

EssentialLTC

Sales Guide



Phone: (888) 505-2332 | www.ngl-essentialltc.com

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EssentialLTC is a tax-qualified, stand-alone long term care insurance policy.

Product underwritten by National Guardian Life Insurance Company (NGL).

National Guardian Life Insurance Company is not affiliated with The Guardian Life Insurance Company of America a.k.a. The Guardian or Guardian Life.

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About National Guardian Life Insurance Company (NGL)

NGL creatively tailors products, agreements and administration to fit the needs and capabilities of our partners. NGL specializes in providing individual and group insurance products in the health insurance marketplace. NGL works with our partners on a risk sharing basis to develop the right product solution for their distributions.

With unsurpassed experience of over 100 years in the industry, a diverse product mix and a history of financial strength and stability (\$3.8+ billion in assets, \$3.5 billion in consolidated liabilities and rated A- (Excellent) by A.M. Best), NGL is the go-to choice for wholesale partnerships. NGL brings a dedicated team with a proven track record to every partnership with an emphasis on flexibility. Learn more at nglic.com.



Assets \$3.8+ Billion



Rated Excellent
by A.M. Best



Over 100 years in
the industry

Financials as of 12/31/2015. Ratings as of 8/5/2015.

What Makes EssentialLTC Distinct?

EssentialLTC isn't just another stand-alone long term care insurance (LTCi) product. After an extensive look at life insurance combo products with long term care riders, we realized that the products being offered to clients were deficient – carrying lower long term care benefits but with higher premiums. Because long term care insurance is governed by a different set of regulations, we are in the unique position to offer a better choice. EssentialLTC was the natural result.

EssentialLTC starts with a base 2 or 3-year long term care insurance policy, to which the following can be added:

- Benefit Extensions (1-, 2-, 3-Year, or Lifetime Benefits) – available with 3 year benefit period (only)
- Joint Pricing (lower premiums when two policyholders from the same household are covered)
- Inflation Protection (3% or 5% compound, or Step-Rated)

While these features are being offered less often in the industry today, and that alone sets EssentialLTC apart, our newest feature propels this product ahead of the life insurance combo product.

EssentialLTC's "Reverse Combo" feature adds:

- Return of Premium (with or without claims offset)
- Cash Surrender Option (please note: this is available as part of ROP rider, if desired)

When the "Reverse Combo" feature is added to the base product, EssentialLTC becomes an LTCi policy that provides coverage similar to a life insurance policy - offering a return of premium with higher long term care benefits but with lower premiums as compared to most traditional life policies with an LTC rider.

KEY FEATURES

- ✓ Lifetime Benefit Period
- ✓ Single Pay
- ✓ 10 Pay
- ✓ Inflation Protection
- ✓ Special Joint Rates
- ✓ Limited or Full Return of Premium
- ✓ Cash Surrender Option
(in conjunction with the ROP rider)

Traditional Life Policy



EssentialLTC



Product Highlights (as filed in select states)

Product Basics

Plan	Individually-underwritten, Tax-qualified, Reimbursement
Available Coverages	Comprehensive or Facility Care Services Only
Rates	Gender-distinct rates. Joint rates are available.
Available Issue Ages	40-79 (age nearest birth date)
Number of Insureds	Single or Joint. Joint policies are available for two individuals who reside in the same household. If related, policyholders must be of the same generation (i.e. siblings).
Daily Benefit Amount	\$50 to \$300 (\$10 increments)
Payment Period Options	Lifetime, Single Pay, 10 Pay
Elimination Period	0, 30 , 90, 180 days (cumulative and vanishing)
Benefit Period	2 year, 3 year (Benefit Extension Riders are available with a 3 year benefit period, resulting in either a 4 years, 5 years, 6 years, or Lifetime benefit period)
Underwriting Rate Classes	Preferred Plus, Preferred, Standard
Benefit Triggers	Chronically ill as defined in the policy with certification from a Licensed Health Care Practitioner
Employer/Association Group Discount	5% Discount
Waiver of Premium/Joint Waiver of Premium	Waiver of Premium included in base contract for Facility Care Services
Additional Product Features	- Respite Care* - Maximum of 30 days per calendar year - Bed Reservation Care* - Maximum is 30 days per calendar year - Emergency Response System* - Reimburse charges up to \$50 per month - Caregiver Training* - Maximum Lifetime Benefit of 5 times the daily benefit - Coverage Outside of the U.S., U.S. Territories and Canada - up to 30 days per calendar year

