.

#### **Combating Inflation:**

Fortunately, we are an independent agency and have access to over 100 insurance providers. Our 32 years of experience has shown our dedication and allowed us to obtain exclusive insurance programs that not only protect our clients property but also protect their budgets. In volatile, high inflationary economy, we recommend securing annual insurance polices. With most providers only offering 6 month coverage options, you can and should expect 10% - 20% increases due to inflation. If you have an accident or file a claim, expect much higher increases. Secure an annual policy to lock in your rate. Protect your property at current Replacement Cost Values. Insuring a home at last years values is providing you a false sense of protection if you do not have enough to rebuild your home. Have questions, want to know what the actual replacement valuation of your home is? Call us.

We will be here when you need us. If you have questions or need help with your insurance coverage, call us at 800-362-2809.

and military operations, yet comparatively little on helping veterans once their service is done.”

**Tampa, Florida**

Score: 71.38

**Raleigh, North Carolina**

Score: 69.82

**Madison, Wisconsin**

Score: 66.72

**Boise, Idaho**

Score: 65.78

**Austin, Texas**

Score: 71.20

**Gilbert, Arizona**

Score: 68.37

**Virginia Beach, Virginia**

Score: 66.68

**Scottsdale, Arizona**

Score: 69.85

**Lincoln, Nebraska**

Score: 67.66

**Orlando, Florida**

Score: 65.85



## Do you own or know somebody who owns a drone?

At first thought, drones may seem fun or intrusive depending on who you ask. But they should be regarded as a unique piece of technology that carries with it a high consequence of risk. The definition of a drone is a remote-controlled pilotless aircraft or missile. Alarm bells should be ringing for these flying hazards. With the rise of drone operation and resulting claims, agents and brokers should ensure clients obtain proper coverage.



Drone sales have seen growth in the last few years. The forecast from the Federal Aviation Administration (FAA) projects small model hobbyist usage to 2.4 million units by 2020 (“FAA Releases Aerospace Forecast,” 2018). That’s 2.4 million units by design to be utilized in an uncontrolled environment with no required training. Recently, the FAA Reauthorization Act of 2018 was signed into law, which provides limited conditions for hobbyist and recreational use, however, until the new legislation is reviewed for possible execution, recreational drone usage continues to go largely unchecked.

A typical drone-related claim might be an invasion of privacy or loss/damage to the drone itself. However, other scenarios that could lead to claims are:

-An inexperienced drone operator is flying a drone in the street when a car comes down the road. The drone operator attempts to fly the drone the opposite way of the vehicle, but due to inexperience, flies toward the vehicle, crashing into the windshield. The driver attempts to swerve and crashes into a retaining wall. There are injuries to the passenger and damages to the vehicle and wall.

-A teenager is playing in the backyard with his new drone when he loses control and lands in the neighbor’s fenced yard. The teenager attempts to retrieve the drone by climbing the fence, and he gets bit in the leg by the neighbor’s dog and damages the fence.

New technologies like drones bring costly exposures and hazardous conditions that didn’t exist before. Insurance agents need to understand risks so they can educate customers and ensure protection with adequate liability limits. One misconception is losses that arise from drone activity are excluded due to aircraft exclusions. Be sure to check a policy’s exclusion and definition sections. A standard exclusion and definition under an ISO Homeowner policy are:

Bodily injury, property damage, or personal injury is excluded arising out of the ownership, maintenance or use of “aircraft” and “aircraft” is defined as any contrivance used or designed for flight except model or hobby aircraft not used or designed to carry people or cargo.

## ABM Bad Joke Of The Month...

**Did you hear President Biden was taken to the hospital?**



He was admitted, because he couldn't stop Putin.

*Continued from page 3-Do you or know somebody who owns a drone?*

Typically, "model" or "hobby" is not defined in the policy. When policy words are not defined, the dictionary or legal definition is applied. The Merriam-Webster definition of "model" is a miniature representation of something. The Merriam-Webster definition of hobby is a pursuit outside one's regular occupation, engaged in especially for relaxation. It is arguable that a drone falls within the exception to the exclusion since it is a miniature representation of an aircraft not designed to carry people being utilized outside one's regular occupation.

An additional thought to consider is when drones have accessories to carry cargo. That brings a new element that could mean drones would fall under the exclusion. Cargo is typically not defined by a homeowner policy. The Merriam-Webster definition of cargo is the goods or merchandise conveyed in a ship, airplane or vehicle.

