

# Multi-life LTC Agent Handbook



**For Agent Use Only.  
Not for Solicitation Purposes.**

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# I. The LifeSecure OM<sub>TM</sub> One-for-Many LTC Plan

## Simplified Issue Eligibility and Underwriting

- Eligibility:
  - W-2 Employees ages **18 through 68** actively-at-work at least **20** hours per week
  - Spouses/domestic partners of eligible Employees, ages 18 through 68, **ONLY WHEN** the employer is contributing toward spouse's/partner's premium
- Coverage Limits:
  - Benefit Bank amounts from **\$75,000 to \$400,000** – allowing a Monthly Benefit Access Limit up to **\$12,000**
- Simplified Issue Health Questions:

*Note: If applicant answers "Yes" to any part of any question below, coverage will be declined. Questions may vary by state.*

  1. Within the *past 12 months*, have you resided in or been advised by a healthcare professional to enter a Nursing Home, Assisted Living Facility or any other type of Long Term Care Facility? Or, within the *past 12 months*, have you used or been advised by a healthcare professional to use Home Health Care or Adult Day Care services?
  2. Do you *currently* use any of the following:
    - Walker
    - Wheelchair
    - Quad Cane
    - Motorized scooter
    - Hospital bed
    - Oxygen equipment
    - Dialysis
  3. Do you *currently* require human assistance in order to perform any of the following activities: bathing, dressing, eating, getting in or out of a bed or chair, walking, using the toilet, managing bowel or bladder control?
  4. Do you have or have you ever been diagnosed or treated by a health care professional as having any of the following:
    - Amyotrophic Lateral Sclerosis (ALS, also called Lou Gehrig's Disease)
    - Systemic Lupus Disease
    - Alzheimer's Disease
    - Dementia/Senility
    - Mental Retardation
    - Psychosis
    - Stroke (CVA) within past 5 years
    - Multiple Sclerosis (MS)
    - Muscular Dystrophy
    - Parkinson's Disease
    - Acquired Immune Deficiency Syndrome (AIDS), AIDS Related Complex (ARC), or positive HIV test
    - Metastatic Cancer
    - Type I (Juvenile) Diabetes
    - Diabetes – treated/controlled with insulin for greater than 15 years or currently treated/controlled with greater than 49 units of insulin per day
    - A Transient Ischemic Attack (TIA) within past 2 years, *or* multiple TIAs within past 5 years
    - Chronic Kidney/Renal Disease
    - Huntington's Chorea
    - Cirrhosis of the Liver
    - Organ Transplant
    - Amputation due to Disease (not accident)
  5. Are you *currently* receiving Social Security Disability benefits?

### Group Qualification for Simplified Issue Underwriting

- **3** Employer-paid Employees; or **10** Employer-paid Employees + Spouses/Domestic Partners
- Voluntary "Employee-Pay-All" available for pre-qualified groups with **75 or more** Employees

### Rates and Discounts

- All employer groups that qualify for the Multi-life OM (One-for-Many) Program will receive LifeSecure's **Multi-life Rates** (a single rate class). All applicants will receive **Multi-life Rates**, regardless of their level of underwriting.
- All individuals receiving an Employer Contribution toward premium will receive a **5% Employer-Contribution Discount\*** from the Multi-life Rates. (Note: The Minimum Employer Contribution = \$10 or 10% per member, per month.)
- The Multi-life Rates extend to the applicant's family members; however, such individuals would not qualify for Simplified Issue Underwriting.

### Enrollment Options

- **Voluntary** = Employee-pay-all
- **Core/Buy-up** = Employer pays full premium for a core plan design. If an employee wishes to apply for and purchase a richer plan design, the employer will automatically deduct the additional premium from the employee's paycheck. *Note: The "To-Age-65" premium payment option is not available for core/buy-ups.*
- **Carve-out** = Employer pays all or a portion of the premium for employees or executives (or other defined class).

