

Multi-Life Programs Marketing Guide

Maximizing your
sales opportunities with



LTC3SM

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Prudential Long-Term Care can create BIG sales

At a time when concerns about skyrocketing health care costs and uninsured risks continue to dominate the news, the reasons why employers and organizations should consider sponsoring a long-term care insurance program are more compelling than ever.

Long-term care insurance can help covered individuals manage the significant financial risks that long-term care can impose. When an employer or organization chooses to be the sponsor of a multi-life plan, there can be additional benefits as well.

- **For civic groups, trade associations and other organizations, potential benefits include:**
 - > An enhanced benefits program for its customers/members
 - > Affiliation Program (AP) coverage discounts
- **For employers of all sizes, potential benefits include:**
 - > An enhanced benefits program to help attract, retain and reward employees
 - > Employer Sponsored Program (ESP) coverage discounts
 - > Increased productivity for employees who become caregivers for covered family members
 - > Potential tax benefits if the employer chooses to contribute to premiums

Additionally, employer groups covering 7 or more lives (excluding Spouses/Partners) may be eligible for Simplified Underwriting.

Insurance Multi-Life Programs opportunities for you

It's easy to get started...

Simply spend a few minutes looking over the 5 sections that follow. You'll learn how a Prudential Long-Term Care Insurance Multi-Life Program can help you increase your sales, and why:

Now is the right time

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This is the right program

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Assessing Sales

There is no shortage of prospects

There are no minimum participation requirements for Affiliation cases of any size, and employer groups can consist of as few as 2 lives. This gives you tremendous flexibility in selling Prudential Long-Term Care Insurance Multi-Life Programs to a broad cross-section of organizations.

✓ Desirable characteristics for employer groups

For a successful enrollment, look for companies that exhibit some of these characteristics:

Employer

- Stable workforce (low turnover rates)
- High concentration of highly compensated employees
- Employees with long tenure or an affinity to the employer (e.g., a family-owned business)
- Successful with other Voluntary programs
- Willing to contribute toward the premium (full or partial funding)
- Willingness to support enrollment and provide access to employees

To ensure success, employers must completely support, endorse, and be prepared to help implement the program in all these ways:

- Offer access to employees via seminars, e-mails and one-on-one meetings
- Help to distribute program materials
- Support enrollment strategies
- Assign a single point of contact (e.g., a Human Resource representative)
- Have the ability to support the List Billing option, if selected

Employees

- Loyalty to the company
- Higher educated
- Average age over 40
- Average annual income of over \$40,000

List Billing Requirements:

- > Minimum of 7 lives required (Spouses/Partners can be included in this count)
- > Monthly billing mode required
- > Employer must create census and reconciliation files in “.xls” or “.csv” formats

Opportunities

✓ Desirable characteristics for affiliation groups

The association or organization may consist of any size group established for a purpose other than the purchase of insurance. Examples include employees, members of an association or organization, or clients of an organization. This includes but is not limited to:

- Professional organizations
 - > Physicians
 - > Accountants
 - > Lawyers
 - > Other Professions
- Labor Unions
- Credit Unions
- Trade Associations
- Condominium Associations
- Chamber of Commerce Members
- Environmental Groups
- Houses of Worship
- Homeowners Associations
- Book Clubs
- Rotary Club Members

Why Target Affiliations?

- > Reach a large number of potential clients at once
- > Great source of internal referrals
- > Provides a continuous source of leads; new members are always joining and any new member can become a client

✓ Your existing clients may be your best Multi-Life prospects

Building on your existing relationships is a great way to develop support for a Multi-Life Discount Program. Long-term care insurance offers competitive cross-selling opportunities and few businesses currently offer long-term care insurance. Meeting with some of your existing clients to discuss the importance of adding long-term care insurance to their benefits program could be a great way to get started in this market.

Getting Started

Taking the first step is never easy, but knowing a few simple tips can help lead you to a successful initial presentation and increased Multi-Life Sales. Here's how to begin...

✓ Understand the Multi-Life Discount Program

Spend some time reviewing the remaining sections of this Guide so you understand:

- Potential program benefits from your client's perspective (Section 3)
- The details of Prudential's Multi-Life Program (Section 4)
- The essential steps of a Communications and Enrollment Strategy (Section 5)

✓ Choose which Prudential policy to present

Prudential offers a choice of two long-term care insurance policies that can be used for Multi-Life sales: **Prudential LTC EvolutionSM** and **LTC3SM**. Both policies are structured to be federally tax-qualified, and both have the same benefit triggers (2 of 6 ADLs with 90 day expectation or severely cognitively impaired).