This article's aim is to bring light from a claim's perspective. Whether intent is to provide, limit or exclude coverage for operating a drone, awareness of the risks and coverages is the first step to manage these emerging hazards. Check your policy or call your service expert at 800-362-2809.

## Medicare Part D Patients May Pay More Than \$15K for Their Specialty Medications

*Uncontrollable risk factors (family history and other conditions)*

By: Amanda Brooks, MPH

Many Americans enrolled in Medicare Part D will face high yearly out-of-pocket costs for some expensive specialty medications, which can total upwards of \$10,000.

Savings between Medicare Part D plans can significantly vary for the same drug, indicating the need for patients to plan shop during enrollment season. Out-of-pocket costs depend on the retail medication cost and which Medicare Part D phase you are in. Insurance isn't cutting it anymore, especially for the millions of Americans that currently take a specialty medication.

The following are 20 common specialty medications filled by Medicare Part D enrollees. Across plans covering the drugs, on average the drugs will cost Medicare patients at least \$3,000 annually in 2021, with one drug costing more than \$17,000.

It seems counterintuitive. Consumers have been told that if they are covered by insurance, they should be paying a reasonable price for their medications. But that's just not the case, and as shown above, patients are forced to shell out thousands of dollars a year for a lifesaving medication.

Why? There are a lot of factors, and it's complicated. From the Medicare plan someone chooses, to the distinct phase of their plan, to the price of the drug — the cost is affected by it all.

Below, we walk through what specialty drugs are, how their cost can vary based on Part D plan and phase, and why it's so important for patients to shop around for their Part D plan every enrollment season.

The definition of a specialty medication varies. But according to IQVIA and the Congressional Budget Office (CBO), specialty medications must treat a chronic, complex, or rare disease and have at least four of the following seven characteristics:

- Cost at least \$6,000 per year in 2015
- Be initiated or maintained by a specialist
- Be administered by a healthcare professional
- Require special handling in the supply chain
- Be associated with a patient payment-assistance program
- Be distributed through nontraditional channels (such as a specialty pharmacy), or require monitoring or counseling either because of significant side effects or because of the type of disease being treated.



The Centers for Medicare & Medicaid Services places a drug on a specialty tier if it costs more than \$670 per 30-day fill.

The market for specialty drugs is huge. In 2019, the CBO analyzed spending on specialty drugs in Medicare Part D and Medicaid. They found that net spending on specialty drugs in Medicare Part D went from \$8.7 billion in 2010 to \$32.8 billion in 2015, and the average annual net spending tripled per person from \$11,330 (in 2010) to \$33,460 (in 2015).

And the massive specialty market is only going to continue to grow. According to research done by IQVIA, specialty medications will soon make up half of total medication spending, and in 2018, specialty prescriptions were 127 million (up by 15 million since 2014). Although specialty medications only make up approximately 2% of drugs, they grew by over 5% for the second year in a row.

So why are specialty medications so expensive? There are couple of reasons:

The cost to research and develop complex drugs is relatively high, so the high pricing reflects what manufacturers are trying to recoup from their investment.

The lack of generics for these complex medications also keeps specialty drug prices high since it limits competition within the market.

Insurers are trying to lessen the cost of specialty drugs by putting more of the costs on the patient's shoulders with coinsurance. High coinsurance costs and the lack of coverage by insurers make them expensive for patients. Bottom of FormHow Medicare Part D phases affect out-of-pocket prices for specialty drugs

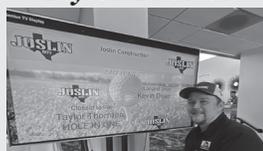
Medicare Part D has four phases of coverage. The first phase is the deductible phase, followed by the initial coverage phase, the "donut hole phase," and finally the catastrophic phase. The patient usually will pay completely out of pocket in the deductible phase before having some coverage on their prescription costs. After the initial coverage phase, a patient reaches the coverage gap phase and usually pays more out of pocket.



**Taylor Thornton**

## Meet Our Representative

Taylor is a dedicated Commercial Protection Specialist. He uses his prior construction experience to educate his construction related clients and provide the best value for their coverage protection. Taylor is a recent graduate of The Hartford School of Insurance and goes above and beyond to satisfy his customers needs and requirements. You can reach Taylor at 281-448-3040 extension 319.