\* *Discount not available in Florida*

## LifeSecure OM<sub>TM</sub> – Multi-life Program Qualification Guidelines for Simplified Issue

	Premium Source	Underwriting Standard	Eligibility and Participation Requirement	Rate Class
<b>3 – 74 Employees</b> <small>(Employer Contribution Required)</small>	<b>Employer-paid</b> <sup>1</sup> <i>(required)</i>	<b>Simplified Issue</b> <sup>2</sup>	≥ 3 covered Employees  <b>OR</b> For Spouses to also qualify for Simplified Issue: ≥ 10 <i>Employer-paid</i> Employees and Spouses combined must be covered within initial 90 day offer period	<b>Multi-life Rates with 5% Employer-contribution Discount</b> (applicable only to individuals receiving Employer contributions) <sup>4</sup>
	Remaining Employee and Spouse population may also apply, but with Full Underwriting. Such applicants will qualify for Multi-life Rates <u>without</u> the Employer-contribution Discount.			
Groups with 3 to 74 eligible employees require Employer contribution for at least 3 employees.				

	Premium Source	Underwriting Standard	Eligibility and Participation Requirement	Rate Class
<b>75 or More Employees</b> <small>(No Employer Contribution Required)</small>	<b>Employee-paid</b>	<b>Simplified Issue</b> <sup>2</sup>	No required minimum participation <sup>3</sup>	<b>Multi-life Rates</b>
	<b>Employer-paid</b> <i>(NOT required)</i>	<b>Simplified Issue</b> <sup>2</sup>	No required minimum for Employees only  For Spouses to also qualify for Simplified Issue: ≥ 10 <i>Employer-paid</i> Employees and Spouses combined must be covered within initial 90 day offer period	<b>Multi-life Rates with 5% Employer-contribution Discount</b> (applicable only to individuals receiving Employer contributions) <sup>4</sup>
Groups with 75 or more employees do <i>not</i> require Employer contribution. A 100% voluntary setup <i>is</i> allowed.				

<sup>1</sup> For groups with fewer than 75 eligible employees, an employer premium contribution is required. The minimum employer premium contribution is ≥ \$10 per paid employee per month, or at least 10% of premium per paid employee.

<sup>2</sup> Simplified Issue underwriting is available to actively-at-work employees (and employer-paid spouses), through age 68, applying for a Benefit Bank amount of ≤ \$400,000 during the initial 90 day offer period, or within 90 days of an eligible employee's date of hire. Applicants who fall outside of these parameters must complete all sections of the Multi-life application (i.e., full underwriting). Actively-at-work is defined as being at one's usual place of employment for a minimum of 20 hours per week. The actively-at-work requirement does not apply to Spouses; however, the Employee must also apply for the Spouse to be eligible for Simplified Issue underwriting.

<sup>3</sup> For groups with ≥ 75 eligible employees, a minimum of 10 submitted applications is required during the initial offer period in order for the group to retain Simplified Issue availability. If 10 or more applications are not submitted, the offer of Simplified Issue underwriting will be removed for new hire Employees on an ongoing basis. However, the original applicants will still qualify for Simplified Issue underwriting.

<sup>4</sup> Employer-contribution Discount not available in Florida.

**Note:** Spouses/domestic partners, family members, retirees and retirees' spouses may also be eligible to apply for coverage within a qualified multi-life case. Multi-life Rates will be applicable. These non-employee eligible individuals must complete all sections of the Multi-life application (i.e., full underwriting), with the exception of Employer-paid spouses of employees who may qualify for Simplified Issue as outlined above.

## II. Guidelines for Associations and Other Non-Employer Groups

Associations and other non-employer groups (e.g. credit union members, unions) do NOT qualify for the LifeSecure OM Multi-life Program.

- These groups default to the LifeSecure 'Individual' (non-Multi-life) offering. The individual application and individual rates are used, including availability of all three rate classes (preferred, standard and select).
- A 5% Association Discount is available to qualifying associations or other qualified types of non-employer groups. The discount would apply to all three rate classes. (Discount not available in Florida)
- A qualifying association or other non-employer group must: 1) exist for purposes other than obtaining insurance; 2) have an active membership of at least 200 members; and 3) have by-laws in place for its organization.
- A commission reduction factor of 0.90 1st year and 0.85 years 2+ will apply to associations and non-employer groups which have the 5% Association Discount.

*Note: All Associations and Non-Employer Groups must be reviewed and pre-approved by LifeSecure on a case-by-case basis.*

### III. Employer Prospecting Considerations

Certain employer traits can be strong predictors of a successful Long Term Care (LTC) enrollment campaign. Such characteristics, as outlined below, tend to relate to a higher likelihood for better-than-average participation rates among the employee population. However, some of the characteristics become less relevant when the employer agrees to contribute toward the LTC premium. Use this list as a general guide when prospecting for the most appropriate employer clients.

