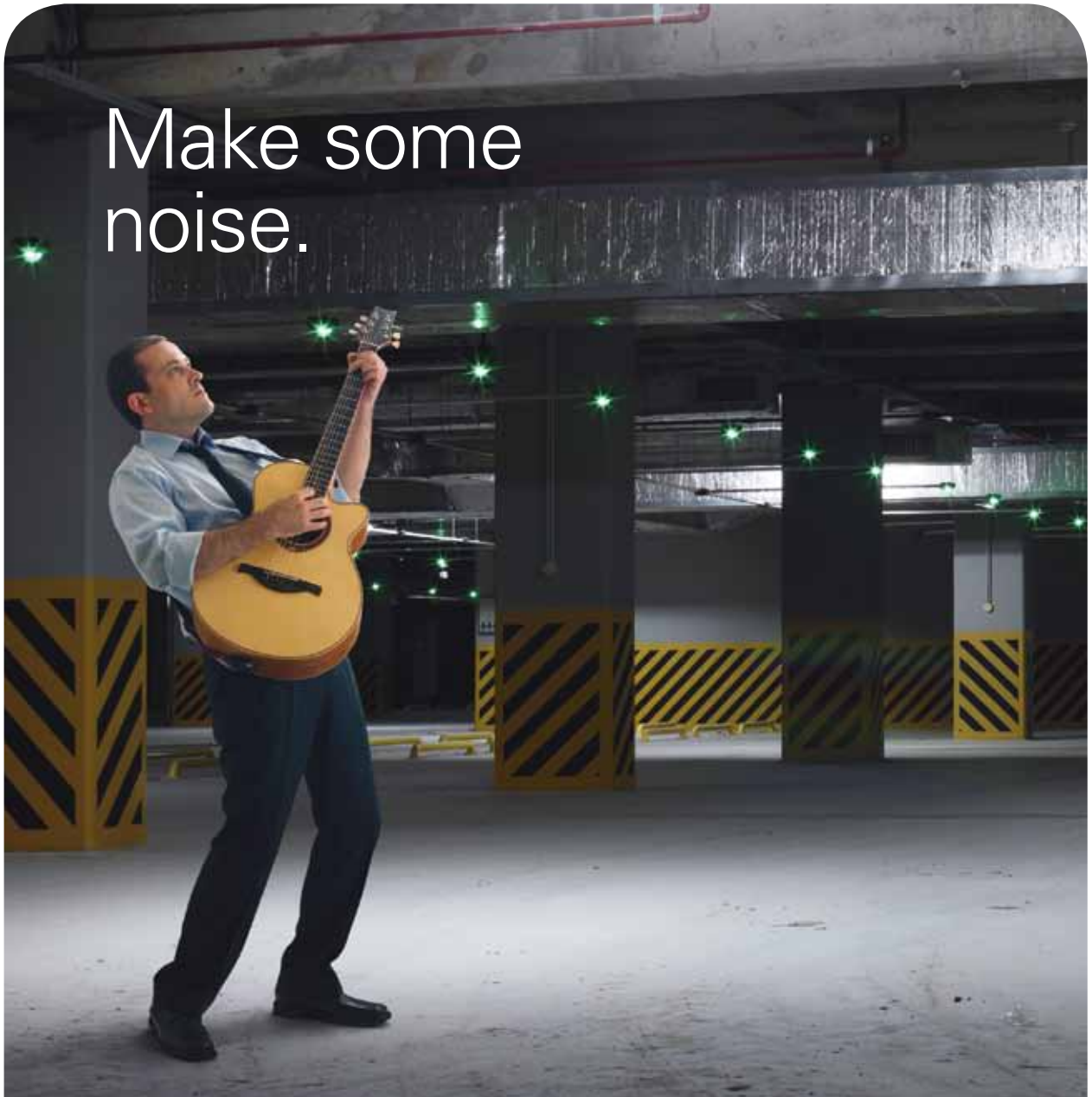


Make some  
noise.



**American  
General**  
Life Companies

## **The need is great. And so is the opportunity.**

**Fact:** Of 100 individuals turning 65 years old, 69 will have a need for long term care services in their lifetimes.<sup>1</sup>

**Fact:** 40 percent of people receiving long term care services are between the ages of 18 and 64.<sup>2</sup>

**Fact:** In 2008, the average monthly cost for care in a nursing home was \$6,357.<sup>3</sup>

**Fact:** 65-year-olds will require an average three years of long term care over their lifetime.<sup>3</sup>

**Fact:** Contrary to popular belief, Medicare provides only limited coverage for long term care.

**Fact:** Medicaid only provides coverage after clients have depleted most of their financial assets.

**Fact:** Less than 10 percent of those age 50 and older own a long term care insurance policy.<sup>4</sup>

## **It all adds up to an extraordinary opportunity to serve your clients and expand your business.**

1 Kemper, Peter, Harriet L. Komisar, Lisa Alecxih, "Long-Term Care Over an Uncertain Future: What Can Current Retirees Expect?" *Inquiry Journal* 42 (Winter 2005/2006): 335-350.

2 American's Health Insurance Plans, "AHIP Guide to Long Term Care Insurance," [www.ahip.org](http://www.ahip.org).

3 U.S. Department of Health and Human Services, National Clearinghouse for Long Term Care Information, [www.longtermcare.gov](http://www.longtermcare.gov). Monthly home care calculation based on 2008 national average hourly rate of \$29 and 17 hours of care per week for 4 weeks per National Claimant Study. Monthly nursing home calculation based on 2008 national average daily rate of \$209 for 365 days divided by 12 months.

4 Alecxih, Lisa, "A Dozen Long Term Care Myths and their Implications for Medicaid Reform," Presentation to the Medicaid Commission, May 18, 2006.

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## **Long Term Care: Facing the Music**

**As a financial professional, you have built a career on recognizing and protecting your clients against financial risk. Now, you can help your clients understand how an extended need for care could threaten their financial security and – more importantly – jeopardize their ability to receive the care they deserve.**

**Position your clients to address their long term care needs with dignity and confidence with American General LTC Insurance.**

## American General LTC — Not Your Classic Long Term Care Insurance

To meet this important financial need, American General Life Insurance Company (American General Life) is proud to introduce a long term care insurance policy created to help preserve your clients' hard-earned assets and something even more important — their independence.

**What sets American General LTC apart from the crowd? It's all about the "Three Ps" — Product, Process and Payment.**

### Product

American General LTC offers a base of valuable features included with every policy, plus optional benefits that let you tailor coverage to each client's unique needs.

- **Lifetime maximum dollar benefit.** With the maximum lifetime dollar benefit, you and your clients have a clearer understanding of how much risk is being covered and the amount of assets that are being protected by insurance. Similar to life insurance, your clients know the exact amount of their potential benefits.
- **Monthly maximums.** American General LTC provides monthly — *not daily* — maximum benefits, giving clients more flexibility to schedule the care they need over the course of a month without worrying about whether they're exceeding a daily benefit limit that would require them to pay a daily overage out of their own pocket.
- **Choice of cash or reimbursement.** The Home and Community Care Benefit and the Facility Care Benefit reimburse 100 percent of the monthly maximum benefit for covered home health care, assisted living or nursing home expenses. With American General LTC's built-in Flexible Care Benefit, clients who qualify to receive benefits can choose to receive monthly cash equal to 40 percent of the monthly maximum. This cash benefit can be used to pay for care not otherwise covered under the policy, such as care provided by a family member.

This producer guide offers a wealth of information about American General LTC. However, since features vary by state, be sure to review the Outline of Coverage for each state where you do business. Outlines of Coverage are easily accessible via Forms Depot on eStation, our award-winning producer Website, at <http://eStation.aglife.com>.

■ **Benefits that help clients stay at home.**

Most clients want to continue living at home as long as possible, and American General LTC offers three benefits that help them do just that. The Home and Community Care Benefit covers services like home health aides, while the Flexible Care Benefit gives clients the option of receiving cash to pay for expenses not otherwise covered by the policy, such as care from a family member. A Stay at Home Support Benefit covers respite care, hospice care, medical equipment, caregiver training and home modifications.

■ **Extra benefits for spouses and partners.**

The optional Shared Care Benefit Rider creates a separate fund—equal to the lifetime benefit—which can be used by either spouse or partner after their own individual benefits have been exhausted.