Riders/Endorsements

Compound 3% Inflation Protection Rider	On each anniversary, the Daily Benefit Amount will increase by 3% of the previous year's Daily Benefit Amount, with corresponding increase in the Benefit Amount.
Compound 5% Inflation Protection Rider	On each anniversary, the Daily Benefit Amount will increase by 5% of the previous year's Daily Benefit Amount, with corresponding increase in the Benefit Amount.
Step-Rated Compound Inflation Protection Option Rider	When a compound rider is selected, the premium increases by the same amount on each policy anniversary. Choose between a 3% or 5% Step-Rated Inflation Protection Rider.
Waiver of Premium Rider	Premium payments are waived once payment of benefits begin for either Facility Care Services or Home and Community Care Services (HCCS).
First Day HCCS Rider	When HCCS coverage is included, benefits begin on the first day of claim for HCCS only.
Shared Benefit Amount Rider	Provides a third benefit pool, available to either or both insureds who have exhausted their benefit pool under the base policy.
Benefit Period Extension Rider	Extends base 3 year benefit period to either 4 years, 5 years, 6 years, or to a Lifetime Benefit Period.
Full or Limited Return of Premium Rider (available with or without Optional Policy Surrender)	Upon the death of the insured while policy is in force (last to die under joint coverage), the total of premiums paid (with or without claims offset) will be paid to the beneficiary. These full or limited return of premium riders can also include the option to surrender the policy. Surrender value is up to 80% of premiums paid, less benefits paid.
Shortened Benefit Period Nonforfeiture Rider	If policy lapses for nonpayment of premium after the policy has been in force for 3 years, coverage will continue and benefits are payable equal to the greater of total of premiums paid, or 30 times the Daily Benefit Amount in effect at the time of lapse.

**Benefits paid will be subtracted from the Total Benefit Amount*

Identifying the Best Client for the EssentialLTC Product

Common Characteristics

- ✓ Target Age: 50-74 (available for ages 40-79).
- ✓ At least \$100,000 household income.
- ✓ Interested in financial issues; likely owns life insurance or other conservative investment products.
- ✓ Desires to protect his or her (and their spouse's) health and assets during long term care emergencies.
- ✓ May have experienced a long term care hardship in their own family or witnessed one dealt with by friends or neighbors.
- ✓ Have assets that could be steered toward better safeguarding their long term care needs (an ideal prospect for 1035 exchange opportunities).

Example 1

Below is an example intending to illustrate how to assess a client's fit for EssentialLTC and how you might approach the client based on their situation.



Carolyn
Age 50



David
Age 55



Their Circumstances

Carolyn and David are married, college-educated, and working in white-collar professions. They have set aside money for retirement but have not yet established a plan for long term care as they age.



What Concerns Them

As health care costs increase and people are living longer, Carolyn and David want to prevent having to use their life savings to pay for any unexpected and long term health care issues.



How EssentialLTC Can Help

By securing an EssentialLTC long term care policy for both Carolyn and David, they will both be putting money into a plan for unforeseen health care circumstances.



How To Discuss EssentialLTC With Them Or Someone Like Them

Talk about the financial value of EssentialLTC and demonstrate how preparing now can potentially ease the financial burden in the future.

Highlight the value of EssentialLTC product differentiators such as Single Pay and 10 Pay options, joint special pricing, and features not widely used in the industry today such as lifetime benefits.



Why They Should Purchase EssentialLTC

With an EssentialLTC policy, Carolyn and David will have funds available to help pay for unexpected health care costs, secure greater control over their finances, and establish a better understanding of their choices should a long term care issue arise.

