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EssentialLTC - Partnership Exchange Mailings in 7 states

With the recent Partnership policy approval in select states, we are happy to announce that the exchange of eligible National Guardian Life (NGL) EssentialLTC policies is scheduled to occur in the following seven states:

Iowa	New Hampshire	Rhode Island	Wisconsin
Kansas	Oklahoma	Texas	

Exchanges of eligible EssentialLTC policies in these states are scheduled to begin October 17, 2018.

Eligibility for Automatic Exchange to a Partnership Policy

To be considered eligible for an automatic exchange to a Partnership policy, the inforce EssentialLTC Long Term Care insurance policy would need to meet all of the following LTC Partnership eligibility requirements:

- active policy issued and inforce that had been issued as a non-Partnership policy, the insured(s) currently reside within the contract state, and;
- minimum inflation protection requirements are met according to the insured's (or insureds') age at the time of exchange*
 - Age 75 or younger, an inflation protection option was selected
 - Age 76 to 79 – no inflation protection is required

**Note: Under a joint policy, the inflation protection requirement for a Partnership-Qualified policy is based upon the age of the younger insured.*

All eligible policies issued as non-Partnership in each of the seven states will be automatically exchanged for a Partnership qualified policy. Eligible insureds will receive a letter informing them their policy is now Partnership qualified, along with a revised Policy Schedule Page and a Partnership Disclosure Statement. The writing agent will also receive a copy of the exchange letter.

Ineligible Offer Notification Mailing

Each of the seven states require that policies issued as non-Partnership where the insured(s) maintain same state residency but whose policy does not contain the necessary inflation protection, must be offered the opportunity to apply to have inflation protection added to their policy.

As a result, EssentialLTC policyholders who did not purchase the inflation protection required for Partnership eligibility will receive an Ineligible Notification Letter which informs that if they are interested in obtaining a Partnership policy, they must apply for the Inflation Protection Rider appropriate for their age. Policyholders who are interested in doing so may then complete and return the Partnership Request Letter included in the mailing to learn about the cost of purchasing the Inflation Protection Rider at their attained nearest age.

Policyholders who express interest in adding inflation protection will be provided additional information regarding the request, including premium quotes. After learning the estimated cost of purchasing the Inflation Protection Rider, policyholders who decide to apply for this rider will be provided an NGL EssentialLTC application and HIPAA Release Form to complete and return to the NGL EssentialLTC Administrative Office, where they would be underwritten for approval of the Inflation Protection Rider.

The NGL EssentialLTC Administrative Office will handle the Inflation Protection Rider application process directly with the policyholder without involving the original writing agent.

Items of Note:

- The addition of an Inflation Protection Rider is based upon the attained nearest age of the insured. For a joint policy, it is based upon the attained nearest age of the older insured.
- Medical underwriting/underwriting approval is required to add the desired Inflation Protection Rider.
- Policies paid with a 10-Year Premium Payment Option will start their 10-year premium payment period again, but will receive a non-refundable premium credit for the additional premium amount they paid for the 10-year premium payment period plan on their original policy.

The original writing agent will also receive a copy of the exchange letter and correspondence with their insured(s).