■ **Inflation protection.** American General LTC offers inflation riders that guarantee policy benefits grow by 3 percent or 5 percent compounded each year—for life. In addition to the traditional level premium option (our Standard Option), clients choosing inflation protection can also select from two other innovative options to pay for this rider:

- A lower initial premium that increases annually over the life of the contract
- A lower initial premium that increases annually before leveling out at age 65

■ **Calendar day elimination period.** To decide when the elimination period ends and benefits begin, some policies only count days on which care is actually received. *There is a better way.* With American General LTC, once the elimination period “clock” starts ticking, every day counts—whether your client receives covered services or not.

■ **And more.** These benefits are just the beginning of what American General LTC has to offer. Browse the rest of this guide to learn about the many other features that set American General LTC apart from the pack. Specific details on product benefits and options, and on building a policy for your client are available in the Building the Policy section.

## Process

American General Life's streamlined, electronic application process—LTC LaunchPad—frees you from red tape and lets you focus on your clients' needs—instead of piles of paper.

LTC LaunchPad lets you seamlessly move from illustrating the product using eConnections to presenting your client with online documents they can sign electronically. No more worrying if you remembered all the forms. LaunchPad takes care of that for you. Curious about the status of the application? You can track the status 24 hours a day on our producer Website. It's that simple.

Of course, you also always have the option to submit business using the traditional application process.

## Payment

With the popularity of credit card reward programs, many clients prefer to pay with plastic. American General LTC lets them do just that—premiums can be paid using American Express®, MasterCard® or Visa®.

Clients can also pay via automatic draft from their bank account or through direct billing. Clients have the option of paying monthly, quarterly, semi-annually or annually (direct billing not available on a monthly basis).

In addition to the many payment options for your clients, we also have an innovative commission option for you. Commissions will default to a "heaped" structure, meaning the bulk of your commission is paid in the first year with smaller renewals after that. Of course, you can always choose to receive the traditional, "non-heaped" commission structure, which pays a lower first-year commission and larger renewals. (Please note that commission structures may be subject to state variations and the business practice of your Independent Marketing Organization or Managing General Agency.)

### ABOUT AMERICAN GENERAL LIFE

American General Life was founded in 1926 and has been protecting the lives and dreams of American families ever since. You can be confident that no one will work harder for you and your clients. To view our financial strength ratings, visit [www.americangeneral.com/ratings](http://www.americangeneral.com/ratings).

## **Recording a Hit Starts with Knowing Your Audience**

**American General LTC offers exceptional value. Making the most of it starts with understanding your target audience — the group of people who find it most appealing and who are more likely to take action on your recommendations.**

### **Receptive Audience: 40 to 75.**

As you work to uncover client needs, long term care insurance should always be a consideration for those between 40 and 75 years old. At these ages, people are more likely to have contemplated their potential need for care. Indeed, many will have helped parents with these needs, or will have friends who've received long term care.

## The “Sweet Spot”: 50 to 65.

Between 50 and 65, many favorable conditions converge:

- During this time, clients often become empty nesters and begin thinking more about retirement than about caring for their children.
- Clients, many of them on the threshold of retirement, realize how long term care expenses could jeopardize their plans for a comfortable and independent lifestyle.
- Clients may be caring for a family member themselves, heightening their appreciation for the value a long term care insurance policy can offer.
- Some in this age group may be part of the “sandwich generation,” caring for children and parents at the same time.
- Premiums, generally, are still very affordable—and clients are often reaching their peak career incomes, increasing their ability to purchase the protection they need.
- Clients may be contemplating the legacy they’ll leave to future generations and worried about their assets being depleted by long term care expenses.
- While old enough to appreciate the importance of long term care planning, clients are often still healthy enough to qualify for coverage at attractive terms.

Three overlapping vinyl records are shown on the right side of the page. The top record has a yellow label with the text "Issue Ages: 21 to 84". The middle record has an orange label with the text "Receptive Audience: 40 to 75". The bottom record has a red label with the text "Sweet Spot: 50 to 65".

**Issue Ages:**  
**21 to 84**

**Receptive  
Audience:**  
**40 to 75**

**“Sweet Spot”:**  
**50 to 65**

## American General LTC Suitability

While it's an important financial planning tool, long term care insurance isn't right for everyone. It's designed to give clients the ability to receive the care they deserve without depleting the assets they've built over a lifetime. However, if a client doesn't have significant assets and adequate income, long term care insurance may not be appropriate.

After all, a client with few assets has little to protect, and may qualify for Medicaid benefits. Additionally, you'll want to confirm that your client has sufficient income to pay premiums. The National Association of Insurance Commissioners (NAIC) recommends that long term care insurance premiums should account for no more than 7 percent of a client's income.

**American General Life has established income and asset guidelines that make it easy for producers to quickly assess client suitability.**

<b>American General LTC Financial Suitability Guidelines</b>		
<b>Applicants</b>	<b>Annual Income</b>	<b>Assets</b>
<b>One Applicant</b>	<b>\$16,000 or higher</b>	<b>\$30,000 or higher</b>
<b>Spouse or Domestic Partner</b>	<b>\$30,000 or higher</b>	<b>\$50,000 or higher</b>

If clients don't meet these minimum guidelines, American General Life is likely to decline the application as an unsuitable purchase. Of course, other circumstances also influence suitability, such as:

- The client's needs
- Benefits that have been selected, including lifetime and monthly maximums, inflation choices and optional riders
- Actual cost of care where client lives
- Who is paying the premium (client, a child, a trust, etc.)
- The source of premiums (current income, savings, etc.)
- The client's living arrangements
- The client's ability to fund care during the elimination period
- The client's ability to continue premium payments if their financial circumstances change

As part of the application process, clients will complete a personal worksheet that helps determine financial suitability. If your client refuses to provide this information, or if they do not meet the suitability guidelines, we'll contact them to discuss the importance of suitability and confirm their intention to proceed.

## American General LTC: Building a Policy

**American General LTC lets you combine a base of standard features with a variety of optional benefits, creating a protection package that meets the unique needs – and budget – of each client.**

Building the right policy for your client is a two-step process. **First, build the base policy by selecting:**

- A lifetime maximum benefit
- A monthly maximum benefit
- An elimination period

**Then, customize the coverage with optional benefits.** American General LTC has a wide variety of optional features. Later in this section, we'll review each of them in detail.

### **Building the Base Policy**

Choosing base policy features creates the foundation on which the rest of the policy is built. With American General LTC, that foundation is built by selecting a lifetime maximum benefit, a monthly maximum benefit and an elimination period.

**Lifetime maximum benefit.** This is the total amount of lifetime benefits payable under the policy. If your client selects an inflation protection rider, this lifetime maximum will grow annually at the rate associated with that rider.

The *lifetime* maximum benefit sets American General LTC apart from many competing policies because it's easy to understand exactly what amount of assets you are protecting.

**Monthly maximum benefit.** This is the total amount of monthly benefits payable under the policy for the Facility Care Benefit and Community Care Benefit. Like the lifetime maximum, it also increases over time if your client selects an inflation protection rider.

Some policies apply a daily maximum, which can add an extra layer of complexity to scheduling care—for example, forcing clients to avoid having two home health visits on the same day if doing so would put them over their daily limit. With American General LTC’s monthly maximum benefit, your clients will have far more flexibility to schedule the care they need over the course of a month.

**Elimination period.** This is the amount of time a policy holder must wait to receive benefits after they’ve become eligible for them. Think of it as a one-time deductible that’s expressed in time rather than dollars—the longer the elimination period, the lower the premium.

American General LTC takes a client-friendly approach to the elimination period. Some other policies only count days in which long term care services were actually received. With American General LTC, once the policy holder is determined to be chronically ill, the elimination period “clock” starts ticking for every day the client is chronically ill—there’s no need to have received services for a day to count.

To better understand the difference, let’s look at an example: Amy owns an American General LTC policy with a 90-day elimination period. She is diagnosed as being chronically ill on January 1 and notifies American General Life.

A home health aide provides care for her, but only twice a week. Her elimination period will end on March 31—90 days after she contacted American General Life.

Had Amy bought a policy that only counts days on which services are actually received, it would take **315 calendar days**—45 weeks at two days a week—to reach the end of the elimination period. American General LTC’s approach not only makes it easier for your clients to begin receiving benefits, it’s also easier to understand. Even better, your clients don’t have to incur expenses for the elimination period “clock” to start ticking, and it only has to be satisfied once in your client’s lifetime.