#### **Average Age**

Look for an average age of the employee population of 40 years old or higher.

#### **Average Income**

Look for an average salary of the employee population of \$45,000 or higher, which is not too skewed by a concentration of highly compensated executives. You may want to remove the top two or three salaries within the group when calculating the average salary.

#### **Type of Industry**

Generally, the following industry types will experience better than average enrollment participation when LTC insurance is offered on a voluntary basis:

- Publishing, Printing
- Technology
- Communications (Radio, TV, Cable)
- Banking
- Financial Services
- Securities Brokers, Investment Firms
- Insurance Companies
- Insurance Agents, Brokers, Service
- Advertising
- Medical (Hospitals, Doctors, Home Care)
- Legal Services
- Education – Schools, Colleges
- Management, Research, Consulting Services

However, many types of businesses can be a great place to offer LTC insurance. The mix of employee demographics, company culture, as well as the visible level of commitment and endorsement from the employer can also be strong predictors of success.

#### **Current Benefits Program**

A rich program of employee benefits and strong employer contributions to programs such as medical coverage and retirement plans may provide insights into the availability of employee income for voluntary benefits. A rich benefits program also speaks to the level of employer commitment to its employees. Additionally, high participation rates in other voluntary benefits – such as 30% or more participation in voluntary Life, Short Term Disability or Long Term Disability – can be good indicators of employee willingness to consider and purchase a voluntary benefit. Companies who have experience with other voluntary benefits often have learned how to implement such programs with more success, are committed to effective communications and have an employee population more receptive to such a process.

## **Employer-Paid vs. Voluntary**

A participating employer may contribute to the LTC premium for its employees; or, the employer may wish to only offer a voluntary (employee-pay-all) program. Even when the employer is not keen on paying LTC premiums for all employees, an executive carve-out (or other defined class) may be a good solution for that employer. There are no discrimination guidelines for LTC insurance within the workplace. LTC insurance can round out a comprehensive executive compensation package and allow the employer to more effectively recruit, retain and reward its top executives. Refer also to the LTC Tax Incentives section within this Handbook.

## **Available Communications Channels**

Voluntary benefit plans require effective communications to the employee population. The communications should include education and awareness, as well as calls to action to learn more or to attend a meeting with a qualified agent. Assess the most common communications vehicles used by the employer today and determine which are most effective. A few questions to consider are: Does the employer communicate with its employees via electronic or paper-based media or both? Will some or all of these communications channels be available to promote the LTC offer? Will the employer allow employees to attend one-on-one sessions with an agent during business hours?

A communications plan that includes 6–12 touchpoints works best. Commitment and endorsement by the employer is key.



## IV. Multi-life Proposal Tool

A straightforward multi-life proposal tool is available for providing various plan design options to your employer prospects and outlining costs for each employee.

Click on the **LTC Tools** menu item located under “Multi-life Tools” in your Agent Portal. Then click on the **Multi-life Proposal Tool**.

A customized proposal and quotes may be run using the group’s census (if available) or for all ages 18–84. The Multi-life Proposal Tool allows you to quote up to three LifeSecure LTCi plan designs, side-by-side. You determine the Benefit Bank and Monthly Benefit Access Limits, and also elect to include or exclude optional benefits in the rate quote for your client.

Premiums generated by the multi-life proposal tool are for illustrative purposes only.

**Note:** *To run rate quotes for your clients, you must have the latest version of MicroSoft Silverlight installed on your computer. Silverlight is a free download which can be easily installed onto your computer in a matter of minutes. You may be automatically prompted to install Silverlight the first time you open the Multi-life Proposal Tool.*

LifeSecure®  
Live well. Worry less.

Multi-life Proposal Tool

Cover Page | Plan Choices | Rates Illustration | Proposal Output | Help | About

Load Saved Proposal | Delete Saved Proposal

Prepared By:

Agent Name:  Proposal Date:  15

Agency Name:

Address:

City:  State:  Zip Code:

Phone Number:  Ext:

Prepared For:

Emp/Grp Name:

Quote State:

Show Rates for All Ages 18 to 84  
 Show Rates Only For a Group-Specific Census  
 Show Both

Employer  
 Association

Next

## V. Employer Pre-Qualification + Group Portal Set-up Process

Prior to accepting applications, you must pre-qualify each multi-life group and set up a Group access web portal for each qualified group. A Group Pre-Qualification set-up tool is available on-line within your Agent Portal at [www.YourLifeSecure.com](http://www.YourLifeSecure.com), and must be submitted electronically.