Example 2

Below is an example intending to illustrate how to assess a client's fit for EssentialLTC and how you might approach the client(s) based on their situation.



Anna
Age 55



Michael
Age 60



Their Circumstances

Anna and Michael never considered the importance of long term care until Anna's mother fell ill. Because her mother hadn't planned for her health care costs or established a plan in the case she would need care, Anna and Michael now take care of her.



What Concerns Them

The financial and emotional burden has been challenging. Anna and Michael realize the importance of having a plan in place for their long term care needs so their own children won't go through the same stress and strain as they are with Anna's mother. Because women often outlive their spouses, they know Anna will likely end up having to pay for not only her health care costs but her husband's as well, and this could affect her savings enough to require family assistance.



How EssentialLTC Can Help

Establishing an EssentialLTC long term care policy for both Anna and Michael may help protect each other and their children, with not only long term care coverage but a death benefit to their beneficiaries upon death (when a "Reverse Combo" is selected).



How To Discuss EssentialLTC With Them Or Someone Like Them

Point out how an EssentialLTC long term care policy may help to alleviate the burden on their loved ones.

Illustrate how lifetime benefits will offer coverage for the remainder of their life and how the "Reverse Combo" and Return of Premium add-on will assist Anna and Michael's children after their death.



Why They Should Purchase EssentialLTC

An EssentialLTC policy will help Anna and Michael with health care costs and, if Michael passes on before Anna, she may be left with peace of mind that she and her children will have funds to assist her.

**These examples are hypothetical and only intended to demonstrate how to determine a client's suitability toward an EssentialLTC policy.*

What Type of Customer Would Benefit from Each Key Product Feature?

Feature	Lifetime Benefits	Flexible Payment Options	Joint Pricing
Description	Benefits are payable for the lifetime of the insured	One-time payment (Single Pay) or a total of 10 payments annually for 10 years (10 Pay); Client is insulated from future rate increases once the policy is paid-up	Special pricing for spouses or family members living in the same household (i.e. siblings)
Ideal Customer	Everyone	Higher income clients	Spouses

Feature	Inflation Protection Rider	Benefit Period Extension Rider	"Reverse Combo" Feature
Description	3% or 5% compound or step-rated COLA* are offered to keep your client's policy in line with increases in health care costs	Extend the base coverage to either 4 years, 5 years, 6 years, or to a lifetime benefit period	Upon lapse or the death of the client while the policy is in force (last to die under joint coverage), up to 80% of premiums can be paid to the beneficiary
Ideal Customer	Everyone	Conservative clients wanting to add protection	Clients with a spouse or heirs
Next Steps	Select 3% compound, 5% compound or step-rated COLA	Select number of years to extend the base coverage	Select Full or Limited Return of Premium with the Cash Surrender Option

*Cost of Living Adjustment

Our Proven Underwriting Process

Our underwriting procedures and qualifications have been designed to protect you, your applicant and NGL. By following thorough underwriting protocols, all parties are ensured a fair and balanced assessment of the applicant.

ELIGIBILITY

1. Confirm applicant is between ages 40 and 79.
2. Check the Underwriting Guide's:
 - a. Height/Weight Chart, to assure the applicant qualifies and which rate class appears most likely.
 - b. Prescription Drug Guide, to assist in better understanding the applicant's likely health impairments.
 - c. Impairment Guide, to rule out uninsurable conditions and further refine the rate class choice.
 - d. Co-Morbid Conditions list, since a combination of serious health conditions can result in a decline decision.
3. Make a personal observation of the applicant to determine he/she is functioning independently.
4. If your client appears to fit one of the rate classes, submit an application.



Submitting New Business Overview

Please refer to the Agent Guide for full and detailed instructions. This list is meant to provide a brief step-by-step overview only.

Step 1 – Application Submission (Agent and Client Tasks)

Pre-application:

1. Identify applicant
2. Pre-qualify applicant with the Underwriting Guide
3. Confirm licensing appointment with NGL

Prepare Application

- Access Application forms at the NGL website www.ngl-essentialtc.com. Refer to the application instructions for the state of sale, and to identify any state specific forms, if required.

