



The Why Behind Doing Business Ethically & Compliantly

Our compliance guides have already explained many ways to remain compliant as an agent. But now we want to focus on “why”. Why should you be performing business in a manner which is not only compliant but also ethical? Keep reading and we’ll give you the important details.

Not Doing So Could Be Costly

The Centers for Medicare & Medicaid Services puts a set of rules in place known as the Medicare Communications and Marketing Guidelines (MCMG). One of the main reasons it’s in your favor to remain compliant and follow the MCMG is that not doing so could have damaging repercussions.

The introduction of the MCMG states, “If CMS finds that Plans/Part D sponsors have failed to comply with applicable rules and guidance, CMS may take compliance and/or enforcement actions, including, but not limited to, intermediate sanctions and/or civil money penalties.” Since agents are representing these carriers when offering plans, they are bound by the same marketing guidelines. Carriers are required to oversee their downstream entities to ensure agents abide by all applicable state and federal laws, regulations, and requirements.

Additionally, you could potentially receive fines or even lose your license if you are in violation of the applicable state and federal laws and regulations. The consequences of being non-compliant could cost you a significant amount of money and, not only that, but you also risk ruining your status as a reputable agent.

Marketing Is Everything

Word-of-mouth marketing is huge these days. This can help your business just as quickly as it can hurt it. It’s never a good idea to cut corners and try to do things the quick and easy way, especially if it means being non-compliant or unethical. If you do and a client finds out, it’s not good for you or your business.

We believe good things come to those who wait. While it’s great to be an ambitious go-getter, doing things the right way the first time around (and every time after that) will benefit you greatly. In the long run, you’ll most likely make more money and gain more clients, compared to if you would have been non-compliant. Having to deal with the ramifications of

non-compliance could severely hurt your book of business, and you may never be able to gain it back in its entirety.

If people are talking about you, you want it to be for positive reasons. A great reason for someone to recommend you to a friend is for being a trustworthy and honest agent. Potential clients will be more likely to work with someone they feel they can trust.

Compliance = Integrity

More often than not, compliance goes hand in hand with morality. Many of the rules CMS puts in place are so your tactics are fair and not unethical in any way. The guidelines are there to help you conduct your business in a moral fashion.

If you're familiar with the MCMG, you know that you shouldn't use absolute or unqualified superlatives at sales events. This is because it wouldn't be right to say one plan is the "best" just so you can sell that plan to a client. You also can't use scare tactics to get attendees to fill out enrollment forms because it has to fully be the client's choice to want to sign up for a plan.

Following the MCMG prevents agents from selling plans unethically or for personal gain and keeps agents in check with their moral compass. Remember that your job as an insurance agent is to find a plan that fits your clients' needs. Skewing your recommendations for any reason other than that is a bad idea, for all of the combined reasons we've mentioned above.

We encourage all agents to stay compliant with the MCMG and carrier guidelines. Senior Market Advisors has someone dedicated specifically to compliance to make sure we, and our agents, operate by the book. She can answer all of your questions regarding compliance. The team at SMA is always happy to help!

Looking to partner with **SENIOR MARKET** **ADVISORS?**

Not partnered with SMA? Visit the Contact page on our website at www.seniormarketadvisors.com/contact to get in touch and find out what else we can do for you!

Our team can give you all the details you need and get you started **selling with SMA!**

Already part of the SMA Family?

You have access to a **TON** of awesome training opportunities! Contact your account manager to find out more!