✓ Know the culture of the organization you are approaching

Are employees centralized or are there too many locations to market to? Do the employee or membership demographics match the desirable characteristics for this program? Will the client be enrolling multiple benefits at the same time? What type of enrollment support is routinely available?

✓ Focus on these key advantages from Prudential

- Prudential has over 130 years of experience with consistently high ratings by leading industry experts
- Well known brand
- Easy to implement
- Low or no cost to the business/organization

✓ Understand the difference between Voluntary and Employer-Paid Programs

- **Under a voluntary program** employees are responsible for paying their own premiums, which will be discounted through the Prudential Multi-Life Program. If your client doesn't wish to pay any portion of employees' premiums, a voluntary program is still a very attractive option. It costs the employer nothing while giving you access to all employees and their eligible family members.
- **With an employer-paid program** premium costs paid toward the employee's/Spouse's and/or family member's tax-qualified long-term care insurance policies may be classified as a business expense or a self-employed deduction for tax purposes.

Sales Presentation

Key Facts about employer-paid programs

- > Employer-paid policies yield the highest premiums and commissions, but are rare due to the rising cost of providing employee benefits.
- > Since tax-qualified long-term care insurance is not subject to IRS non-discrimination rules, employers may choose the option of offering employer sponsored long-term care insurance to all employees or selected employees (based on Income, Title or Tenure).
- > Employers can also choose to pay for none, all or some of the policy premiums for their employees, their Spouses and other eligible dependents.

If you believe your client may be interested in funding a portion of the premium for employees, you can suggest a modest base plan, a percentage of premium contribution, or a plan based on age and/or years of service. Any of these employer-paid options can be purchased at a comparatively affordable cost. Alternately, you can recommend a carve-out program for key employees only; this can also be an affordable solution for your client while guaranteeing you some premium volume.

✓ Consider these tips to improve your effectiveness

For Employer Groups

- Speak to the president of a small business or closely held organization.
- Present the idea of an employer-paid Key Employee Carve-Out program.
- Emphasize potential tax benefits for the business.

For Affiliation Groups

- Speak to a key decision maker.
- Offer to present to a board of directors, when appropriate.
- Enlist the support of the key decision maker in tailoring your presentation to the board.

For All Groups

Keep it simple and always focused on the self interest of the audience.

Multi-Life Program

✓ For Employers

- **A competitive edge in attracting and retaining employees**—This coverage helps protect against potentially significant health care costs, so it can play an important role in encouraging prospective employees to seek out the company and existing employees to stay on. As an added incentive, the plan can include a Key Employee Carve-Out with an accelerated premium payment option¹ that presents key employees with a paid-up long-term care insurance policy upon retirement.
- **Increased productivity for employees who become caregivers**—The employer sponsored long-term care insurance program can make discounted coverage available to the extended families of employees (including Spouses, Partners, parents, grandparents, siblings, aunts, uncles, and in-laws).² As a result, it may help reduce the burden—both financial and emotional—that can fall on employees who are called upon to assist in caring for loved ones covered under an employer sponsored plan.
- **Potential tax benefits**—Employers have the option to pay all or some of an employee's policy premiums. The business may be able to deduct the cost of these premiums using pretax dollars, and the total premium paid by the business may not be included in the employee's taxable income. (Please see our most recent Tax Guide.)³

1. Availability may vary by state.

2. Subject to applicant approval based on underwriting guidelines. Rules governing Partner discounts may vary by state. For groups of 7 or more lives, Spousal/Partner discounts are available when the employer pays one of the simplified underwriting contribution options for actively-at-work Spouses/Partners ages 18-65.

3. Rules vary. Advise your clients to consult their tax advisor.

✓ For Other Groups

- **Helps to retain customers or members**—This coverage can increase the perceived value of a member's affiliation with an organization, since it helps address a significant risk that is not covered by most health insurance plans, and since members become eligible for discounts they could not receive on an individual basis.
- **Expands benefits at little or no cost to the sponsoring organization**—Policies are administered via direct billing, so the organization will not incur any program administration expenses. The only costs to the organization are any they might choose to fund on their own in advertising the availability of coverage discounts to their members.