Submit Application

1. Assemble the application documents for mailing. Please include:
 - a. New Business Transmittal form
 - b. An Illustration demonstrating the coverage being applied for
2. Cash with application – submit at least one month's premium. Submit only the client's current dated check, made payable to NGL. We do not accept agent/agency checks or post-dated checks. Mail the package to:

UPS or FedEx

National Guardian Life Insurance Company (NGL)
Attn: New Business Dept.
21600 Oxnard Street, Suite 1500
Woodland Hills, CA 91367

USPS

National Guardian Life Insurance Company (NGL)
Attn: New Business Dept.
P.O. Box 4243
Woodland Hills, CA 91367

Step 2 – Underwriting (NGL Tasks)

1. Request medical records
2. Applicant telephone interviews are made (on all applicants age 65 and younger)
3. Face-to-face exams are conducted (on all applicants age 66 and over and at the underwriter's discretion for applicants younger than 66)
4. Paramedical exams with labs are occasionally requested (at the underwriter's discretion)

Step 3 – New Business (NGL and Agent Tasks)

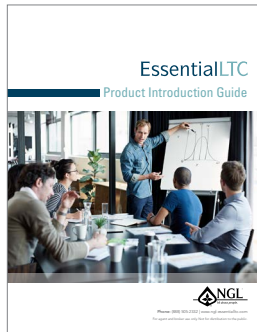
1. Policy is mailed to agent
2. Policy is delivered to client
3. Agent obtains completed delivery requirements, which are submitted to NGL

Please refer to the Agent Guide for full and detailed instructions. This list is meant to provide a brief step-by-step overview only.

Agent Resources and Client Materials

Resources to assist you in generating and making sales

The materials mentioned here are downloadable on the Agent Resource Center website at www.ngl-essentialltc.com/agent



Product Introduction Guide

Use this guide for a detailing of product summary and benefits, a product competition matrix, pricing advantages, and information on the company behind the product.



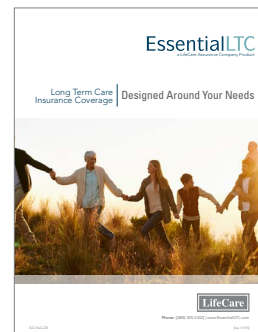
Agent Guide

Use this guide for submitting new business.



Underwriting Guide

Use this guide when conducting field underwriting.



Client Brochure

Provide this brochure to prospective clients.

Top Reasons to Consider NGL's EssentialLTC Product

Prepare your clients for their long term care needs and round out their health care and retirement plans by offering EssentialLTC. Here are a few key reasons why:

Benefits to You

Our consumer-focused product features are customized and many of them are exclusive to NGL.
We offer unlimited profit potential alongside strong sales support.
We'll provide in-depth, industry- and consumer-focused product training.
You will expand your product portfolio.
You will expand your sales potential in over 30 states.
It's needed - 78 million baby boomers are approaching retirement.
It's profitable - and those 78 million baby boomers remain a largely untapped market.
Differentiate yourself by offering a product few others do.
Help to preserve your client's long term financial security.
Offer a truly comprehensive insurance portfolio.

Benefits to Your Client

Your clients will have protection against the significant risk and costs associated with needing long term care services at some point in their lives.
It's a tax-qualified option for wealthy clients.
It provides a range of limited pay possibilities.
They'll be given the opportunity to reclaim up to 80% of the premiums they paid.
They'll have the option to safeguard their policy against rising inflation.
They can take advantage of special pricing (applicable to joint policies and employer/association groups).

Sales Support Contact Information

We are here to help you with your sales of EssentialLTC.