American General LTC offers 30-, 90-, 180- and 365-day elimination periods (options may vary by state). The elimination period starts when the policy holder contacts American General Life, unless the client:

- Can establish that they weren’t able to perform two activities of daily living for up to 90 days before calling, or
- Suffered a severe cognitive impairment for up to 365 days before contacting us.

The elimination period applies to these benefits:

- Facility Care Benefit
- Flexible Care Benefit
- Home and Community Care Benefit (unless the client purchases the Waiver of Elimination Period for Home and Community Care Benefits)

There is no elimination period for the Stay at Home Support Benefit.

## Choosing the Right Benefits

When choosing a lifetime maximum, monthly maximum and elimination period, consider:

**Local cost of care.** Review the cost of care information for your state at [AmericanGeneralLTC.com](http://AmericanGeneralLTC.com) or in the eConnections illustration system.

**Affordability.** Discuss your client's budget and help them determine how much they can dedicate to a long term care insurance program.

**Client assets.** Do your clients have the capacity to pay for a significant portion of their long term care needs, or do they need a more comprehensive solution that offers fuller protection?

**Emergency cash.** Consider your client's ability to pay for their own benefits during the elimination period. Do they have a sufficient emergency fund and/or access to adequate credit at attractive terms?

## Allowable combinations.

Allowable Monthly Maximum and Lifetime Maximum Benefit Combinations							
Monthly Maximum Benefit	Lifetime Maximum Benefit*						
	\$100,000	\$250,000	\$400,000	\$500,000	\$600,000	\$750,000	\$1,000,000
\$2,000	■	■					
\$3,000	■	■	■	■			
\$4,000	■	■	■	■	■		
\$5,000		■	■	■	■	■	
\$6,000		■	■	■	■	■	■
\$7,000		■	■	■	■	■	■
\$8,000		■	■	■	■	■	■
\$9,000		■	■	■	■	■	■
\$10,000		■	■	■	■	■	■
\$11,000			■	■	■	■	■
\$12,000			■	■	■	■	■

\* The lifetime benefit maximum is capped at \$250,000 if issue age is 80 years or older.

## A Strong Foundation: Understanding Base Policy Features

American General LTC comes with many attractive features that are built into the policy—with no additional cost. Let’s take a look at these benefits to see how they create value for your clients.

**Home and Community Care Benefit.** This benefit covers home health care, including care provided by visiting nurses and home health aides. It also covers physical, respiratory, occupational and speech therapy, medical social services, and care received in an adult day care center.

**Note:** If your client selects the optional Waiver of Elimination Period for Home and Community Care Benefit Rider, the elimination period will not apply to these benefits.

**Facility Care Benefit.** This pays for covered expenses incurred while confined to an assisted living community or nursing home, including:

- Room and board
- Therapy
- Patient supplies
- Bed reservation, which lets clients keep a bed in the facility for up to 30 days per calendar year if they’re absent for reasons other than being discharged

### Look what’s on the chart.

Here’s a summary of the key highlights and details of American General LTC.

	Home and Community Care Benefit	Facility Care Benefit	Flexible Care Benefit (cash option)	Stay at Home Support Benefit
<b>Lifetime Maximum Benefit</b> Choice of: \$100,000; \$250,000; \$400,000; \$500,000; \$600,000; \$750,000; \$1 million	Covered up to a monthly and lifetime maximum.	Covered up to a monthly and lifetime maximum.	40% of your monthly benefit up to your lifetime maximum paid monthly in lieu of the Home and Community Care and Facility Care Benefits.  You can receive Flexible Care and Stay at Home Benefits simultaneously.	10% of your lifetime maximum benefit for: <ul style="list-style-type: none"> <li>• Caregiver Training</li> <li>• Home Modifications</li> <li>• Durable Medical Equipment</li> <li>• Respite Care</li> <li>• Hospice Care</li> </ul> Can be paid with other benefits.
<b>Monthly Maximum Benefit</b> \$2,000 - \$12,000 in \$1,000 increments				
<b>Elimination Period</b> Calendar days Need only satisfy once	30, 90, 180 or 365 days  or waive elimination period by purchasing rider			Not subject to an elimination period.

**Important Note:** All benefits payable are subject to the terms and conditions of the policy, including benefit durations, limitations and exclusions. Not all benefits and exclusions apply in every state. Please consult the policy form and Outline of Coverage for details.

### **Flexible Care Benefit (Cash Option).**

Clients can choose to receive a cash benefit instead of a reimbursement benefit. This cash can be spent however clients choose, giving them greater flexibility to pay for the type of care they prefer, including informal care provided by an immediate family member. There's no need to receive covered services—clients only need to stay in compliance with their written plan of care.

The flexibility doesn't stop there. As their needs change, policy holders can switch between the cash option and Home and Community Care/Facility Care Benefit. (Of course, they cannot receive both benefits simultaneously.)

The monthly cash benefit is 40 percent of the monthly maximum subject to the lifetime maximum benefit.

**Stay at Home Support Benefit.** Clients can use up to 10 percent of their lifetime maximum benefit for:

- Caregiver training: Training for an informal caregiver, such as a family member or friend
- Home modifications: Labor, equipment and supplies used to modify your home so you can live in it safely
- Durable medical equipment: Equipment that makes it easier to perform activities of daily living
- Respite care: Temporary relief for a primary caregiver, such as a spouse, family member or friend
- Hospice care: Care given to the terminally ill that emphasizes pain relief and comfort

The elimination period does not apply to the Stay at Home Support Benefit.

Remember that if your clients purchase inflation protection, the Stay At Home Support Benefit increases annually. For example, let's say your client purchases an American General LTC policy with a \$500,000 lifetime maximum and 5 percent compound inflation protection. Their Stay At Home Support Benefit would be \$50,000 on day one. By the end of year 10, however, the Stay At Home Support Benefit would have grown to \$77,566.

**Care Coordination.** A knowledgeable care coordinator will review the client's situation and develop a plan of care that meets their needs. Care coordinators:

- Assess the policy holder's personal needs on an ongoing basis
- Work with the policy holder to determine the specific services that are needed
- Develop a plan of care and revise it as needs change
- Help the policy holder arrange care

Care coordination is provided without charge to the client and doesn't consume any of their monthly or lifetime maximum benefits. The elimination period does not apply. (Clients aren't required to use care coordination, but they must have an approved plan of care to receive benefits.)

**Waiver of Premium.** Premiums are waived while you're receiving benefits—except for the Stay at Home Support Benefit. (American General LTC also has an optional rider that provides the opportunity to have premiums waived for the policy holder and his or her spouse or partner while either of them is receiving benefits. See page 17.)

**International Benefit.** The policy holder can receive cash benefits for up to two years while living outside the United States, its territories, possessions and Canada. International benefits are equal to 40 percent of the policy's monthly maximum.

**Future Care Benefit.** Because there's no way to predict what types of long term care will be available in the future, this feature gives American General Life the ability to add benefits for providers, services or treatments that aren't currently covered in the policy but may be available in the future.

## Customizing Coverage with Optional Benefits

In addition to its competitive standard features, American General LTC also offers a variety of optional benefits that lets you tailor coverage to your client's needs.

**Riders to protect against inflation.** Long term care insurance should play a crucial role in your client's financial plan. Without the proper safeguards, its strength can be undermined by inflation—the gradual decrease in the purchasing power of a dollar.

American General LTC lets clients protect their benefits from inflation with automatic inflation protection. Clients can choose to have their benefits increase at a rate of 3 percent or 5 percent compounded annually—an increase that will continue for the life of the policy.

Options not available in all states. See the Outline of Coverage specific to your state for details.