Advantages

✓ For Covered Individuals

- **Saves money with built-in coverage discounts**—A Multi-Life long-term care insurance program from Prudential can provide eligible individuals with group discounts as shown on page 10.
- **Provides individual coverage that is portable**—The insured individual is the owner of the policy, so policyholders can remain covered when they leave their job, retire, or end their affiliation with a sponsoring organization.
- **Helps pay for long-term care without exhausting income and personal savings**—With costs nationwide now averaging over \$247 per day for a private room in a nursing home and \$24 per hour for visits by a home health aide¹, it's easy for policyholders to envision how long-term care insurance can play an important role in helping them remain financially secure.
- **Helps protect retirement income**—Since policyholders can receive assistance paying for covered long-term care services, they are better able to avoid liquidating assets they'll need to depend on in the future for retirement income.
- **Helps retain control of care decisions that can affect the quality of life**—With a long-term care insurance policy to help cover expenses, policyholders will have greater freedom to choose the type of care they receive, either at home or in a care facility.
- **Helps meet needs without becoming a burden to others**—Having a long-term care insurance policy can reduce the chance a covered individual will need to ask other family members for financial support or assistance with daily needs related to a chronic illness or disability.
- **Helps individuals stay at home while receiving care**—With a Prudential long-term care insurance policy, a covered individual can receive benefits to help pay for caregivers who provide in-home services.

Additionally, when The Prudential Insurance Company of America is selected as the provider of an employer sponsored long-term care insurance plan, employees may become eligible for simplified underwriting that can make it easier to qualify for coverage.²

1. Long-Term Care Facility Costs—A Nationwide Quantitative Evaluation of U.S. Facilities, January 2010. Prudential Financial Global Market Research. www.prudential.com/insurance/longtermcare. For a copy of this report, please call 1-800-732-0416.

2. Available for employees participating in groups with 7 or more lives when the employee meets eligibility criteria as defined in Prudential's ESP guidelines. May also be available to the Spouses/Partners of employees who meet eligibility criteria when the employer pays the minimum premium requirement.

Program Details

✓ Multi-Life Groups

> Businesses, Organizations or Associations with 2-6 lives

Prudential Home Office Pre-Approval Required for all cases

- 5% ESP Discount for all applicants regardless of marital status¹
- Additional Spousal/Partner Discounts as follows:¹
 - > 15% when one Spouse/Partner is issued a policy
 - > 30% when both Spouses/Partners are issued policies
- Full Underwriting
- All rate classes and discounts available (no discount limit)
- No minimum participation requirements
- No open enrollment period — applications may be taken at any time
- **Payment modes available:** Direct Billing with annual, semi-annual, quarterly or electronic bank draft

Ideal for: Associations or Small Businesses who may not meet the minimum participation requirements for the Employer Sponsored Program (ESP). Examples include: Associations, Credit Unions or Membership Organizations.

> Groups of 7+ employees of a Business

Prudential Home Office Pre-Approval Required for all cases

- 5% ESP Discount for all applicants regardless of marital status¹
- Additional Spousal/Partner Discounts as follows:¹
 - > 15% when one Spouse/Partner is issued a policy
 - > 30% when both Spouses/Partners are issued policies
- Simplified Underwriting available²
- Full Underwriting available
- Direct Bill or List Bill options available

Ideal for: Small businesses or key employee carve-outs where the minimum participation requirements can be met. Examples include: Physicians, Law Firms, Accountants, Engineering Firms and Higher Education.

1. Subject to applicant approval based on underwriting guidelines. In some states, the ESP discount may be greater than 5%. Rules governing Partner discounts may vary by state. For groups of 7 or more lives, Spousal/Partner discounts are available for actively-at-work Spouses/Partners ages 18-65.

2. Available for employees participating in groups with 7 or more lives when the employee meets eligibility criteria as defined in Prudential's ESP guidelines. May also be available to the Spouses/Partners of employees who meet eligibility criteria when the employer pays the minimum premium requirement.

✓ Underwriting

Simplified underwriting is available for eligible individuals participating in employer groups of 7 or more lives. For individuals who qualify, this provides an easier way to complete an application. In order to qualify, the applicant must be purchasing a policy within the allowable parameters for simplified underwriting and must be able to answer NO to each of the questions below:

The conditions below are uninsurable. State variations may apply.

