

# EssentialLTC

## Agent Guide



Phone: (888) 505-2332 | [www.ngl-essentialltc.com](http://www.ngl-essentialltc.com)

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This is a generic product guide. Your state may require a state specific contract. The contract, ICC16NG100P and/or the optional benefits listed may not be available in all states. The individual contract is your ultimate authority for any questions you may have regarding this product.

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



## 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](http://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.*

# Product Summary

(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	<ul style="list-style-type: none"> <li>Respite Care* - Maximum of 30 days per calendar year</li> <li>Bed Reservation Care* - Maximum is 30 days per calendar year</li> <li>Emergency Response System* - Reimburse charges up to \$50 per month</li> <li>Caregiver Training* - Maximum Lifetime Benefit of 5 times the daily benefit</li> <li>Coverage Outside of the U.S., U.S. Territories and Canada - up to 30 days per calendar year</li> </ul>

## 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

## Underwriting

**Note:** For Premium Rate Classes, Field Selection, Prescription Drug Guide and Impairment Guide, please refer to the Underwriting Guide (NLTC-0503).

### Underwriting Philosophy

The underwriting philosophy at NGL is to conduct a prudent review of each applicant's medical history and current physical and cognitive state of being to the extent possible. NGL management believes that long term care insurance is a product line where careful underwriting is an essential element in providing consumer-oriented benefits at competitive prices. The development of a risk pool that has predictable results over many decades is the objective.

### Underwriting Process

You should expect the underwriting process to take, on average, 30 days. NGL obtains medical records in virtually every case. For applicants age 65 and under, telephone interviews are performed to clarify the applicant's medical history and to ascertain the applicant's ability to live and function independently. Functional assessments or paramedical exams are used to further test or confirm an applicant's health or ability to live and function independently. For applicants age 66 and over, an assessment/exam is automatically required. Lab tests for urine and blood are ordered only if the applicant's current condition must be established due to significant past medical history. A Prescription Drug check, which obtains information on prescribed medications from a pharmacy database, is also ordered for each applicant. All functional assessments, exams, and lab tests are ordered only by NGL's Underwriting Department.

Age	Medical Records	Prescription Drug Checks	Phone Interviews	Face-to-Face Exams	Medical Testing
40-65	X	X	X		Underwriter's Discretion
66-79	X	X		X	Underwriter's Discretion

### Previously Declined Cases

In general, individuals who have been previously declined for long term care insurance coverage are unlikely to qualify for coverage. Should an application be submitted for an individual who has been declined previously, it is required that a copy of the declination letter that provides the specific reason or reasons for the decline decision be submitted with the application.

### Prequalification Reviews

We are available to assist with any questions that may arise regarding a potential applicant's insurability or potential rate class. Please contact us at 888-505-2332 or send an email to [status@ngl-essentialtc.com](mailto:status@ngl-essentialtc.com).

Please be aware that due to HIPAA requirements any specific information that identifies the potential applicant must be omitted from your communication. This includes the individual's name or social security number.

### Trial Applications/COD's

We do not accept trial applications or COD business (except for list bill applications). To process the application, we must have at least one month's premium.

Applications with a billing mode of List Bill that are submitted under pre-approved Employer/Association Groups should be submitted COD. This applies only to list bill applications.

### Policy Dating

Once NGL has concluded that your client qualifies for coverage, the policy is issued with an effective date that can range from 30 days prior to the application date (back-dating to save age) to 30 days after the underwriting approval date (dating to match the renewal date of a policy being replaced). NGL will only back-date and post-date if specifically requested to do so on the application and if there are no reservations regarding the applicant's health status. Otherwise, the policy effective date will be the date of underwriting approval.

List bill cases will receive a first of the month effective date following approval in underwriting.

## Policy Billing

Payment modes are annual, semi-annual, quarterly, and monthly, however direct monthly billing is not available. Monthly mode of payment is limited to automatic bank withdrawal (PAC/EFT) and list bill. List bill is available for pre-approved employer groups with at least 3 policies on the list billing.

## Privacy of Protected Health Information ("PHI")

Federal laws and regulations require issuers of long term care insurance policies to safeguard PHI. While underwriting applications for LTCi, NGL gathers as much medical information as possible prior to reaching a final decision on insurability. In some cases, coverage is issued with an increase in premium, a limitation of benefits, or applicants may be declined. This medical information is protected under the Health Insurance Portability and Accountability Act Regulations ("HIPAA"). As a result, NGL underwriters are prohibited from disclosing the details of an applicant's medical history to agents or agency employees without that applicant's explicit written permission or authorization. NGL underwriters will provide a written explanation for any adverse underwriting decision to the applicant or the applicant's physician upon request.