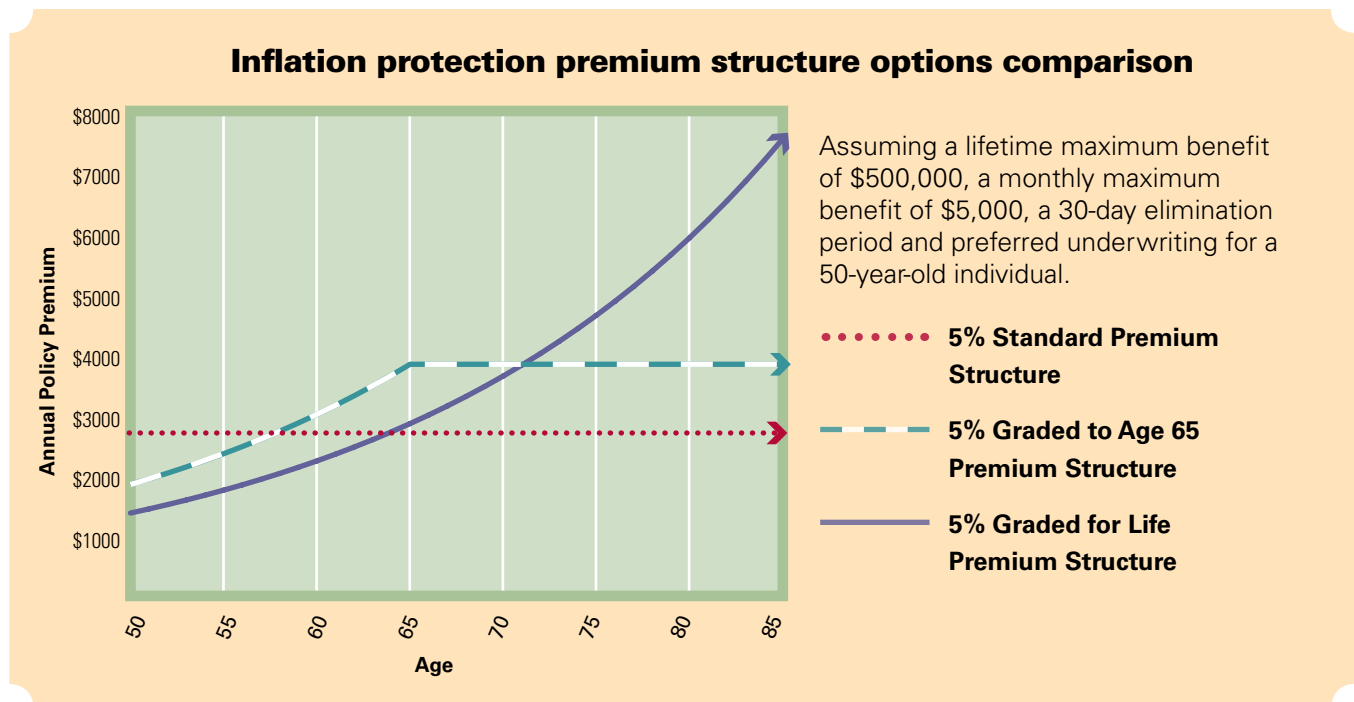
First Choose Your Inflation Factor	Then Select Your Premium Structure
3%	Standard Graded Premium to Age 65 Graded Premium for Life
5%	Standard Graded Premium to Age 65 Graded Premium for Life

**Premium options to fit any client.** When it comes to budgeting for insurance expenses, different clients have different needs. American General LTC lets you accommodate those varying needs with three inflation protection payment options:

The **Standard Option** keeps the premium consistent over time.\* This option is best for those who expect their income to remain level and those who want the greatest stability in their budgeted expenses.

The **Graded Premium to Age 65 Option** lets clients start with a lower entry premium than the Standard Option. Depending on the inflation option selected, the premium will increase by 3 percent or 5 percent annually just like the benefits. The premiums level off at age 65, but benefits continue to increase for the life of the policy. It's an ideal option for those who expect their other financial obligations to decrease or who anticipate having more resources to draw on in the future.

The **Graded Premium for Life Option** lets clients start with the lowest possible premium, which then increases along with benefits by 3 percent or 5 percent for the life of the policy. It's best for those who face an especially tight budget today, but who expect to have greater financial flexibility in the years ahead.



\* Premiums will not increase due to a change in policy holder's age or health, but American General Life can change premiums on a premium class basis, only if we change premiums for all similar policies issued in the same state and on the same policy form. Policy is guaranteed renewable.

## CASE STUDY — DAVE AND ANNIE'S STORY

Dave and his wife Annie each purchased an American General LTC policy 10 years ago—a time when their budget was stretched thin. They had two children in college and were saving all they could to make up for a late start in planning for retirement.

They recognized the importance of inflation protection and—with limited resources—they preferred a premium that started lower and increased each year along with their benefits. Their financial professional recommended American General LTC's Graded Premium to Age 65 Option with a 5 percent inflation factor.

They each purchased \$250,000 in lifetime protection. Today, their maximum benefit has grown to over \$400,000. And, with their children no longer depending on them, they're managing the increasing premium quite comfortably.

Not an actual case study; presented for illustrative purposes only.

### Optional Benefits for Spouses and Partners

Many clients are married or have a domestic partner. American General LTC offers three optional benefits designed to specifically meet their needs.

**Shared Care Benefit Rider.** The Shared Care Benefit Rider creates a separate fund, called the Shared Care Lifetime Maximum, that's accessible to either spouse or partner after they've exhausted their own lifetime maximum. This extra pool is equal to the lifetime maximum of the policies. (When opting for Shared Care, each insured must choose and maintain identical coverage on their individual policies.)

The Shared Care Benefit Rider sets American General LTC apart from many other long term care insurance plans. After a spouse with long term care needs exhausts their benefits, many competing policies only provide the option of taking benefits from the healthy spouse's pool of benefits. This approach could leave the currently healthy spouse with little or no future benefits. With American General LTC's Shared Care Benefit, the healthy spouse's benefits would remain untouched.

### Joint Waiver of Premium Rider.

With this feature, once one spouse or partner begins receiving benefits under the policy, the premium for the other spouse's policy is waived as long as the first spouse continues receiving benefits.

As a reminder, when your client is receiving policy benefits, a standard policy feature waives the premium on their policy. The Joint Waiver of Premium rider is a way of extending that benefit to a spouse's or partner's policy.

**Joint Survivor Benefit Rider.** The death of a spouse or partner can often create financial hardship for the survivor, whether it's from a loss of pension benefits or from the added expense that's required to replace the "household labor" performed by the deceased.

The Joint Survivor Benefit rider helps ease that financial strain by waiving premiums for surviving spouses and partners for the rest of their lives, provided the policies have been in force for 10 years and no benefits have yet been paid. In effect, upon the death of one spouse or partner, the survivor owns a "paid-up" policy for life.

## Other Optional Benefits

**Nonforfeiture Benefit Rider.** This feature provides continued coverage on a reduced basis if the policy terminates due to non-payment of premiums after the third policy anniversary. In this circumstance, the insured can receive benefits up to the “Shortened Benefit Allowance,” which is the greater of:

- 100% of premiums paid (excluding any waived premiums)
- The monthly maximum in effect when the policy lapsed

**Paid-up Premium Rider.** This gives clients the ability to stop paying premiums after they’ve reached age 65 or have owned the policy for 10 years—whichever comes later.

**Restoration of Benefits Rider.** Provided your client has not completely exhausted their lifetime maximum benefit, this option fully restores the lifetime maximum benefit, if—after a claim is filed—your client recovers and needs no care for 180 days. Provided they meet the requirements each time, there’s no limit to the number of times benefits can be restored.

## Return of Premium at Death Benefit Rider.

This rider is an excellent option for clients who fear their premiums will be wasted if they never use the policy. The Return of Premium at Death Benefit Rider pays the beneficiary a benefit equal to all the premiums paid over the life of the policy—including riders—minus the value of any claims paid. This rider is not available for clients over age 64.

## Waiver of Elimination Period for Home and Community Care Benefits Rider.

Just as its name implies, this feature waives the elimination period for home and community care, effectively creating “first-dollar” coverage for these services.

## Available Discounts

American General LTC offers couples a 30 percent discount if each spouse or partner is issued a policy and a 15 percent discount just for having a spouse or partner. The 15 percent discount also applies if both spouses or partners apply, but only one qualifies.

In addition, we offer a 10 percent preferred health discount to clients who qualify for our preferred underwriting class.

## Rider Combinations and Other Limitations

American General LTC offers a remarkable array of optional features. As you build protection packages for your clients, keep in mind the following limits.

The **Graded Premium Inflation Options** and **Paid-up Premium Rider** cannot be purchased together.

The **Paid-up Premium Rider** cannot be sold with the **Joint Survivor Benefit Rider** after issue age 55.


**Joint Waiver of Premium, Joint Survivor Benefit** and **Shared Care Benefit Riders** are only available if your clients qualify for the spousal discount.