Click on "Multi-life Tools" in the top menu and drag down to "Group Set-up Tool" to provide information for your group.

### General Information Requirements for Groups

- Type of industry
- Location(s) of employees
- Employer & billing contacts
- Enrollment period & effective date
- Communications and marketing campaign (for voluntary components)
- Billing format and type and payroll frequency
- Anticipated enrollment
- Electronic file of the company's logo (for the Group access web portal)

### Additional Requirement for Groups with Employer-Contribution

Note: Employer-paid groups have fewer pre-qualification requirements than voluntary groups.

Type of employer contribution:

- Defined premium amount
- Defined percent of premium
- Defined core benefit

### The Group Access Web Portal\*

A custom group access web portal will be set up for each group. The portal allows employees, as well as spouses and family members, to review plan information, access decision-support tools, obtain personal quotes and submit an on-line application.

\* Not available in Florida.

## VI. Tax Incentives

It is important to help employers understand the tax incentives related to the purchase of long term care insurance. Incentives are offered by the federal government, as well as by a growing number of states.\*

Your client may enjoy one of the tax advantages listed below when paying for long term care insurance premiums.

### C-Corps

C-Corps can benefit from complete (100%) deductibility of the tax-qualified long term care insurance premiums as a business expense. Long Term Care Insurance (LTCi) can be purchased for employees and owners.

- Premiums are not included as part of the employees gross income
- Coverage can be offered to spouses/domestic partners and retirees
- Payroll taxes are not required for premiums paid
- Executive carve-outs may be established to pay all or a portion of the premium for key employees

### S-Corps Partners or More Than 2% Shareholders

- Premiums paid for an owner are included in individual gross income.
- A self-employed health insurance deduction can be taken for tax-qualified LTCi premiums paid. LTCi premiums are considered a medical expense and are subject to the IRS age-based limits found in the chart below.

Attained Age Before Close of 2013	Maximum Amount Per Individual	Maximum Amount Per Couple
40 or less	\$360	\$720
More than 40 but not more than 50	\$680	\$1,360
More than 50 but not more than 60	\$1,360	\$2,720
More than 60 but not more than 70	\$3,640	\$7,280
More than 70	\$4,550	\$9,100

Source: IRS Revenue Procedure 2012-41 (2013 limits)

### Health Savings Accounts (HSA)

LTCi premiums can be reimbursed through an HSA – *tax-free* – up to the amounts listed above.

### Cafeteria Plan

LTCi premiums cannot be purchased with pre-tax dollars under an employer-provided cafeteria plan. However, LTCi premiums may be paid through an HSA that is offered under an employer-provided cafeteria plan.

*LifeSecure and its agents do not offer tax or legal advice. You should consult an independent tax or legal advisor to confirm the tax status of long term care premiums and long term care benefits.*

\* Check applicable state(s) for current tax incentive information.

## VII. Sample Communications Schedule

Schedule (based on 90-day Enrollment Period)	Action	Date Completed
Day 1	<p><b>Employer announces LTCi program to employees.</b></p> <p>Customize endorsement letter with specific information on plan design, contribution amount, policy effective date, on-site LTC informational meeting(s), etc...</p>	
Day 7	<p><b>Begin employee communication campaign</b></p> <p>Hang posters, display table tents throughout office and in lunchroom, send e-mail messages to generate interest and communicate meeting times/dates/locations for informational meeting(s). Set-up meeting(s) on organization's e-calendar and invite employees.</p>	
Day 21	<p><b>Continue employee communication campaign</b></p> <p>Send follow-up announcement messages to reinforce program details, generate interest and remind employees of informational meeting(s).</p>	
Day 28	<p><b>Employee communication - Final meeting reminder</b></p> <p>Remind employees of the time/date/location for upcoming informational meeting(s).</p>	
Days 28 - 35	<p><b>On-site informational meeting(s)</b></p> <p>Conduct LTC educational meetings for employees; allow time for scheduling 1-on-1 enrollment support for individual employees, if requested.</p> <p>Distribute the "How To Apply" flyer* customized with group's number, which provides instructions for using the LifeSecure on-line quote calculator and self-serve application. Distribute other marketing materials, as appropriate.</p> <p>Family members are welcome to attend meetings.</p>	
Days 43-70	<p><b>Employee communication follow-up Post-meeting instructions</b></p> <p>Email PDF of "How To Apply" flyer* and remind employees of application deadline.</p>	
Day 71	<p><b>Employee communication Deadline reminder</b></p> <p>Notify employees that deadline to submit application is approaching quickly.</p>	
Day 90	<p><b>Application Submission Deadline</b></p>	

\* Not available in Florida.