## Authorization for Disclosure, Receipt and Use of PHI

This authorization form must accompany every application in order for us to initiate our underwriting. In addition, each applicant is also provided a copy of our Notice of Privacy Practices at the point of application completion. Please familiarize yourself with these important documents.



## New Business

### Agent Appointment

See "Agent Licensing/Appointment" section of this Guide.

### New Business Application Process

Step 1	<p>Check the Application Instructions for the state of sale. Please be sure you have all the correct forms and are aware of any specific product variations. Application forms and illustration software are available on NGL's Agent Resource Center at <a href="http://www.ngl-essentialtc.com/agent">www.ngl-essentialtc.com/agent</a>.</p>
Step 2	<p>A complete application package should be submitted, including:</p> <ol style="list-style-type: none"><li>1. <b>A completed New Business Transmittal form.</b></li><li>2. <b>Fully completed Application for Long Term Care Insurance.</b> The Protection Against Unintentional Lapse section of the application is required in all cases. <b>Note:</b> If the applicant does not want to designate anyone, the section must be marked accordingly.</li><li>3. <b>Fully completed Authorization for Disclosure, Receipt, and Use of Protected Health Information.</b></li><li>4. <b>An illustration demonstrating the coverage applied for.</b></li><li>5. <b>Cash with application</b> - Submit at least one month's premium and only the client's current dated check, made payable to National Guardian Life Insurance Company (NGL). We do not accept agent/agency checks or post-dated checks. <b>Note:</b> Applications with a billing mode of "List Bill" that are submitted under pre-approved <b>Employer/ Association Groups should be submitted COD.</b></li><li>6. <b>State-specific application forms as required.</b> Refer to the Application Instructions for the state of sale.</li><li>7. <b>Other possible forms:</b><ol style="list-style-type: none"><li>a. <b>Automatic Payment Authorization Form</b> - if the reoccurring premiums are to be paid from your client's bank account. Include a voided check and two month's premium, except in California where only one month's premium may be submitted with the application.</li><li>b. <b>Replacement Form</b> - if your client will be replacing another LTCi, medical, or health insurance policy. (Please refer to the "What Constitutes a Replacement" section for clarification).</li><li>c. <b>Certification for Eligibility of Employer Group Discount</b> - this form is required when an Employer Group Discount is to be applied to the policy.</li><li>d. <b>Certification for Eligibility of Association Group Discount</b> - this form is required when an Association Group Discount is to be applied to the policy.</li><li>e. <b>Supplemental Application for Policy Ownership</b> - this form should be completed if Owner is other than the Insured.</li><li>f. <b>Single Premium Payment Option Disclosure Statement</b> - this form must be completed when the Single Premium Payment Option is selected.</li><li>g. <b>10 Year Premium Payment Option Disclosure Statement</b> - this form must be completed when the 10 Year Premium Payment Option is selected</li></ol></li></ol>

## Issue Turnaround

On average, underwriting is complete within 30 days of the date the complete application documents are received. Difficulties getting the medical records or completing the interviews are primary causes for slower turnaround. You can speed up the processes with these tips:

### TIP #1

Tell the client that we will be conducting a telephone interview with them. Many clients are uncomfortable or decline to be interviewed if they aren't told in advance that we will call.

### TIP #2

Indicate the best time to call your client and giving us the appropriate telephone number.

## Replacement Business

Many states have regulations concerning policy replacement and some limit commissions in replacement situations. We will allow a replacement as long as the replacement is in the client's best interest, and we will routinely notify the original company of the intended replacement. We will not allow a replacement if the new policy would not provide the client with either increased benefits or lower premiums for similar benefits.

### What Constitutes a Replacement

The replacement questions on the LTCi application must be answered "Yes" in any of the following situations if, on the date of application:

- The applicant has existing in force LTCi, medical or health insurance coverage, which the applicant will not keep if we issue a policy.
- The applicant has existing in force LTCi, medical or health insurance coverage with a paid-to date that is within 65 days of the application date.
- With respect to joint coverage: 1) one applicant has no existing in force LTCi, medical or health insurance coverage with a paid-to date that is within 65 days of the application date, but the second applicant does; or 2) both applications have existing in force LTCi, medical or health insurance coverage with a paid-to date that is within 65 days of the application date.
- The applicant is applying for a new LTCi policy with NGL (internal replacement) and will not keep the original policy if the new one is issued.