**These riders are only available at original issue and can't be added later:**

- 3% or 5% Compound for Life Funded with Graded Premium Increases to Age 65 Option
- 3% or 5% Compound for Life Funded with Graded Premium Increases for Life Option
- Return of Premium at Death Benefit Rider
- Paid-up Premium Rider
- Nonforfeiture Benefit Rider

**These riders can be added after issue subject to underwriting:**

- Shared Care Benefit Rider (both policies, however, must have identical benefit levels and inflation anniversaries)
- Restoration of Benefits Rider
- 3% or 5% Compound for Life with Standard Premium Option
- Waiver of Elimination Period for Home and Community Care Benefits Rider
- Joint Waiver of Premium Rider
- Joint Survivor Benefit Rider



Now your clients  
can pick the options  
they want.

## Exclusions and Limitations

Like most insurance policies, American General LTC has exclusions – conditions under which payment will be reduced or not made at all. There are also limits to coverage when the insured has other insurance in effect. (Exclusions vary, so remember to review the Outline of Coverage specific to your state before discussing them with clients.)

**Exclusions.** American General LTC will not pay benefits for any room and board, care, treatment, services, equipment, or other items for:

- Care or services provided by your client's family unless
  - He or she is a regular employee of an organization that is providing the treatment, service or care, and the organization receives the payment for the treatment, service or care
  - The policy holder is compensating the family member through proceeds from the Flexible Care Benefit
- Care or services for which no charge is normally made in the absence of insurance
- Care or services provided outside the United States of America, its territories and possessions, and Canada, except as provided for under the International Benefit
- Care or services that result from an attempt at suicide (while sane or insane) or an intentionally self-inflicted injury
- Care or services that result from war or any act of war (whether declared or undeclared)
- Treatment provided in a government facility (unless otherwise required by law); or services for which benefits are available under Medicare or other governmental program (except Medicaid)
- Services received while the policy is not in force

**Other Insurance.** American General LTC won't pay benefits for services payable by Medicare, including amounts that would be reimbursable but for the application of a deductible or coinsurance amount.

American General LTC will pay the difference between the actual expense and the benefits payable by Medicare, Medicaid or private insurance—but payment won't be greater than what we'd paid if the other insurance didn't exist. If Medicare, Medicaid or private insurance denies payment to a policy holder for a service that we cover, we will pay the benefit as outlined in the policy.

A care coordinator can assist the policy holder in identifying other insurance benefits to which they are entitled that can be applied to meet actual expenses.

**No Pre-existing Conditions Exclusion.** We will not reduce or deny any claim under the policy because of a sickness or physical or medical condition disclosed on the application.

## Selected Policy Variations by State

Product specifications such as benefit minimums and maximums, elimination periods and rider availability for American General LTC vary by state. All benefits payable are subject to the terms of the policy. You should consult the policy form and Outline of Coverage for details.

### California

Nonforfeiture Benefit Rider provides continued coverage on a reduced basis if the policy terminates due to non-payment of premiums after the tenth policy anniversary. In this circumstance, the insured can receive the greater of:

- 100% of premiums paid (excluding any waived premiums) or
- Three times the monthly maximum in effect when the policy lapsed

### Idaho

The following Automatic Inflation Protection Riders are only available for Partnership policies for applicants older than age 76:

- 3% Compound for Life
- 3% Compound for Life Funded with Graded Premium Increases
- 3% Compound for Life Funded with Graded Premium Increases to Age 65

### Indiana, Iowa, Maryland and New Mexico

The following Automatic Inflation Protection Riders are not available:

- 5% Compound for Life Funded with Graded Premium Increases
- 3% Compound for Life Funded with Graded Premium Increases
- 5% Compound for Life Funded with Graded Premium Increases to Age 65
- 3% Compound for Life Funded with Graded Premium Increases to Age 65

### Minnesota and Wisconsin

- 30-, 90-, and 180-day elimination period only

### New Jersey and Washington

- Joint Survivor Benefit Rider is not available

### Montana

Household members qualify for all spouse and partner benefits. Household member discount replaces spouse or partner discount at the following rates:

- 20% discount if two or more qualifying members of a household are issued a policy
- 10% discount just for having a qualifying household member, or if both apply, but only one qualifies

Household member is defined as a spouse, a domestic partner who is legally recognized, or a family member who is age 21 or older and has resided in the same household continuously for at least one year prior to the date of application.

### **Connecticut and Kansas**

- 30- and 90-day elimination period only **North Carolina and Tennessee**

The following Automatic Inflation Protection Riders are not available:

- 5% Compound for Life Funded with Graded Premium Increases
- 3% Compound for Life Funded with Graded Premium Increases

### **Pennsylvania**

- Joint Survivor Benefit Rider is not available
- The following Automatic Inflation Protection Riders are not available:
  - 5% Compound for Life Funded with Graded Premium Increases
  - 3% Compound for Life Funded with Graded Premium Increases

### **South Dakota**

- 30- and 90-day elimination period only
- Monthly maximum benefit options start at \$4,000 and go up to \$12,000, in \$1,000 increments

### **Texas**

- The following Automatic Inflation Protection Riders are not available:
  - 3% Compound for Life
  - 3% Compound for Life Funded with Graded Premium Increases
  - 3% Compound for Life Funded with Graded Premium Increases to Age 65
- The Paid-up Premium Rider allows the policy holder to discontinue paying premiums after the later of:
  - The first anniversary of the policy effective date following policy holder's 65th birthday, or
  - The eleventh anniversary of the policy effective date
- Return of Premium at Death Benefit Rider is called "Refund of Premium at Death Benefit Rider"

### **Florida, Massachusetts, New York and Vermont**

- Product not approved at the time of this printing



## Applying for American General LTC: Easy on You, Easy on Your Clients

## Looking for a Simple Way to Apply for LTC Insurance Online?

An application process built around the needs of producers and their clients? Your wait is over.

No more carrying pounds of paperwork to client presentations or wondering which forms are required in which state or realizing with embarrassment that your client just signed the wrong application.

Once you've closed the sale, things only get easier with our innovative and streamlined process—LTC LaunchPad.

### LTC LaunchPad

Say goodbye to red tape and hello to LTC LaunchPad, an innovative Web-based tool that uses the Internet to create a simplified and streamlined process. Here's what you do:

- **Illustrate American General LTC with eConnections Web.** Bring the product to life with customized proposals on a system that makes it easy to change features, compare alternatives and choose from a variety of useful reports that make client presentations more compelling. If you create your client's illustration in eConnections Desktop version but want to later submit using the LaunchPad process, you can export the illustration to eConnections Web. Both versions of eConnections are available on our producer Website — <http://eStation.aglife.com>
- **Begin the submission process.** After reviewing the illustration and finalizing benefit choices, just answer some additional questions—about your clients, their overall health and preferred method of payment for the initial premium—and LTC LaunchPad will automatically populate the required forms.  
**Note:** Clients are required to submit payment via bank draft or credit card to complete the LaunchPad process.

■ **Ready to sign.** To submit the forms package, you and your clients need to confirm the accuracy of the information by signing the forms. You have three ways to sign, including the ability to sign electronically (eSign):

**1. eSign face to face.** If you and your clients are together, you will be taken through the quick and easy eSign process.

**2. eSign remotely.** If your clients are not present, you have the option to e-mail the forms package to your client for their eSignature.

**3. Print and sign.** LaunchPad provides you with a package of forms for each client that's ready for signature. Print and sign the forms, then hand the forms package to your client for his or her signatures. Fax the signed package to 1-888-443-5824, or mail it to:

American General  
Long Term Care Administration  
P.O. Box 64889  
St. Paul, Minnesota 55164-0889

■ **Relax — your part is done!** If they chose to eSign remotely, your clients will receive an e-mail within 15 minutes directing them to a secure Website where they can eSign all the necessary forms (including the credit card or bank draft authorization) and review other required documents. You'll be notified when the clients have eSigned the forms—or if they did not eSign them within seven days.

■ **Explain the next steps to your client.** After submitting the forms, clients will receive a phone call from a registered nurse with Nation's Care Link. The nurse will conduct a health interview on behalf of American General Life to gather information required to complete the application and begin the underwriting process.

Pretty simple, isn't it? You didn't have to select a single form—the system did it all for you. And it doesn't stop there. Within two to three days of the client eSigning the forms, you'll be able to start monitoring the status of the application on our producer Website — <http://eStation.aglife.com>.