1. Within the past 12 months have you used any of the following: walker, wheelchair, oxygen, respirator, quad cane, motorized scooter, crutches or kidney dialysis?
2. Within the past 12 months have you: used adult day care, needed home health care, or been medically advised to enter or been confined to nursing home, assisted living facility, or other LTC facility?

3. Do you currently need or receive human assistance or supervision with any of the following: bathing, eating, toileting, bowel or bladder control, moving in and out of bed or chair, dressing, or taking your medication?
4. Have you ever been diagnosed with or have you consulted a health care professional or received medical advice for:
 - a. Organic Brain Syndrome, Dementia, Senility, Confusion, Memory Loss, Alzheimer's Disease, Schizophrenia or Mental Retardation?
 - b. Metastatic Cancer (cancer which has spread from original site)?
 - c. Multiple Sclerosis (MS), Muscular Dystrophy, Parkinson's Disease, Huntington's Disease, Post Polio Syndrome, Lou Gehrig's Disease (ALS), or other chronic neurological Disease/Disorder, Stroke (CVA), more than one Transient Ischemic Attack (TIA), or Kidney Failure?
 - d. Diabetes (Type 1 or Type II) with kidney condition, heart condition, amputation or any complications of nerves or eyes.
5. Have you had, do you currently have, or have you ever been diagnosed as having Acquired Immune Deficiency Syndrome (AIDS) or a Human Immunodeficiency Virus (HIV) infection?

ATTENTION AGENT: THE ABOVE CONDITIONS ARE UNINSURABLE.

6. Do you have Type I Diabetes (without complications) OR within the last 12 months have you been hospitalized or within the last 24 months have you applied for or received any form of Disability or Workman's Compensation or been declined for Long-Term Care insurance?

IMPORTANT:

- > Your client will need to complete a full underwriting application if he/she answers YES to question 6 above.
- > If your client wishes to purchase a plan with benefit parameters greater than those allowed for simplified underwriting, he/she will need to complete an ESP Buy-Up application.
- > For Businesses, Organizations or Associations with 2–6 lives: All applications are fully underwritten.

✓ Premium Risk Classes

For Groups of 7+ Lives:

All employees are covered as a Standard I risk class—even if they are fully underwritten. Spouses/Partners are also covered as Standard I—however, if full underwriting is required for all Spouses/Partners and the applicant meets the requirements for Preferred, then the ESP discount can be dropped in favor of the Preferred rate.

For Groups of 2–6 Lives:

Preferred, Standard I, Standard II and Standard III are available. Preferred rates can be offered in combination with the 5% Affiliation/ESP discount if the applicant qualifies. A full underwriting application is required.

✓ Case Approval

Businesses, Organizations or Associations with 2–6 lives

- Each individual applicant must complete a full underwriting application.
- Submit a completed ESP Employer/Sponsor Agreement, Census and Case Approval Form to LTCESP@Prudential.com, or fax it to 877-773-9515. If you need assistance, call 888-868-9027.
- All applications are fully underwritten.
- Rolling enrollment: Applications can be taken at any time.

Businesses with 7+ Eligible Employees:

- Submit a completed ESP Employer/Sponsor Agreement and Case Approval Form to LTCESP@Prudential.com or call 888-868-9027 for assistance.
- Verify whether the case is Voluntary or Employer-Paid.
- Submit the employee census (see required fields below) to LTCESP@Prudential.com.
- Verify that employees seeking simplified underwriting in a Voluntary Plan meet the

following requirements:

- > Are between the ages of 18-65.
- > Are actively-at-work a minimum of 25 hours per week.
- > Purchase within 60-day open enrollment period.
- > Purchase a benefit plan within allowed limits.
- > Full underwriting: All other employees.
- Verify that simplified underwriting is available for employer-paid plans for employees and Spouses/Partners who:
 - > Are between the ages of 18-65.
 - > Are actively-at-work a minimum of 25 hours per week. (Spouses/Partners must provide an affidavit or a pay stub confirming employer name and telephone number, plus actively-at-work status of not less than 25 hours per week.)
 - > Purchase within the 60-day initial open enrollment period.
 - > Purchase a benefit plan within allowed limits.
 - > The plan must be "Employer-Paid" for both employees and their Spouses/Partners. The employer pays one of the minimum premium options available for employees and their Spouses/Partners as described below. Voluntary plans are not eligible for Simplified Underwriting for Spouses/Partners.
 - Minimum Premium Payment Options:
 - 100% of premium for a core benefit, or
 - 25% or more of total premium, or
 - \$250 or more per year

Required Census File Fields:

First Name	Last Name	DOB (mm/dd/yyyy)	State	Gender	Marital Status	Salary	Job Title
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Marital Codes:

S=Single (0%)	M=Married Single (15%)	B*=Married Joint (30%)
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*To receive this discount, both Spouses/Partners must be approved for coverage.