In each of the above scenarios a completed Replacement Form must be submitted along with the LTCi application.

It is important to note that when an applicant has an existing LTCi policy that is not being replaced, the total Daily Benefit Amount of the existing policy and the new insurance applied for may not exceed the maximum Daily Benefit Amount allowed.

### Commission Limitations on Internal Replacements

Commissions will be paid in accordance with any applicable state regulations. However, if you replace a NGL policy, commissions will be paid as follows:

- The portion of the premium for the new policy that is less than or equal to the premium for the policy being replaced will be paid at the renewal commission rate.
- The portion of the premium for the new policy that is greater than the policy being replaced will be paid at the first-year commission rate.



## Delivery Requirements

When underwriting approval is obtained and a policy issued, all associated delivery requirements will be indicated on the Delivery Transmittal that accompanies the policy.

You have 30 days from the mailing date of the policy to deliver the policy and obtain any outstanding delivery requirements. It is important that we receive all outstanding delivery requirements on or before the Final Delivery Date indicated on the Delivery Transmittal.

If we do not receive all delivery requirements by the Final Delivery Date, the case will be closed, the premium will be refunded directly to the applicant, and the policy will be "null & void".

*This policy is intended to be federally tax-qualified. Your client should consult with their attorney, accountant, or tax advisor regarding the tax implications of purchasing this Long Term Care policy.*

# Application Preparation and Procedures

## General Instructions

- You must be licensed and appointed by NGL in the state of sale. Your license and appointment must permit you to solicit long term care insurance and you must have completed any LTC continuing education requirements of the state.
- You must comply with all relevant state regulations. We cannot accept an application that does not comply with state regulations.
- Answers to questions must be printed clearly in blue or black ink. No white out on applications is permitted. Any corrections must be crossed out and initialed by the applicant. All questions must be completed.
- Use only full names to indicate insureds, policy owners, and beneficiaries.
- The application must be dated, and the city and state of signing must be given.
- Complete the Agent's Statement in its entirety.

## State Regulation

As a result of state regulations of long term care insurance, policy forms and application materials may vary from state to state. It is extremely important to use the correct application and disclosure materials for the state in which the application is solicited. Please refer to the Application Instructions for the state of sale to determine the appropriate forms. Application forms are available on NGL's Agent Resource Center ([www.ngl-essentialltc.com/agent](http://www.ngl-essentialltc.com/agent)).

Since NGL may issue a policy specific to the state in which the application is solicited, the application should be solicited in the applicant's state of residence. If the application is taken in another state, the agent must submit a written explanation as to why the application was not submitted in the applicant's resident state. Applications may not be submitted in states other than the applicant's state of residence state for the purposes of avoiding state regulations.

Please note: State regulations in Minnesota and Texas require that residents of their state may only receive a policy specific to their state. As a result, EssentialLTC will not be available for Minnesota or Texas residents until such time as the product is approved in those applicant's respective states.

## Application

### "Applicant Information" Section

Complete the requested information for the primary applicant (if joint applicants are applying, use the older applicant of the two). If two individuals are applying for a joint policy, enter the joint applicant's information in the "Joint Applicant" section beginning on page 4.

### "Health Questions" Section

Complete the health related questions for the applicant. Information for a joint applicant should be entered in the "Joint Applicant" section beginning on page 4.

If you would like to provide additional information regarding the response to any questions pertaining to the health of the applicant, this can be noted in the "Additional Information" section of the application.

### "Additional Questions" Section

Mark the appropriate response for these additional questions relating to the applicant(s).

### "Information about Your Insurance Coverage" Section

Complete the requested information, noting any information regarding insurance coverage the applicant may already have or benefits currently being received. If applicable, this is where replacement information would be indicated.

## "Coverage Applied For" Section

Complete this section indicating the coverage being applied for. The following information must be completed:

**Facility Care Services Only or Comprehensive Coverage** - Indicate whether Facility Care Services Only or Comprehensive Coverage is being applied for. Comprehensive Coverage includes Home and Community Care Services (HCCS).

**Elimination Period** - Choose the number of days the applicant wants as a pre-selected waiting period before claim benefits are payable - 0, 30, 90 or 180 days.