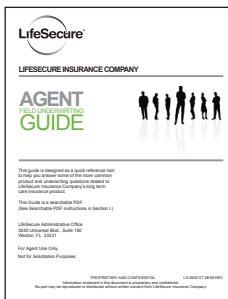
# VIII. Agent, Employer & Consumer Multi-life Materials

This section provides an overview of the multi-life related sales and marketing materials available from LifeSecure. Each of these materials can be reviewed, downloaded and/or ordered through our website at [www.YourLifeSecure.com](http://www.YourLifeSecure.com). Enter your Agent Portal.

- To order printed copies, click on the “Sales Materials” menu item located under “Resources”.
- To download state-specific PDF’s, click on “PDF Library”.
- To customize templates for a multi-life group, contact your Multi-life Sales Specialist.

*Note: Availability and/or versions of materials may vary by state.*

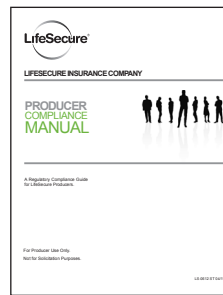
## Agent Audience



### Agent Field Underwriting Guide (LS-0600 ST ...)

This guide is designed as a quick reference tool to help Agents understand the underwriting guidelines related to LifeSecure Insurance Company’s long term care insurance product.

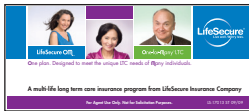
*Download only.*



### Producer Compliance Manual (LS-0612 ST ...)

A regulatory compliance guide for LifeSecure agents.

*Download only.*



### LifeSecure OM Multi-life Program Overview for Agents (LS-17013 ST ...)

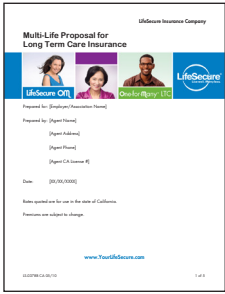
A brochure providing qualification guidelines and program highlights for Agents.



### Multi-life: Top 10 Reasons to Sell LifeSecure OM (LS-17024 ST ...)

This flyer provides 10 key value propositions for selling LifeSecure OM to your multi-life clients.

# Employer Audience



## Employer Proposals (LS-0378... item # varies by state)

Customized proposal for your client. Presents up to three LifeSecure LTCi plan designs, side-by-side. Provides premium illustrations – using group’s census or showing all ages 18–84.



## Employer Endorsement Letters (LS-0383... item # varies by state)

Template letter for employers to promote LTCi benefit. Text may be customized to align with your client’s offering.



## Sales Presentation (Employer Version) (LS-0382.... item # varies by state)

Slides to help educate clients on the advantages of offering LTCi to employees/members.

*Customizable. Script included.*



## Employer Brochure (LS-13001 ST... item # varies by state)

Large brochure that includes the advantages of offering LTCi and LifeSecure’s multi-life program qualification guidelines.



## Lead Generation Ad/Flyer Targeting Small Business Owners (LS-13004 ST... item # varies by state)

Template for agents to promote LifeSecure’s multi-life LTCi program to small business owners.

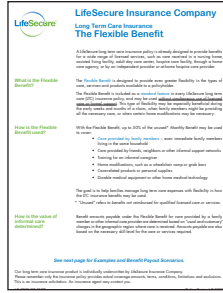
# Consumer Materials

## Marketing Materials



### Plan-At-A-Glance (LS-0307.... item # varies by state)

A quick reference overview of LifeSecure's long term care insurance product.



### Flexible Benefit Flyer (LS-0386 ST ....)

An overview of LifeSecure's standard benefit which allows for care by family members and other flexible uses of benefits.



### Caregiver Story (LS-0319.... item # varies by state)

A story from the CEO of LifeSecure on the realities of caregiving for a loved one.