■ **Policy delivery.** Once the policy is approved, a new issue kit—including the insured's contract and the completed application—will be mailed to your office. Review the completed application for accuracy, sign and obtain your client's signature. Then return the signed application to American General Life using the provided envelope. Commissions are payable once all pending requirements are completed and returned.

### **PREFER PAPER?**

We're convinced LTC LaunchPad is a much simpler route for you and your clients, and we're confident you'll agree once you've taken it for a spin.

That said, if you need to submit a paper application, you do have that option. You can order printed paper application packets through Forms Depot on the producer Website at <http://eStation.aglife.com>, or download and print the packet yourself.

### **Here's the "Paper Process":**

1. Illustrate American General LTC with eConnections or third-party software that includes its rates (for example, Stratecision and VitalLTC).
2. Follow the instructions on the application packet to determine which forms to complete and submit.
3. Complete forms and obtain client signatures.
4. Complete an application cover sheet. Fax the cover sheet and forms to 1-888-443-5824 or mail them to:  
American General  
Long Term Care Administration  
P.O. Box 64889  
St. Paul, Minnesota 55164-0889

The status of the application will be available on the producer Website 48 hours after it's received.

### **Application Forms**

There are a number of forms that must be submitted with your client's long term care insurance application. Some forms are always required and others depend on the situation. Printed application packets for each

state are available through Forms Depot, our online forms ordering database available on our producer Website. The required and supplemental forms are listed below.

### **Forms required to be submitted with every application:**

- Application Cover Sheet (provided in application packets and by LaunchPad) (AGLC103378)
- Application for Long Term Care Insurance (AGLC102851)
- HIPAA Authorization (AGLC100633)
- Long Term Care Personal Worksheet (AGLC102987)

### **Forms required to be presented to client at time of application:**

- Outline of Coverage (08014)
- Health Information Privacy Notice (AGLC100605)
- Notice to Proposed Insured (AGLC102339)
- Things You Should Know Before You Buy Long Term Care Insurance (AGLC102989)
- Potential Rate Increase Disclosure (08013)
- NAIC Long Term Care Insurance Shopper's Guide (AGLC103931)

### **Supplemental Forms**

- Credit Card Authorization (AGLC103050)
- Bank Draft Authorization (AGLC103049)
- Replacement Notice (AGLC102988)
- Some states may require additional or state-specific forms; refer to Forms Depot for a complete list of forms required by each state

## Out-of-state Applications

If an application is submitted from a state other than the one where the client currently resides, the following requirements must be met.

1. A SITUS Verification form (AGLC103280) must be submitted along with the application if the state of residence differs from the state of application. The SITUS Verification form is used to identify the reason the application was signed outside of the state of residence and to notify the applicant of the potential consequences of doing so.
2. The producer must be licensed to sell long term care insurance in the state of application (solicitation) as well as the state of issue.
3. The product must be approved in the state of application and issue.
4. The application form must be from the state where the policy was solicited.
5. Policy delivery must occur in the state where the policy was solicited.

It is important to note that issuing policies outside the state of residence can affect your client's ability to participate in state Long Term Care Partnership Programs. Where available, these programs offer certain benefits to residents who purchase qualifying long term care insurance policies. Generally, they allow people who have exhausted their insurance benefits to retain a certain amount of assets and still qualify for Medicaid.

## Payment Methods

American General LTC provides clients with extraordinary flexibility in paying their premiums. They can pay:

- **By credit card.** American Express®, MasterCard® or Visa®—clients can use any one of them. It's a great way to combine the convenience of an automatic charge

with the potential to earn points if your client has a "rewards" credit card.

- **By automatic bank draft.** Clients can pay premiums with an automatic draft from a checking or savings account, eliminating the need for stamps and the worry about mailing it in on time.
- **By check.** The direct billing option allows clients to pay by mailing a personal check.

Clients can pay premiums on a monthly, quarterly, semi-annual or annual basis (direct billing is not available on a monthly basis). They'll pay the lowest total premium by choosing annual.

### Modal Factors:

Semi-annual	.52
Quarterly	.265
Monthly	.09

## Saving Age – and Premium – Automatically

If you want to lower your client's premium by "preserving" his or her age before a recent birthday, we've got you covered.

For premium purposes, American General Life generally uses the client's age at their last birthday. However, American General LTC has a built-in, 60-day window that automatically saves age and premium for your clients. If your client's birthday was within 60 days of the date the application was signed, we'll calculate their premium using their age before that birthday.

Like so many other aspects of American General LTC, it's an approach that provides value to clients and makes things easy for you. You don't have to do anything other than submit the application. Unlike many competing policies, there's no backdating and—better yet—no back-paying of premiums.

# American General LTC Underwriting

While American General Life underwriters make the final determination of a client's eligibility for coverage and whether they qualify for a preferred rate, it's helpful for producers to understand some of the basic guidelines that influence those decisions.

## **The Underwriting Process**

Understanding the underwriting requirements and process will help you set expectations for your client.

## **Assessing Insurability**

Want to make a quick assessment of a client's likelihood of qualifying for coverage? Just review the following three questions. In most cases, clients are disqualified if the answer to any of them is "yes."

### **1. In the past 24 months, has your client used or been advised by a healthcare professional to use any of the following?**

- Home health care
- Adult day care services, or care in a nursing home, assisted living facility, or any other long term care facility
- A walker, wheelchair, quad cane, motorized scooter, hospital bed, oxygen or kidney dialysis

### **2. In the past 24 months, has your client required human assistance with, or supervision of, 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

## Underwriting Process for Individual Applicants

Criteria	Application	Prescription Profile	Telephonic Health Interview	Face-to-Face Assessment	Medical Records <sup>1</sup>	Minnesota Cognitive Acuity Screen (MCAS)
<b>Individual Applicants</b>						
<b>Age 59 and Younger</b>	Yes – Full	Yes	Yes		For Cause*	For Cause*
<b>Age 60 – 69</b>	Yes – Full	Yes	Yes		Yes	Yes – Telephonically
<b>Age 70 and over</b>	Yes – Full	Yes		Yes	Yes	Yes – Face-to-Face
<b>Hearing Impaired<sup>2</sup></b>						
<b>Age 59 and Younger</b>	Yes – Full	Yes			Yes	For Cause*
<b>Age 60 – 69</b>	Yes – Full	Yes		Yes	Yes	Yes – Face-to-Face
<b>Age 70 and over</b>	Yes – Full	Yes		Yes	Yes	Yes – Face-to-Face
<b>Non-English Speaking<sup>2</sup></b>						
<b>Age 59 and Younger</b>	Yes – Full	Yes			Yes <sup>3</sup>	For Cause*
<b>Age 60 – 69</b>	Yes – Full	Yes			Yes <sup>3</sup>	Yes – Telephonically <sup>4</sup>
<b>Age 70 and over</b>	Yes – Full	Yes		Yes <sup>5</sup>	Yes	Yes – Face-to-Face <sup>5</sup>

\* This requirement is not automatically needed, but it may be ordered by an underwriter based on information received from other sources.

<sup>1</sup> Medical records are ordered if an applicant has had a physical examination within the past 24 months. If the applicant has not had a complete physical examination within the past 24 months, they will be required to get a physical examination including routine blood work from their primary care physician, at their own expense, before completing the application. American General Life will request the medical records from the physician when the application is received.

<sup>2</sup> Non-English speaking and hearing-impaired applicants are not eligible for LTC LaunchPad processing.

<sup>3</sup> Medical records will be required on all non-English speaking applicants age 69 and younger on individual applications.

<sup>4</sup> A cognitive screen will be ordered on non-English speaking applicants ages 60–69 after review of medical records. This will be completed telephonically with an interpreter.

<sup>5</sup> The Face-to-Face Assessment WITH cognitive screen will be ordered for non-English speaking applicants age 70 and older after a review of their medical records. This will be completed with an interpreter.