**Benefit Period** - Select the Benefit Period - 2 year or 3 years.

**Daily Benefit Being Applied For** - Specify the Daily Benefit in \$10 increments, from \$50 to \$300 per day.

**Optional Coverages** - Availability of additional coverage options may vary by state. These options may include:

- Inflation Protection Riders
- Benefit Period Extension Rider
- Full Return of Premium Rider (with or without Optional Policy Surrender Rider)
- Limited Return of Premium Rider (with or without Optional Policy Surrender Rider)
- Shortened Benefit Nonforfeiture Rider
- Shared Benefit Amount Rider
- Waiver of Premium Rider
- First Day HCCS Rider

If there is more than one available selection for each rider, the client may select only one option with each rider.

## "Required Benefit Rejection" Section

Complete if the applicant(s) are rejecting either the benefit increase riders or the nonforfeiture riders. The applicant must initial the appropriate question, reaffirming that they are rejecting the rider.

## "Premium Information" Section

**Primary Applicant Rate Class** - Complete for the applicant, or if a joint policy is being requested, complete this for the older applicant.

**Joint Applicant Rate Class** - Complete for the younger applicant only if a joint policy is being requested. Be sure to complete the Joint Coverage portion of the application or a Supplemental application.

**Approved Employer/Association Group** - When applicable, indicate the Group ID Code assigned by NGL or the group name.

**Premium Payment Options** - Indicate whether a Single Pay payment, 10 Year payment, or the Lifetime payment is being applied for.

**Payment Mode** - Select the appropriate payment mode. If the application is part of a pre-approved Employer/Association Group and the payment mode is list bill, select List Billing and the appropriate payment mode.

**Paid with Application** - Enter the amount submitted with the application. Unless the List Billing method is being selected, it must be a minimum of one month's premium.

**Special Request/Requested Effective Date** - Use this area to show any special requests or to request a specific issue date (see "Policy Dating" in the "Underwriting" section of this "Guide").

### "Beneficiary Designation" Section

If applying for a joint policy with Return of Premium (ROP) benefits do not designate the joint insured as the beneficiary since the ROP benefits are paid on a second-to-die basis. If there is more than one beneficiary indicated, benefits will be divided equally unless otherwise shown. If the beneficiary will be a trust, write in the name and date of the trust (example: John and Jane Smith Living Trust, 01/01/95). Should LTC benefits be payable after the first death, those LTC benefits are paid to the surviving insured.

### "Protection Against Unintentional Lapse" Section

Indicate whether a person other than the insured will be designated to receive notice of lapse or termination of the policy for nonpayment of premium. If a person will be designated, provide the information requested.

### "Additional Information" Section

Provide additional details of any health questions that were answered "Yes" or provide additional information relevant to the application.

### "Signature" Section

Indicate the city and state where the application is taken. If it is a different state from the applicant's resident state, please submit a written statement as to why the application was not solicited in the applicant's resident state.

The applicant(s) must always sign and current date the application. We do not accept applications that are received more than 30 days after the signature date.

### "Agent Statement" Section

Complete all questions, which address your relationship with the applicant, policy replacement, and the manner in which the application was obtained. Also, confirm the Outline of Coverage, all required disclosures including the Notice of Insurance Information Practices, the Notice of Privacy Practices, and the appropriate state Shopper's Guide were provided to the applicant(s).

### Mailing Address:

Submit all necessary application documents to:

#### Overnight Address:

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

#### Regular Mail:

National Guardian Life Insurance Company (NGL)  
Attn: New Business Department  
P.O. Box 4243  
Woodland Hills, CA 91365-4243

## Guidelines for 1035 Exchanges

NGL will allow 1035 exchanges from non-qualified deferred annuities and non-qualified life policies under the guidelines listed below.

<b>1035 exchanges can occur from:</b>	<ul style="list-style-type: none"> <li>• Non-qualified deferred annuities (NGL will accept either a partial or a full exchange of the deferred annuity).</li> <li>• Non-qualified life policies (The exchange must be for the full value of the life policy. Partial exchanges are not accepted. Any outstanding loans on the life policy must be repaid prior to the 1035 exchange).</li> </ul>
<b>1035 exchanges will not be accepted from:</b>	<ul style="list-style-type: none"> <li>• Immediate Annuities, including a Single Premium Immediate Annuity (SPIA).</li> <li>• A partial withdrawal from a life policy.</li> </ul>
<b>Amounts that can be exchanged are:</b>	<ul style="list-style-type: none"> <li>• Lifetime or 10 Pay Payment Periods: The amount being exchanged must be applied towards an annual premium payment.</li> <li>• Single Pay policies: The exchange will be applied toward the single premium payment.</li> <li>• The amount being exchanged may not exceed the amount of the premium payment that is due. If the amount being exchanged is less than the premium that is due, the policy owner will be responsible for submitting the balance in order for the premium to be applied.</li> </ul>
<b>Ownership Requirements:</b>	The owner and insured of the Annuity or Life policy must match the owner and insured of the long term care policy. This applies to both individual policies and joint policies*.
<b>Outstanding Life Policy Balance Requirements:</b>	In regards to full 1035 exchanges from Life policies, any outstanding loan on the life policy must be fully repaid prior to the exchange occurring, so that no amount of the life policy's cash value is applied to satisfy any loan amount after this exchange has been requested.