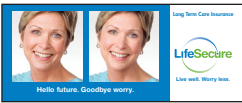
Download only in certain states.



### Common Myths About LTCi (LS-0322.... item # varies by state)

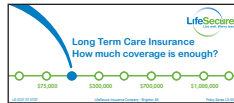
A document that examines common misunderstandings about long term care insurance.

Download only in certain states.



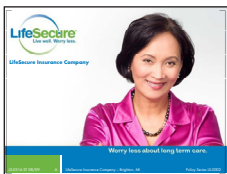
### Consumer Brochure (LS-0301.... item # varies by state)

A brochure providing information on the importance of LTCi, including a brief overview of LifeSecure's plan design options.



### Plan Recommendation Brochure (LS-0337.... item # varies by state)

A brochure to assist in determining how much long term care insurance coverage is enough for someone.



### Education/Enrollment Presentation (Consumer Version) (LS-0316.... item # varies by state)

Slides to help prospective applicants understand LTC and identify their potential need for LTCi.

Customizable. Script included.



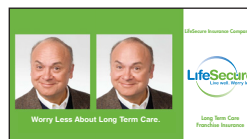
### Table Tent (LS-0312... item # varies by state)

Worksite table tents may be customized with: dates & times for informational session(s); contact for more information; and/or portal login to obtain a quote or apply on-line (portal not available in Florida).



### Posters/Flyers (LS-0341... item # varies by state)

Worksite posters and/or flyers may be customized with: dates & times for informational session(s); contact for more information; and/or portal login to obtain a quote or apply on-line (portal not available in Florida).

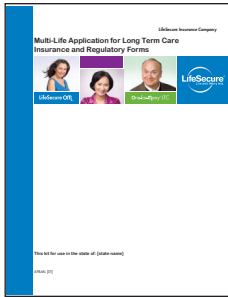


### Seminar/Webinar Invitation Postcard (LS-0310.... item # varies by state)

A postcard to invite employees/members of a multi-life group to attend or participate in an informational session.

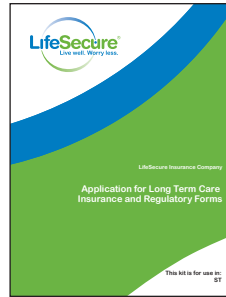
## Consumer Materials (continued)

### Applications & Forms



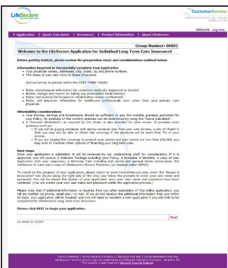
#### Application and Forms Booklet for Multi-life Employer Groups (Item # varies by state)

Paper version of the Application and LTCi Personal Worksheet for consumers, plus compliance documents to be presented to client at time of application. Includes: Things You Should Know Before Buying Long Term Care Insurance, LTCi Potential Rate Increase Disclosure Form, Outline of Coverage, Applicant Authorization to Obtain and Disclose Information (HIPAA required form), Other Notices to Applicant.



#### Application and Forms Booklet for Individuals, Associations and Other Non-employer Groups (Item # varies by state)

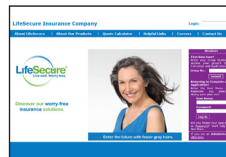
Paper version of the Application for consumers, plus compliance documents to be presented to client at time of application. Includes: Things You Should Know Before Buying Long Term Care Insurance, LTCi Personal Worksheet, LTCi Potential Rate Increase Disclosure Form, Outline of Coverage, Applicant Authorization to Obtain and Disclose Information (HIPAA required form), Other Notices to Applicant, Premium Receipt



#### Self-serve Multi-life Application and Personal Worksheet

Applicants can apply for coverage on-line via the Groups & Associations portal.

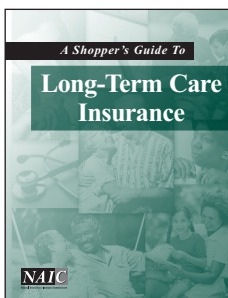
*Not available in Florida.*



#### Group Portal

Includes plan design information, educational material, video, quote calculator and self-serve on-line application.

*Not available in Florida.*



#### Shopper's Guide (LTC-LP)

**For Georgia:** LS-0117 GA 05/07  
**For Wisconsin:** PI-047 (R 10/2007)

An informative guide created with consumers in mind and designed to help clarify many questions about long term care insurance.