Sales & Underwriting Support	Policy Services Support
Phone: (888) 505-2332, then dial 1, then dial # Email: sales@ngl-essentialtc.com	Phone: (888) 505-2332, then dial 1, then dial # Email: status@ngl-essentialtc.com



HIPAA Privacy and Security

As a representative of National Guardian Life Insurance Company ("NGL"), you will collect and maintain Protected Health Information ("PHI") on behalf of and about our applicants and insureds. The federal Health Insurance Portability and Accountability Act ("HIPAA") regulations on privacy and security limit how insurance companies and their representatives may use and/or disclose this information whether in paper or electronic form. You are required by federal law to abide by such limitations. In many cases, authorization from an applicant or insured must be obtained for the use or disclosure of such information. In order to protect the privacy and security of an applicant's or insured's PHI and to comply with federal law, you are required to comply with the policies and procedures as set forth below and in your NGL Agent Agreement.

Definitions

Breach – The acquisition, access, use or disclosure of PHI in a manner that compromises the security or privacy of the PHI.

Disclosure – The release, transfer, provision of access to, or divulging in any manner of PHI to persons not employed by or working on behalf of or within NGL.

Electronic PHI (EPI) – PHI that is transmitted or maintained using electronic media.

Health Care Operations – Health Care Operations include NGL's operations.

Protected Health Information (PHI) – PHI includes information that is created or received by NGL and relates to the past, present, or future physical or mental health or condition of an applicant or insured; the provision of health care to an applicant or insured; or the past, present, or future payment for the provision of health care to an applicant or insured; and that identifies the applicant or insured or for which there is a reasonable basis to believe the information can be used to identify the applicant or insured, whether living or deceased, as well as all non-public personal information. For purposes of this policy, PHI includes all of the following:

- Names
- Street address, city, county, zip code
- Dates directly related to an applicant or insured, including birth date, health care facility admission and discharge date, dates of service, date of claim, and date of death
- Telephone numbers, fax numbers, and electronic mail addresses
- Social Security numbers
- Medical record numbers
- Policy numbers or health plan beneficiary numbers
- Account numbers
- Certificate/license numbers
- Vehicle identifiers and serial numbers, including license plate numbers
- Web Universal Resource Locators (URLs)
- Biometric identifiers, including finger and voice prints
- Full face photographic images and any comparable images
- Any other unique identifying number, characteristic, or code

Use – The sharing, employment, application, utilization, examination, or analysis of PHI by any person working for or within NGL or by a representative of NGL.

As a condition of your NGL Agent Agreement, you are required to comply with the following regarding the PHI of applicants and insureds.

Breach of PHI

The acquisition, access, use or disclosure of PHI in a manner not permitted by the HIPAA privacy and security rules is presumed to be a breach. For example, if a fax containing PHI is sent to an unintended recipient, this is presumed to be a breach. You must contact NGL immediately if there is any reason to believe that there has been, may be or will be a breach of PHI. Once a Breach is reported, NGL's Privacy Officer/Security Officer will conduct a full risk assessment to determine if the presumption of breach can be overcome and the appropriate action will be taken. The company is required by law to report all confirmed breaches to the U.S. Department of Human and Health Services.

Electronic Messaging That Contains EPHI

Encryption will be used when electronic messaging documents containing EPHI to and from secured domains. Documents containing EPHI are not to be electronically sent to unsecured domains (e.g. AOL, Yahoo, etc.) unless you use secure messaging. If you are unsure if a domain is secure, you are to contact privacy@ngl-essentialtc.com or (800) 366-5463 before transmitting any documents containing EPHI.

Mitigating Misuses of PHI

All NGL representatives must immediately notify NGL if they become aware of any possible privacy or security violations. Such representatives must cooperate with NGL to mitigate, to the extent practicable, any harmful effect that is known to them that is the result of the use or disclosure of PHI in violation of this or any other policy of NGL.

Reporting Violations

Any NGL representative who discovers a privacy or security violation must immediately notify privacy@ngl-essentialtc.com or (800) 366-5463.

Any representative who discovers a privacy or security violation but does not report the violation may be subject to termination of the business relationship, depending on the severity of the misconduct.

Any questions about this information may be directed to the Security Officer or Privacy Officer at privacy@ngl-essentialtc.com or (800) 366-5463.



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Woodland Hills, CA 91367

www.ngl-essentialtc.com

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