## Side Note: Hole in One!!

Taylor, recently, had the shot of his life at a vendors golf tournament! He hit a hole in one. What an amazing shot. Great job Taylor making ABM look good.

A patient reaches the coverage gap or “donut hole” phase after they’ve spent at least \$4,130 on covered drugs in 2021. Although the donut hole was technically closed in 2020, enrollees will still pay up to 25% of the cost of the plan’s covered brand drugs.

To highlight just how different the out-of-pocket price can be in each phase, the GoodRx Research Team observed the annual out-of-pocket costs for the 20 most commonly filled drugs for a single Medicare Part D plan: Aetna Medicare SilverScript Choice, a popular plan covering more than 445,000 beneficiaries in 2021.

As shown above, each Medicare phase plays a huge role in the out-of-pocket burden on a patient, but so does the retail price of the medication, which is the negotiated price of a drug between a plan and pharmacy. In fact, the medication’s retail price will dictate how fast a Medicare Part D enrollee will move through the coverage phases and therefore how much they will pay.

In the catastrophic phase, a patient will pay 5% of their retail medication cost per 30-day fill. In the SilverScript plan shown above, a patient taking Revlimid, used to treat multiple myeloma and lymphoma, will reach the catastrophic phase in their first month of coverage because the retail price for a 30-day fill is incredibly expensive (\$26,337 at preferred in-network pharmacies). So even though patients have only a 5% cost-sharing responsibility, they will pay an estimated annual total of \$15,321 in the catastrophic phase alone, because they will need to pay 5% of the retail price monthly for the rest of the year.

However, a drug like Isentress has a lower monthly retail price (\$1,832) under the SilverScript plan. So a patient would not reach the catastrophic phase until the sixth month of coverage, meaning they will pay the least amount in the catastrophic phase outside the deductible phase.

It’s clear that even with insurance, patients are going to spend a lot out of pocket on their specialty medications. Luckily, there is something they can do to mediate the cost: shop around.

According to our research, the average annual out-of-pocket cost for Revlimid across Medicare Part D plans is \$17,142. But depending on the plan an enrollee is covered under, they could pay the max annual out-of-pocket annual cost for Revlimid, \$20,013, or the minimum at \$2,818. That’s almost an \$18,000 difference in price.

What’s more, all drugs except Copaxone had a difference of at least \$2,000 between their maximum and minimum annual out-of-pocket costs. Half of the drugs had a \$3,500 or more difference in out-of-pocket costs between the maximum and minimum plans.

A Medicare Part D patient who is newly diagnosed with multiple myeloma will hopefully be on a plan where they are near the minimum out-of-pocket costs for Revlimid; otherwise, they may be facing a considerable amount to pay each year.

Some studies show Revlimid has a 41% improvement in overall survival for patients compared to those treated with a placebo. It may also increase patients’ time without their disease worsening from 19 to 23 months up to 33 to 41 months. However, since this medication is not a cure for the condition, the patient is paying what could be over \$15,000 per year for a treatment that, at best, will extend their life.

The same difference is also seen when looking at the maximum and minimum 30-day supply costs for Revlimid. A patient could pay as little as \$10 for a fill or as much as \$4,6467 for a single fill. This significant difference in annual out-of-pocket cost is both due to the difference between Medicare Part D plans, but also the variation in price due to cost-sharing differences across phases of coverage within a plan.

Ibrance, like Revlimid, costs as little as \$10 for a 30-day supply or as much as \$4,443, depending on the patient’s plan and phase of coverage. And Biktarvy, Enbrel, and Humira all have a potential minimum \$10 out-of-pocket cost for a 30-day supply or a maximum cost of over \$2,000.

The difference in the range of minimum and maximum 30-day supply costs is significant and highlights just how important it is for a patient to pick the best plan for the medication they are prescribed. Even within plans, phase of coverage will drive variation in month-to-month, out-of-pocket prices.

### **Summing it all up**

This data shows just how substantial the cost difference can be between Medicare Part D plans in terms of coverage for a specific medication. It is in any enrollee's best interest to shop around and compare plans based on the medication they know they will be prescribed.