\* The exchange to a joint policy may give rise to issues that could have an effect on the validity of the exchange. Please consult with a tax or investment advisor for additional information.

### Additional 1035 Exchange Guidelines for New Applications

When utilizing a 1035 exchange to pay the premium on a new long term care applicant, please note the following:

- The Request for a 1035 exchange form should be submitted once underwriting is complete, underwriting approval is received, and the appropriate premiums amounts are known.
- One month's premium should be submitted with the long term care application.
- Upon underwriting approval of the insureds, complete and submit the request for 1035 exchange form.
  - If the full annual premium is requested when the equal amount of the exchange funds has been received, we will reverse and return to the payor any funds that were originally received with the application. Such a reversal would treat the funds as if they were never in the long term care policy.
  - If the balance of the annual premium is requested when the exchange funds are received, we will combine the cash with application and the exchanged funds to apply an annual premium payment.

### Additional 1035 Exchanges for Renewal Premiums

1035 exchanges may be requested to pay premium for renewal premiums. In order to ensure that adequate time is allowed for the transferring company to direct the funds to NGL, the exchange should be initiated at least 45 days prior to the payment becoming due.

### Requesting a 1035 Exchange

To initiate the process of requesting a 1035 exchange, please complete and submit the Request for 1035 exchange form to NGL. If it is an acceptable exchange, NGL will indicate it's acceptance of the exchange and will direct the completed form and other required documents to the transferring company.

**Note:** Pursuant to California Revenue and Taxation Code section 24950.5, the provisions of the federal tax law

that make 1035 exchanges to fund LTCI nontaxable do not apply. Consult with your attorney, accountant, or tax advisor regarding the tax implications, if any, of this exchange.

*This policy is intended to be federally tax-qualified. Your client should consult with their attorney, accountant, or tax advisor regarding the tax implications of purchasing this long term care policy.*

### 1035 Exchanges Eligibility Checklist

The following checklist has been developed to assist in determining eligibility for a 1035 exchange. A "No" answer to any of the questions indicates that this would not be considered an eligible 1035 exchange into the EssentialLTC product.

	Yes	No	N/A
1. Is the 1035 exchange to come from an existing Non-Qualified Deferred Annuity or Non-Qualified Life Policy?	<input type="radio"/>	<input type="radio"/>	
2. If the 1035 exchange is coming from a life policy, is the full value (with no loans) of the life policy being exchanged?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3. For policies with either a 10 Pay or Lifetime premium payment:			
a. Is the amount of the exchange to be applied to an annual premium payment?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b. Is the amount of the exchange less than or equal to the annual premium payment that is due?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4. For policies with a Single Premium payment, is the amount of the exchange less than or equal to the amount of the single premium payment that is due?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5. Does the owner and insured of the annuity or life policy match the owner and insured of the long term care insurance policy (applies to both individual and joint policies)?	<input type="radio"/>	<input type="radio"/>	



## Agent Licensing/Appointment

### Licenses and Appointments

You must be currently licensed and appointed by NGL for long term care insurance in the state in which you are soliciting before you take an application. If you plan to do business in more than one state, familiarize yourself with the long term care appointment and continuing education requirements before soliciting applications in those states. Rules vary from state-to-state, so if you are in doubt please check that you are properly licensed and appointed in advance by either checking [www.ngl-essentialtc.com/agent](http://www.ngl-essentialtc.com/agent), emailing us at [agent.admin@ngl-essentialtc.com](mailto:agent.admin@ngl-essentialtc.com), or calling our Agent Administration Department at 888-505-2332, extension x2842.

### Solicitation Prior to Appointment

Submission of an appointment application with a LTCi application is preferable. Montana, Pennsylvania, Washington and Wisconsin, however, mandate that an Agent be appointed prior to solicitation. If you are submitting business solicited in any of those four states, please seek appointment prior to solicitation of business.