### 3. Has your client ever been diagnosed by a healthcare professional as having any of the following?

- Acquired Immune Deficiency Syndrome (AIDS), AIDS Related Complex (ARC), or positive HIV test
- Alzheimer’s disease
- Amyotrophic Lateral Sclerosis (ALS/Lou Gehrig’s disease)
- Cirrhosis of the liver
- Cystic Fibrosis
- Dementia
- Diabetes with stroke or TIA
- Frequent or persistent forgetfulness or memory loss
- Huntington’s Chorea
- Hydrocephalus
- Mental retardation
- Metastatic cancer (cancer that has spread from its original site)

- Mild Cognitive Impairment (MCI)
- More than one TIA or stroke
- Multiple Sclerosis (MS)
- Muscular Dystrophy
- Myasthenia Gravis, generalized
- Organic Brain Syndrome
- Parkinson’s disease
- Schizophrenia or other forms of psychosis
- Senility

If clients feel they’ve fully recovered from a listed condition or no longer require any of the listed services, they can include, with their application, an explanation of the conditions and/or the services used as well as the time frames when those conditions or needs began and ended.

**Preferred underwriting factors.** You want your client to get the best rate possible. Review the following questions; if your client can answer “yes” to each one, your client will likely qualify for a preferred rate.

- Does your client’s height and weight fall into the preferred range of the build guidelines? (Please refer to our Underwriting At-a-Glance Guide for height and weight tables.)
- Has your client refrained from all forms of tobacco use for three years?
- Does your client maintain an active lifestyle?
- Has your client consulted with their primary care physician in the past 24 months?
- Is your client’s blood pressure controlled to a level of 135/85 or better on average?
- Is your client free of any of these conditions?
  - Any cardiac disease other than well-controlled hypertension (high blood pressure)
  - Diabetes
  - Leukemia or blood disorders other than compensated anemia
  - Rheumatoid arthritis or degenerative arthritis treated with prescription medications
  - Hodgkin’s disease or lymphoma
  - Osteoporosis
  - Transient ischemic attack
  - Circulatory disease, carotid artery disease or peripheral vascular disease

- Neurological disorders
- Mental illness including depression treated with prescription medications
- Cancer other than basal cell carcinoma
- Chronic pulmonary disease excluding symptoms related to seasonal allergies
- The use of multiple prescription medications (four or more) excluding birth control, hormone replacement, thyroid and allergy medications
- Does your client have any surgeries or tests planned or recommended that have not been completed?

**Additional underwriting resources.** We’ve created two tools to help you fully understand our underwriting guidelines:

- **American General LTC Underwriting At-a-Glance Guide** is available to order or download on Forms Depot (AGLC102939)
- **American General LTC Field Underwriting Guide** is available on the producer Website (<http://eStation.aglife.com>) as a searchable, downloadable PDF file (AGLC103905)

## Tax-qualified Protection

American General LTC is a tax-qualified policy. Because of that, your clients may potentially enjoy two important benefits:

- **Tax-free benefits.** Generally speaking, there's no federal income tax on benefits received from a qualified long term care policy, which means every dollar received is a dollar that can be used to manage expenses.\*
- **Tax deductions.** If their total medical expenses for the year—including long term care costs and premiums—exceed 7.5 percent of their adjusted gross income, your clients may be able to deduct a portion of their premium. This means that—on an after-tax basis—their actual out-of-pocket cost of insurance may end up lower than the premium they pay.

The following table shows the amount of premium that qualifies for the long term care insurance deduction, depending on your client's age. These amounts are adjusted each year to reflect inflation.

Age of Insured at End of Tax Year	2010 Eligible Premium Deduction
40 and under	\$330
41–50	\$620
51–60	\$1,230
61–70	\$3,290
71 and over	\$4,110

For additional information about the tax treatment of long term care insurance, see the American General LTC Tax Laws Overview (AGLC102938) available through Forms Depot on our producer Website at <http://eStation.aglife.com>. For specific tax guidance, please consult a tax advisor.

## Long Term Care Partnership Programs

Being a tax-qualified policy also qualifies American General LTC to participate in state partnership programs. More and more states are encouraging individuals to purchase insurance for their long term care needs. For a list of states where American General LTC qualifies as a state partnership plan, please visit our producer Website at <http://eStation.aglife.com>.

\* Based on current federal income tax law.

## Claiming Benefits

As with many forms of insurance, your clients probably buy long term care coverage hoping they never need it. But in case they do, it's important that they're familiar with the process for claiming their benefits.

**The claims process.** Encourage your clients to contact American General Life as soon as they think they're eligible for benefits. Notification is especially important because of the role it plays in starting the elimination period "clock." Also, the earlier we're notified, the sooner we can begin reviewing their claim and paying benefits if the claim is approved.

After we're notified, we'll send claims forms to your client. In addition to the form itself, we'll also collect other information that will help us determine if your client is eligible for benefits. For example, we may:

- Arrange an assessment that is performed at no cost to the client
- Contact the client's doctor and other health care providers
- Review the client's medical records

### Eligibility for Benefits

American General LTC benefits are payable when American General Life has determined your client meets all of the following conditions:

- The client is chronically ill
- A licensed health care practitioner has certified the client is chronically ill
- A long term care service, if applicable, is covered under the policy and is provided pursuant to a written plan of care
- Coverage is in force when the care is received

- The client has satisfied the applicable elimination period (remember that there is no elimination period for the Stay At Home Support Benefit nor is there an elimination period for Home and Community Care Benefit if the Waiver of Elimination Period Rider is purchased)
- The client hasn't exhausted limits on the specific benefits claimed or the lifetime maximum
- The client meets any additional requirements for the specific benefits being claimed

**Clients are considered chronically ill if they:**

- Require substantial supervision to protect their health and safety due to a severe cognitive impairment (a loss of intellectual capacity due to Alzheimer's or other forms of irreversible dementia), or
- Are unable to perform at least two activities of daily living for a period that's expected to last at least 90 consecutive days.

**There are six activities of daily living:**

- Bathing
- Dressing
- Toileting
- Transferring (moving into or out of a bed, chair or wheelchair)
- Continence (the ability to maintain control of bowel and bladder functions)
- Eating

**If the client is chronically ill due to a severe cognitive impairment, their need for substantial supervision must be such that:**

- They cannot continue to operate a motor vehicle
- They require assistance to take medication
- They are not left alone for substantial portions of the day, and
- If they are a resident in a nursing home or assisted living facility, they are not able to leave that facility without competent adult supervision

**Care Coordination**

If we confirm your client is eligible for benefits, we'll arrange for a plan of care to be developed by a licensed health care practitioner or care coordination provider chosen by us. A plan of care describes a client's specific long term care needs, including:

- The type of care needed
- How often it's needed
- Which providers can best meet those needs
- The costs, if any, of the needed long term care services

**Benefit Payment Options**

Generally speaking, benefits are paid directly to the client. At the client's request, we can pay benefits directly to a nursing home, assisted living facility, hospice care facility or home health agency. (The care provider must also agree to this arrangement.) As benefits are paid, your client will receive an explanation of benefits that shows the unused balance of the policy's lifetime maximum benefit.

## Marketing Support and Tools

American General Life knows that each financial professional takes a different approach to presenting a solution and making a convincing recommendation. That's why we've created a flexible marketing system that will spark your client's interest and enthusiasm, while helping you provide them with the best solution to meet their needs.

All of these guides are available to order or download on our producer Website at <http://eStation.aglife.com>. Select "LTC" from the Products menu on our producer Website to explore all of the resources available to you.

### Consumer Materials

American General Life offers a variety of consumer pieces that makes it easy to educate clients about their long term care insurance needs, explain how American General LTC can meet those needs—and close the sale.

#### ■ **American General LTC Client Guide.**

Use this high-level, easy-to-understand overview to introduce the product to a client, or as a "leave-behind" they can review on their own after your initial discussion. Designed to reinforce key sales points, it touches on the most important features of the product.

#### ■ **American General LTC Product**

**At-a-Glance.** Show your clients how to build a policy that's perfectly tailored to their specific needs. This brochure helps clients understand how to combine the policy's basic benefits with coverage choices and optional riders to get the best package for their needs.

### ■ **American General LTC Inflation Protection**

**Guide.** This brochure explains how inflation protection works and why it's such a valuable policy feature. It also explains American General LTC's innovative premium structure options for those who select an inflation protection rider.

### ■ **American General LTC Underwriting**

**Process.** Want your clients to have a clear understanding of the long term care underwriting process? This easy-reading guide can do that while also helping you manage their expectations.

## **Producer Materials**

American General Life understands that every time a client asks a question, your credibility is on the line. These guides put the answers at your fingertips.