- Full underwriting is available to employees and Spouses/Partners who:
 - > Are above age 65 (to age 79).
 - > Work less than 25 hours per week.
 - > Purchase coverage outside the allowable limits for simplified underwriting.
 - > Purchase coverage outside the initial open enrollment period or 30-day new hire enrollment period.
 - If client wishes to use List Billing and is willing and able to comply with List Billing requirements, proceed with sale including List Billing.
 - If client cannot comply, proceed with sale using Direct Billing.

Prudential Multi-Life Manager

- Case Approval and an ESP case ID number will be assigned to you within two business days providing all the necessary documents have been provided.
- May hold client meetings to clarify and define case parameters, processes, responsibilities and case issues (e.g., coverage, initial open enrollment period¹, billing criteria, timelines, agreement requirement, applications, etc.)

1. For Groups of 7+ eligible employees, the Initial Open Enrollment period shall be no more than 60 days unless approved by the Director of Long-Term Care Underwriting. New hires and their Spouses/Partners may enroll within 30 days of their employment date to receive simplified underwriting.

✓ Billing

Direct Billing

- Direct Billing is available for any size employer group, organization or association.
- The applicant can select either a monthly EFT, quarterly, semi-annual or annual mode.
- A request can be made to select the sponsor's address to mail bills or to select the sponsor's bank account as the alternate payor for EFT drafts.
- Money can be accepted with the application.
- The sponsor can choose either a common effective date or the effective date that the applications are approved and issued.

List Billing: For Groups of 7+ Eligible Employees

- List Billing cases require a minimum of 7 lives. Spouses/Partners can be included in this count. Family members do not count toward meeting the minimum number of lives required for a List Bill.
- A monthly bill with a first of the month effective date is the available mode for List Bill cases.
- The first of the month is the only available effective date.
- Premiums are not submitted with List Bill cases.
- Family members cannot be included on a List Bill.

✓ Case Installation

Implementation Calls

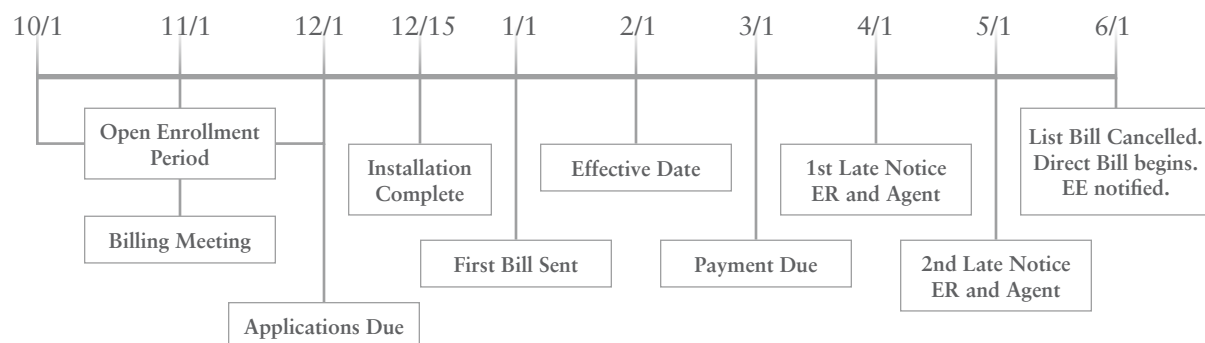
Implementation calls are an important part of every successful program and are recommended. These calls should be conducted shortly after case approval and before any applications are taken. These calls are required for List Bill cases and may also be required for employer-paid groups. The LTC New Business Manager will work with you to coordinate this call together with the Multi-Life Account Manager and your client representative. It is on the implementation call that critical details are confirmed, including the:

- Payment method
- Initial open enrollment period as applicable
- Effective date
- Bill date
- Instructions on using the PruMessenger secured e-mail system and setting up personal user-ID and password (if applicable)
- Reconciliation process for List Bill cases
- Late payment processes and notification

ESP Sales > Installation > Billing Process

Illustrated Timeline (Simplified Underwriting Applications Only)

Assumes 60-Day Initial Open Enrollment and Case Effective Date of 2/1



A critical component to any successful Multi-Life Program is a collaborative effort between the sales professional, the sponsor and the insurer. The most important feature is the endorsement and support of the sponsoring organization and your ability to access employees or members of the organization and their families through multiple communication methods.

Here are tips for developing a successful enrollment campaign:

Sample Enrollment Campaign

Phase 1	The Sponsor communicates the availability of the Program
	Announcements distributed electronically
	Letters mailed out to home addresses Announce upcoming events and/or initial enrollment period
Phase 2	Meeting Communications
	Distribute invitations to presentations (e-mail, letters, stuffers)
	Display promotional material in common areas (e.g., cafeterias, conference rooms)
	Send out meeting reminders with RSVP information and increased urgency not to miss this opportunity
Phase 3	Enrollment Meetings
	Conduct lunch and learn sessions
	Encourage mandatory meetings
	Request that management be present for a show of support
	Provide appropriate level marketing material and/or sample illustrations
	Bring applications
	Have a sign-up sheet/take attendance
	Schedule follow-up one on one meetings as needed
Provide your contact information	
Phase 4	Follow-Up
	Provide additional information opportunities: e.g., telephone or e-mail Send out reminder notices that the deadline for simplified underwriting is near

and Enrollment Strategy

Sample Countdown For Enrollment

(Post Implementation and Billing)

Weeks 1-3:

- Internal Case Set Up (Includes Implementation or billing call)

Weeks 4-8:

- Active Enrollment Period (Includes any employee marketing, group and individual presentations which lead to taking applications)

Weeks 4-6:

- Applications Collected

Weeks 7-8

- Applications Entered

Frequently Asked Questions

Q. How long does it take to get an ESP case approved?

ESP case approval usually occurs within 1-2 business days providing all required forms, including Case Approval Form, Employer Acknowledgment Agreement and Census have been provided to the Multi-Life Manager.

Q. How long does it take to get ESP apps processed and issued?

Providing there is no missing information and full underwriting is not required, it will take 3-5 business days from the date the application is received.

Q. Where are policies mailed when they are issued?

Policies are mailed directly to the Sales Professional. If an alternate fulfillment address is desired, you should indicate this on the Producer's Statement in the Application and write in the alternate fulfillment address.

Contact Information:

For questions relating to Multi-Life Programs, contact your regional sales manager or the Prudential Multi-Life Center.

The Prudential Multi-Life Center:

LTCESP@prudential.com or
888-868-9027

Long-Term Care Insurance

Why Prudential?

As an experienced leader in the long-term care market for more than 20 years, The Prudential Insurance Company of America is dedicated to serving you and your clients with innovative products and reliable services that inspire confidence. Today, the Prudential “Rock” has become an American icon representing the strength and stability of one of the largest financial services institutions in the U.S.¹ and the trust that millions of people have placed in Prudential for over 130 years.

In addition to the strength of our products, Prudential’s Multi-Life Discount Program offers a wide array of features including discounts for eligible:

- Employees
- Spouses/Partners
- Family Members (including Parents, Parents-in-law, Grandparents, Grandparents-in-law, Siblings, Aunts, Uncles, Children over 18)

These discounts provide an effective selling point for you and can help open doors for cross-selling approaches to small business and associations.

1. 2006 Fortune 500, ranked #2 under Health and Life Insurance companies and #64 overall

Prudential long-term care insurance policies are issued by **The Prudential Insurance Company of America, 751 Broad Street, Newark, NJ 07102 (800 732-0416)**. The Prudential Insurance Company of America is authorized to conduct business in all U.S. states and the District of Columbia. All insurance policies may not be available in your state. Prudential LTC Evolution coverage is issued under policy number GRP 114018; however, policy numbers may vary by state. Prudential LTC3 coverage is issued under policy number GRP 113096; however, policy numbers may vary by state. The Prudential Insurance Company of America is a Prudential Financial company.

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