### Risk Located States

In addition to the above licensing/appointment requirements, a number of states place licensing requirements on solicitations involving an insured residing in their state, regardless of where the application is signed. The states adhering to this rule are referred to as "Risk Located States" and are listed below.

- Alaska
- Arizona
- Colorado
- Idaho
- Kansas
- Louisiana
- Maine
- New Mexico
- West Virginia

If the applicant resides in one of these states, all agents who participate in a solicitation must be licensed in the application state in addition to the state where the applicant resides.

### Long Term Care Continuing Education

Most states have additional licensing, pre-sale and continuing education requirements that must be satisfied prior to selling long term care insurance products. According to the National Association of Insurance Commissioners (NAIC) Long Term Care Insurance Model ACT (Model 640, last amended in 2009), many states require completion of long term care continuing education before applications may be solicited. You must complete a long term care continuing education prior to applying for appointment. These requirements are applicable to both resident and non-resident agents in most states. Vermont, however, has state-specific training for both resident and non-resident agents.

### Massachusetts Carrier Training

In addition to continuing education, Massachusetts law requires all agents selling long term care insurance to receive a one-time carrier product training course. NGL provides that required self-administered training to agents about its long term care insurance product, maintains records regarding agents who have satisfactorily completed such training, and files with the commissioner a list of those agents who have completed NGL's long term care insurance training program. For information on how to access NGL's Massachusetts Carrier Training Course, please contact our Agent Administration department at [agent.admin@ngl-essentialtc.com](mailto:agent.admin@ngl-essentialtc.com).

### Appointment of Sub-agents

NGL requires that you be appointed in a state before you can receive overrides on business written in that state. Please ensure you are appointed by NGL in the states where you plan to appoint sub-agents.

### Splits

We will allow up to three agent splits on a submitted application.

### Annualization and Advancing

Annualization or advancing of commissions will not be allowed. Advance commissions for the first year equivalent of paid premiums will not be allowed unless an annual premium mode is chosen and one year's worth of premium is received.

## Netting

Netting of commissions against premiums collected from applicants will not be allowed.

## Commissions

Please refer to your Commission Schedule for commission rates.

### Business Commissions

Writing-agent new business commissions are paid daily. If the policy is issued and no further premium or additional delivery requirements are due, the commission check and statement will be mailed the next business day, unless commissions are assigned. If there is a counteroffer, premium due, or outstanding delivery requirements (other than the delivery receipt), the commission check will be mailed the day after we receive all premiums and delivery requirements, unless commissions are assigned.

### Renewal Commissions

Renewal commissions are paid weekly. Checks and commission statements are mailed on Tuesday of each week.

## Guidelines for Submission and Approval of Advertising and Sales Materials

In order to ensure accuracy in the advertising and solicitation of the EssentialLTC product, National Guardian Life Insurance Company (NGL) has developed a set of guidelines to assist you in preparing advertising materials. Advertising includes any material which is designed to create public interest in NGL, its EssentialLTC product, agents or brokers. This includes, but is not limited to, consumer material designed to induce the public to purchase, modify, retain or reinstate a policy as well as agent recruiting and training materials. Please use the following information to submit your advertisement. Following the process and guidelines will help to provide a smooth, quick review and approval of your materials

### Process:

1. Please review the guidelines below and ensure the artwork follows the guidelines listed prior to submission.
2. Fill out Advertising Submission Form available on the Marketing Tools page of the EssentialLTC Agent Resource Center ( [www.ngl-essentialtc.com/agent](http://www.ngl-essentialtc.com/agent)). When you click "Submit" your email will be prompted to open a new message with the Advertising Submission Form attached. Attach a PDF of the final artwork for submission and click Send.
3. NGL's Compliance Department will:
  - assign a Form Tracking Number to your material
  - review for adherence to state regulations; and
  - as a result, may require revisions to your material.
4. Once approved, any changes in the content or stated use of the material must be resubmitted for approval.
5. Upon approval, a final copy must be emailed to [advertising@ngl-essentialtc.com](mailto:advertising@ngl-essentialtc.com) within 30 days of the approval date. **Note:** If we do not receive the final copies within this time, approval of the material will be withdrawn and any further use of the material will not be permitted.
6. In most states, long term care advertising may not be used until approval is received from the state. We will notify you by email if state filing is required. We will file the material with the state and notify you when approval is received. If changes to the advertising are required by the state, we will notify you by email, request the change(s) be made, and request a revised final version be submitted.
7. The advertising material will be approved for use for a one (1) year time period and will have an assigned expiration date. If you desire to use this material beyond the stated expiration date, it must be resubmitted for re-approval.

