

Subject: Greenleaf Newsletter: When to Appeal Higher Medicare Premiums; Insurance Coverage for Hit-and-Run Accident Victims

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From: Greenleaf Financial Group

To: info@greenleaf-fg.com

**Hello Greenleaf,
Welcome to Our Client Newsletter**

In the August Issue:

- **Higher Medicare Premiums: What to Know, When to Appeal.**
- **Policy Check: Are You Covered if You're a Hit-and-Run Victim?**
- **Market News: Stocks Slip in August.**

**Higher Medicare
Premiums**

**What to Know,
When to Appeal**

For about 55 million people enrolled in Medicare this year, their monthly cost for Medicare Part B is \$164.90. Part B covers outpatient care, including doctors' services, diagnostic tests, and preventative care.

Due to their higher incomes, some 5 million other Americans are paying an additional monthly Medicare

Question:

If I'm the victim of a hit-and-run accident, does my auto insurance cover my medical bills and my auto repair costs?

Answer: If you're hit by another driver who leaves the scene and the responsible party cannot be found, their liability coverage won't be available to cover your damages. You also can't sue the driver.

Your auto policy may help, but only if you carry certain

**Market News:
Stocks Slip in
August**

After a strong July, the U.S. stock market has declined through most of August. With a few days to go, it looks as though August will halt the S&P 500's streak of consecutive gains. However, at five months of back-to-back gains, it's been a strong streak.

This month's step backward is due to an economy that continues

charge in 2023. This additional charge stems from the 2003 Medicare Modernization Act -- intended to help financially stabilize Medicare -- and is known as "**IRMAA**" (Income-Related Monthly Adjustment Amounts).

For married filing jointly taxpayers, IRMAA begins at income of \$194,000 and represents an additional \$65.90 per person per month. Single filers begin to pay IRMAA at \$97,000.

IRMAA continues to increase for higher income levels. The full IRMAA income table for single and married Medicare recipients for 2023 is [here](#).

Two-Year Lag

The problem for some individuals is that IRMAA is calculated on reported income from two years ago. The 2023 charges are based on your 2021 tax return.

IRMAA is re-calculated every year, which means your IRMAA amounts can decrease, increase, or end. If you must pay IRMAA, you will receive a notice from the Social Security Administration with the amount and the reason. IRMAA is typically deducted from your monthly Social Security payment.

Should You Appeal?

coverages. In some states, these coverages are mandated, in others they are optional. In a few states, they are not available. Review your policy with your agent and make sure you have protective coverages in sufficient amounts.

Collision Coverage

If your car gets hit by another car in a hit-and-run, your collision coverage will help pay for repairs or the replacement of your vehicle.

If you have a loan or lease on your vehicle, collision coverage is usually required. However, it is otherwise optional in most states. If you don't have collision coverage, you may have to pay for damage costs yourself.

Insurance experts warn that a collision claim may raise your premium even if you are not at fault. Therefore, while collision coverage is valuable (especially when you are at fault), you are better off filing a claim that uses your uninsured motorist property damage coverage.

Uninsured and Underinsured Motorist Coverage: Property Damage

In most states, a driver who flees the scene of an accident will be considered "uninsured" by your insurance company.

Uninsured and underinsured motorist coverage (known as UM/UIM) has two parts. Since the coverage is optional in most

to chug along. Unemployment remains at a very low 3.5% level and consumer spending has not diminished. The Federal Reserve recently hinted that another interest-rate increase -- or even two -- may be necessary to lower inflation to their target 2% level. Such news was not welcomed by stock or bond investors.

Historically, August has been a weak month for the U.S. stock market. September, alas, has been the only month that averages a worse result.

However, in all but a few years since 1985, the U.S. stock market produced a positive return for the remainder of the year if August featured a decline.

Ebbs and flows are the path that we investors are always on. We say, "prepare, don't predict" because good preparation and risk management (including diversification and maintaining an appropriate asset allocation) will succeed more often than trying to correctly predict the future path of the stock and bond markets.

As always, we are happy

If you believe the Social Security Administration used outdated or incorrect information when calculating your IRMAA surcharge, then you can appeal. If, for example, you filed an amended tax return in 2021 that shows lower income, then you have a valid case.

On the other hand, if stock sales or property sales or a Roth IRA conversion increased your income for the assessed year, then you must pay the higher costs for one year. Your IRMAA cost will be lowered when your 2022 tax return shows lower income.

Reasons to Appeal an IRMAA Surcharge

The other valid reason to appeal your IRMAA charges is if you've had a "life changing event" that has caused your income to go down.

There are seven such events that can exempt you from IRMAA surcharges:

1. Death of a spouse.
2. Marriage.
3. Divorce.
4. Work reduction.
5. Work stoppage, including retirement.
6. Loss of income from income-producing property for reasons beyond your control.
7. Loss or reduction of pension income from plan failure or termination.

states, you can carry one or both. Property damage can fully cover the cost of a new vehicle (after your deductible).

We recommend matching your UM/UIM property coverage levels to the cars you drive. A good insurance agent can tailor your policy to your needs.

Uninsured and Underinsured Motorist Coverage: Bodily Injury

If you were injured during your hit-and-run experience, then your UM/UIM bodily injury coverage can help with your medical costs, as well as any passengers' medical costs.

This insurance also helps if you were a pedestrian in the accident. However, UM/UIM coverage is optional in most states or, if required, the required minimal levels will not be enough to help with the high costs of medical care.

Besides your hit-and-run situation, UM/UIM can cover instances when an at-fault driver's insurer denies a claim or goes out of business.

The average annual premium for uninsured bodily injury and underinsured bodily injury -- which are separate from property damage -- is estimated at \$125 to \$200 per year, a far cry from potentially tens of thousands of dollars in medical bills.

Underinsured motorists coverage is usually expressed

to discuss your investments with you. If you have a question or a concern, please contact us!

Gather Proof

If you experienced one of these life-changing events and you can provide proof, then you should get ready to file **Form SSA-44**.

For example, if you married and your joint income doesn't exceed the high-income threshold, but your individual income did, then you can discuss your case by calling the Social Security Administration at 1-800-772-1213 or making an office appointment.

as two numbers, such as 100/300. This translates to:

- \$100,000 bodily injury coverage per person.
- \$300,000 bodily injury coverage per accident.

If you have 100/300 and you and three passengers were injured in the hit-and-run, then your maximum payout is \$300,000.

Note that 100/300 is significantly above state minimum requirements.

Unfortunately, not every driver behaves responsibly. You can't control the actions of others, but you can control the coverages on your policy and therefore the risks you do or don't take.

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