During open enrollment and special enrollment periods, you can search for available Medicare Part D plans according to your zip code and compare drug costs among plans here. You will need to know the following information when comparing drug costs across plans: name, dosage, quantity, and frequency of the medication. If you need help call one of our medicare specialist at 281-448-3040.

## **Seasonal allergies: 8 tips that offer relief**

Spring. The time of year when, as poet Alfred Lord Tennyson famously said, a young man's (and woman's) fancy "lightly turns to thoughts of love." That is, of course, if you're not sneezing, coughing or dealing with itchy eyes. Spring allergies seem to get worse every year. Is there anything you can do to avoid them?

These 8 tips will help you enjoy the season instead of sitting it out indoors:

1. **See an allergist.** Before the season kicks in, make an appointment with an allergist to find out exactly what is causing those itchy, watery eyes. Discovering the allergen that you're reacting to is the first step in treating it.
2. **Find out if it's allergies or asthma.** Or both. The symptoms from asthma can be similar to those of allergies. Allergies plus asthma can be a one-two punch for some allergy sufferers. Almost 75 percent of asthma sufferers also have allergies. Your allergist can diagnose what's causing your symptoms and offer suggestions for treatment, so you can start living the life you want to live.
3. **Consider allergy shots ...** They may be the best way to treat tree, grass, mold, dust mite, cat and dog allergies. Allergy shots are immunotherapy. That means your allergist will gradually give you increasingly larger doses of whatever you're allergic to. There are also tablets that melt under your tongue to treat allergies to ragweed, grass pollen and dust mites. Both forms create a tolerance within your immune system.
4. **... or get a prescription.** Research has shown that most allergy sufferers find prescription medications more effective than those they can get over the counter. But most people don't go in search of a prescription. An allergist can discover exactly what you're allergic to and prescribe the right medication to ease your symptoms.
5. **Start medication before the season hits.** Don't wait. Much like successful pain management involves getting in front of pain before it kicks into high gear, by taking your allergy medications before the worst symptoms develop, you'll be doing a lot to alleviate those symptoms.
6. **Commit to a thorough spring cleaning.** It's not just to give the house a fresh look after the long winter. A deep clean will reduce allergens like mold, which build up in basements and other areas where you might not go every day. It's also a great way to get rid of the pet hair and dander that have built up in places like your sofa. Wash throw rugs regularly, too, in hot water.
7. **Wash the day away before going to bed.** Take a shower and wash your hair before hitting the hay to rinse away pollen and other allergens you've picked up during the day. Similarly, wash your sheets and bedding once a week in hot water.
8. **Use the AC.** It's tempting to throw open the windows and let that fresh spring air waft into the house. The only problem is, pollen and other allergens will waft in with it. Instead, use your air conditioner and make sure the filter is clean. Change your filter every three months and use one with a MERV rating of 11 or 12.

With a few commonsense tactics, you can get ahead of your allergies and keep them in the rear-view mirror all season long.



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We are very pleased with the time spent with us. All the information provided us with a clear picture of what we're getting and benefiting from. All of our concerns were explained very well. Thank you and we appreciate what you've done to assist us.

-David M.

**IN THIS ISSUE:**

**The 10 Best Cities for Veterans** Pg 1-3

**Mike's Notes** Pg 2

**Do you own or know somebody who owns a drone?** Pg 3-4

**Medicare Part D Patients May Pay More Than \$15K for Their Specialty Medications** Pg 4-7

**ABM's Joke of the Months** Pg 4

**Meet Our Representative...** Pg 5

**Seasonal allergies: 8 tips that offer relief** Pg 7

**Progressive Platinum Perks** Pg 8

**Referral Program** Pg 8

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### Safeco and Sagesure Gold and Platinum Status

As a Platinum Agent, we are able to offer our clients annual policies. With inflation running rampant, 6 month auto insurance carriers like, Geico, Allstate and State Farm, can and do raise rates every 6 months. An annual policy provides a fixed price for the entire year so you and your family can better budget insurance cost.



As a Platinum Agent, we are able to offer our clients lower deductibles. We are able to offer lower home and auto deductibles than other agencies. Call our Personal Lines team to see how we can protect your budget with Annual policies at 281-448-3040.

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**ABM offers \$25 gift certificate for those who refer a client to us and they buy a policy with ABM.**

Be sure to ask ABM about our bonus referral program which rewards our clients who send us business with \$25 Visa Gift card to use at your favorite store or restaurant.

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