### Guidelines:

- All material that make any reference to National Guardian Life Insurance Company (NGL) or its long term care products must include the full company name and product form number. This is true even for material that makes indirect references or even no reference at all when the ultimate goal of the piece is the sale of NGL product. For example, reference to the product could be footnoted at the bottom of the ad as:
  - \* *Coverage provided by [XXXX], underwritten by National Guardian Life Insurance Company (NGL), Madison, WI.*
- The National Guardian Life Insurance Company (NGL) and EssentialLTC names and logos are standardized and must be used in accordance with the company's policy on corporate identity. High resolution logos for use in creating your materials are available upon request at [advertising@ngl-essentialtc.com](mailto:advertising@ngl-essentialtc.com).
- Use of National Guardian Life Insurance Company (NGL) name or logo must include the NGL disclaimer on any advertising or marketing product. All marketing materials must be submitted for approval at [advertising@ngl-essentialtc.com](mailto:advertising@ngl-essentialtc.com).

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

- Please note that depending on the state and the content of the material, a consumer ad may be considered an “invitation to inquire” or “invitation to contract” and exclusionary language or caveats may be required. The language is as follows:
  - **Invitation to Inquire:** If the advertisement is limited to a brief description of the product’s benefits and features, it is considered an “invitation to inquire” and should display the following statement:

*Product availability features and rates may vary by state. This policy may contain reductions of benefits, limitations, and exclusions. For costs and complete details of the coverage, please contact your agent, NGL, or ask to review the policy for more information.*
  - **Invitation to Contract:** If the advertisement mentions cost (premium rates), it is considered an “invitation to contract” and must include a full disclosure of the product’s limitations and exclusions.
- All “agent only” advertising, training and recruiting material must display the disclaimer FOR AGENT USE ONLY in 10-point bold capital letters. This includes, but is not limited to, recruiting ads in industry trade publications as well as any ad, mailer, or letter that is sent to agents to describe or promote the company or its products. Training materials such as scripts, PowerPoint presentations, and videos must also display this disclaimer.
- All material must identify the product as being advertised as a “Long Term Care Insurance policy” early in the piece.
- When describing policy features or benefits that are optional, please refer to them as such. In addition, do not overstate or exaggerate the value of any benefit or feature beyond what it actually provides.
- Do not use absolute, subjective terms such as “the best LTC policy available”, “the lowest rates”, “the top commissions in the industry”. Rather, describe the products, rates, commissions, etc. using terms such as “one of the best...”, “among the lowest...”, “excellent commissions” or “among the top commissions...”, to the extent such descriptions are accurate.
- If you wish to cite NGL’s financial information and ratings, please contact [advertising@ngl-essentialtc.com](mailto:advertising@ngl-essentialtc.com) for the most up-to-date information.
- Do not use terms such as “we” and “our” when referring to National Guardian Life Insurance Company (NGL) or its products. Ads should not give the impression that agents are Home Office employees of National Guardian Life Insurance Company (NGL). It must be clear that the agent or marketing organization and National Guardian Life Insurance Company (NGL) are not the same entity. Agents should use a footnote or language indicating that the agent or marketing organization is separate from NGL.

## Administrative Guidelines for Employer and Association Group Discounts

NGL's EssentialLTC allows a 5% premium discount for members of approved employer or association groups:

<b>Eligibility Requirements for an Employer or Association Group</b>	<p><b>Employer Groups:</b> Any Employer with five or more employees.</p> <p><b>Association Groups:</b></p> <ol style="list-style-type: none"><li>1. Associations, labor unions, and trade or professional organizations with 10 or more members.</li><li>2. Active existence for at least two years with a constitution and bylaws.</li><li>3. Must have been formed in good faith for purposes other than obtaining insurance.</li></ol>
<b>Examples of Unacceptable Groups</b>	<ul style="list-style-type: none"><li>• Bank depositors</li><li>• Clients of professional firms</li><li>• National or multi-state associations</li><li>• Continuing Care Retirement Communities (CCRC)</li></ul>
<b>Establishing an Employer/ Association Group</b>	<p>Prior to the submission of group business, the appropriate Application for Approval of Employer Group (NLTC-0175-E) or the Application for Approval of Association Group (NLTC-0175-A) must be submitted to the company for review and approval. The Employer or Association group representative must sign the application and no alteration of language is allowed.</p> <ul style="list-style-type: none"><li>• For Employer or Association groups that are to be offered in multiple states, the agent must be licensed and appointed with NGL in each of the states.</li><li>• NGL will review the application and request further information if needed. Approval or disapproval will be sent to the agent of record.</li></ul>
<b>Submission of Applications</b>	<p>When submitting an application that is to include an Employer/Association Group Discount:</p> <ul style="list-style-type: none"><li>• Enter the approved group name or group number where indicated in the Premium Information section of the application.</li><li>• Submit either the "Certification for Eligibility of Employer Group Discount" (NLTC-ERCERT) or the "Certification for Eligibility of Association Group Discount" (NLTC-ASCCERT) for each applicant that is requesting the group discount.</li></ul>
<b>Eligible Family Members</b>	<p>Eligible family members of Employees or Association members may also apply to receive the Employer/Association discount. Eligible family members include the employee or association member's spouse, parents, grandparents, children and siblings, as well as the parents, grandparents, children and siblings of the employee or association member's spouse.</p>