### ■ **American General LTC Producer Guide.**

This producer guide you're reading is intended to introduce you to the benefits and features of American General LTC and to demonstrate the ways we make it easy for you to do business with us. Be sure to check out "LTC LaunchPad" starting on page 24, and the section entitled "Not your Classic Long Term Care Insurance" on page 3 that points out stand-out features you'll want to discuss with your clients.

■ **Underwriting At-a-Glance Guide.** This abbreviated guide helps you answer common questions about the underwriting process. It contains height and weight tables, a list of uninsurable situations and conditions, and guidelines to help you pre-screen for preferred versus standard rating status.

### ■ **Make a Fast Start with LTC LaunchPad.**

This brochure explains our simple and streamlined electronic submission process and everything you need to know to start using LTC LaunchPad today.

### ■ **American General LTC Tax Laws Overview.**

This guide explains how benefits and premiums are treated from a federal income tax perspective—for both individuals and businesses. It's a useful resource you can share with your client's tax advisors, and includes specific references to the Internal Revenue Code so tax professionals can easily go straight to the source.

### ■ **State-specific Outlines of Coverage.**

An Outline of Coverage is available for each state that has approved American General LTC for sale. The Outline of Coverage details the product benefits, riders, and exclusions and limitations.

## **Illustrating American General LTC**

We offer three ways to provide American General LTC quotes to your clients:

■ **eConnections Web.** American General Life's proprietary system, eConnections, isn't just a great way to create professional proposals. It's also the first step in using the LTC LaunchPad submission process. To see a sample eConnections proposal, visit our producer Website. To register for eConnections, visit <https://eConnections.aglife.com> and click "Haven't registered?"

■ **eConnections Desktop.** If you need to run an illustration somewhere that does not have an Internet connection, you can use the desktop version of eConnections. Later, if you want to use the LaunchPad process to submit, you can export the desktop illustration to eConnections Web, and you're on your way. Download eConnections Desktop from our producer Website at <http://eStation.aglife.com>.

### ■ **Standalone Web-based Quoting Tool.**

Agents not currently appointed with American General Life or not registered for eConnections can use our standalone Web-based quoting tool. Access it at [www.LetsTalkAGLTC.com](http://www.LetsTalkAGLTC.com) with password "GETAQUOTE".

In addition to these American General Life tools, rates are also available through third-party software providers, such as Stratecision and VitalLTC. Keep in mind, however, that in order to use the automated LTC LaunchPad process, you must submit your business through eConnections Web.

## **Producer Website**

You'll find a wealth of information at our producer Website, <http://eStation.aglife.com>, including:

### **Marketing**

- Information about marketing material and forms and a link to the ordering site
- A link to the eConnections illustration system

### **Product Information**

- State approval information
- Information about state product variations
- Product and industry training

### **New Business**

- A tool that lets you track the status of pending business
- State-specific new business requirements

### **Training**

- Training tools such as Brainsharks and webinars

### **Underwriting**

- A searchable and comprehensive field underwriting guide and other underwriting tools

### **In Force**

- Look up details of policies you've sold

### **Licensing and Contracting**

- Information about continuing education requirements

## Frequently Asked Questions

### What are American General LTC's most attractive features?

- A lifetime maximum benefit that's expressed in dollars rather than months—making it more clear how much financial protection is being purchased
- Monthly—not daily—maximum benefits that give your clients more flexibility to schedule the care they need
- A standard Flexible Care Benefit that provides a cash benefit so policy holders can pay for care not otherwise covered under the policy, such as care from a family member
- An elimination period that:
  - Only has to be satisfied once in a lifetime
  - Uses calendar days rather than “service days”—which can help clients receive benefits faster
- Innovative premium structures for inflation protection riders
- An optional “shared care” rider that gives spouses and partners a third pool of policy benefits to tap
- The ability to pay premiums with credit cards, including American Express®, MasterCard® and Visa®.
- Care coordination benefits—at no additional cost—that help clients find the right kind of care for their needs
- A variety of riders to meet the wants and needs of each client

**What's the most efficient way to submit business?**

Create your proposals using eConnections, and then submit your business through LTC LaunchPad. You won't have to worry about which forms you need, and the submission process is entirely electronic. Within two to three days, you'll be able to start monitoring the status of the application online.

**How is underwriting for long term care insurance different from life insurance underwriting?**

Life insurance underwriters review a person's medical history to ascertain the likelihood of death in the near future (mortality). In contrast, long term care insurance underwriters review medical history to determine whether a person is already chronically ill, cognitively impaired or likely to become so in the near future (morbidity).

**What are American General LTC's commission options?**

The default option is a "heaped" approach that offers more commission in the first year and less in subsequent years. However, if you'd prefer a lower initial premium and higher renewals, you can opt out of the "heaped" approach. (Please note that commission structures may be subject to state variations and the policy of your Insurance Marketing Organization or Managing General Agency.)

**Does American General LTC qualify for federal income tax benefits?**

Yes. Refer to the American General LTC Tax Laws Overview (AGLC102938) for more information about those benefits.

**How valuable are inflation protection riders?**

Very valuable. Without them, your client's benefits will gradually erode, exposing them to greater out-of-pocket expense. For example, consider a policy with a \$5,000 monthly benefit. After 15 years, if the cost of long term care services grows at 5 percent a year, the benefit's buying power would shrink to just \$2,316 in today's dollars. In addition, to qualify for state partnership plan benefits, many states require that long term care policies include an inflation protection feature.

**Can a client reduce benefits after they've purchased the policy?**

Yes, clients can reduce their lifetime and/or monthly maximum benefits to an amount that's offered by us. The premium will be based on the client's age at policy issue, using the current premium table at the time of the reduction.

**Can clients increase their benefits or add riders after the policy is issued?**

Subject to underwriting, clients can request to increase their lifetime and/or monthly maximum benefits. Some riders can only be purchased when the policy is issued. Others can be added after issue, subject to underwriting (see page 19 for details). When clients are unsure about which benefits to include, remind them that once the policy is issued, it's much easier to reduce benefits than to add them.

**Without submitting an application, is there an easy way to get a rough idea of whether a client will qualify for coverage or preferred rates?**

Yes. See page 28 for questions that help you understand the basic approach used for underwriting American General LTC.

**Who can I call for more help with American General LTC?**

Contact your Independent Marketing Organization or Managing General Agency.







Policies issued by:

**American General Life Insurance Company**

2727-A Allen Parkway, Houston, Texas 77019

American General Long Term Care Insurance Policy Form Number 08000

Automatic Inflation Protection – Compound for Life Rider Form Number 08002

Automatic Inflation Protection –

Compound for Life Funded With Age Graded Premiums Rider Form Number 08003

Automatic Inflation Protection –

Compound for Life With Age Graded Premiums to Age 65 Rider Form Number 08004

Joint Survivor Benefit Rider Form Number 08005

Joint Waiver of Premium Rider Form Number 08006

Nonforfeiture Benefit – Shortened Benefit Period Rider Form Number 08007

Paid-Up Premium Rider Form Number 08008

Restoration of Benefits Rider Form Number 08009

Return of Premium at Death Benefit Rider Form Number 08010

Shared Care Benefit Rider Form Number 08011

Waiver of Elimination Period for Home and Community Care Benefit Rider Form Number 08012

The underwriting risks, financial and contractual obligations, and support functions associated with the products issued by American General Life Insurance Company (AGL) are its responsibility. AGL does not solicit business in the state of New York. Policies and riders not available in all states. Guarantees are subject to the claims-paying ability of the issuing insurance company. These product specifications are not intended to be all-inclusive of product information. State variations may apply. Please refer to the policy and riders for complete details.

**Important Note:** All benefits payable are subject to the terms and conditions of the policy, including benefit durations, limitations and exclusions. Not all benefits and exclusions are covered in every state. Please consult the policy form and outline of coverage for details. There may be a charge for each rider selected. See the rider for details regarding the benefit descriptions, limitations and exclusions. Comprehensive medical coverage may be required in some states in order to apply for or maintain the policy.

American General Life Companies, [www.americangeneral.com](http://www.americangeneral.com), is the marketing name for the insurance companies and affiliates comprising the domestic life operations of American International Group, Inc., including AGL.

Prior to soliciting business, be certain that you are appropriately licensed and appointed with the insurer and that the product has been approved for sale by the insurer in that state. If uncertain, contact your American General Life Companies representative for assistance.

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