<b>Additional Employer/ Association Group Guidelines</b>	<ul style="list-style-type: none"><li>• If the Employer or Association group discount is utilized, premiums and commissions are reduced as follows:<ul style="list-style-type: none"><li>– Association Groups: 5% premium discount</li><li>– Employer Groups: 5% premium discount</li><li>– Commission reduction: Please refer to your Commission Schedule for this information.</li></ul></li><li>• Once a group is solicited and the Employer or Association Group discount is offered to it's employees or members no individual members of the group may be solicited for coverage at the premium rates which are offered to the general public.</li><li>• If we become aware that a agent other than the agent of record for the group has submitted an application that requests the group, we may:<ul style="list-style-type: none"><li>– allow the group discount for the client.</li><li>– reduce the payable commissions;</li><li>– notify the agent of record;</li><li>– split the writing agent commission with the agent of record 50/50, unless they mutually agree to a different split of the total available commission.</li><li>– The writing agent may not submit any additional applications from the same group without prior approval in writing from the agent of record.</li></ul></li><li>• For all groups, at least one application must be submitted within one year of the group approval date or the group may lose its approved status and the agent will no longer hold agent of record status. A new group application must then be submitted to re-establish the group.</li></ul>
<b>Billing Methods</b>	<p>We can provide a list bill for employer groups with at least three policies on the list billing. If there are fewer than three policies on list billing mode, we will not offer or continue a list bill for the employer group.</p> <p>If the individual application is for list bill, submit it COD and select "List Billing" as the Payment Mode on the application.</p> <p>We can also bill individuals via our normal billing methods (annual, semi-annual, quarterly, or monthly bank withdrawal).</p>

**Ohio Requirement:** In order to apply the Employer or Association Group Discount to policies in the state of Ohio, a minimum of 2 issued employee or association members lives is required. Once this requirement is met, the Employer or Association group discount can be applied to eligible employees, retirees, or association members, including eligible family members.



## 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 (EPHI)** – 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 NGL 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 NGL at 888-505-2332.
- 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 policy may be directed to the Security Officer or Privacy Officer at 888-505-2332.



## Contact Information

### How to Contact Us:

Phone:	888-505-2332
Fax:	888-887-4595
New Business/Policy related questions:	status@ngl-essentialtc.com
Agent Administration	agent.admin@ngl-essentialtc.com
Advertising	advertising@ngl-essentialtc.com
Hours:	7:00 a.m. to 5:00 p.m., Monday-Friday (Pacific Time)

### Mailing Address:

National Guardian Life Insurance Company (NGL)  
Long Term Care Administrative Office  
P.O. Box 4243  
Woodland Hills, CA 91365-4243

### Shipping:

National Guardian Life Insurance Company (NGL)  
Long Term Care Administrative Office  
21600 Oxnard St. Suite 1500  
Woodland Hills, CA 91367

### Website:

Product site:	<a href="http://www.ngl-essentialtc.com">www.ngl-essentialtc.com</a>
Agent Resource Center:	<a href="http://www.ngl-essentialtc.com/agent">www.ngl-essentialtc.com/agent</a>

Our secure Agent-only site provides access information that includes:

- Policy status
- State specific application forms and policy specimens
- Underwriting guidelines
- Policy illustrations



**National Guardian Life Insurance Company (NGL)**

21600 Oxnard Street, Suite 1500  
Woodland Hills, CA 91367

[www.ngl-essentialtc.com](http://www.ngl-essentialtc.com)

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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