

# EssentialLTC

## Long Term Care Product Introduction



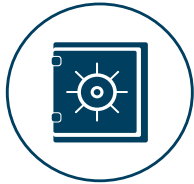
Phone: 888.505.2332  
[www.ngl-essentialtcc.com](http://www.ngl-essentialtcc.com)



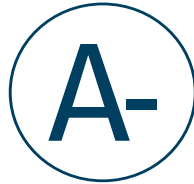
# The Company Behind EssentialLTC

National Guardian Life Insurance Company's (NGL) goal is to sustain long term relationships with our partners and policyholders. For more than a century, NGL has been dedicated to the highest standards of quality, integrity, and commitment to policyholders, their families, and our employees. Additionally, we have been focused on providing superior products to meet the needs of our customers in the senior market space since the 90s.

Throughout our history NGL has remained true to what we believe sets us apart – financial strength, a partnership mentality and excellent customer service.



Assets nearly  
\$4.7 billion



Rated Excellent with  
Positive Outlook by AM Best



Over 100 years  
in the industry

## EssentialLTC Features that Make the Difference

EssentialLTC is a tax-qualified reimbursement Long Term Care insurance (LTCi) policy that offers competitively priced, comprehensive product features. EssentialLTC's features were designed to create a personalized solution that covers the protection necessary if long term care services are needed, at a cost right for a client's budget.

## Learn more about NGL or contact our Sales Support Team

888.505.2332 or [status@ngl-essentialtc.com](mailto:status@ngl-essentialtc.com)  
[www.nglic.com/About/Financial-Information](http://www.nglic.com/About/Financial-Information)

Ratings current as of 02/28/20. NGL reported \$4.3 billion in consolidated liabilities in 2019. Financials current as of 12/31/19.

# Some of the most popular product features designed for your clients:

## A Policy Structure with Couples in Mind

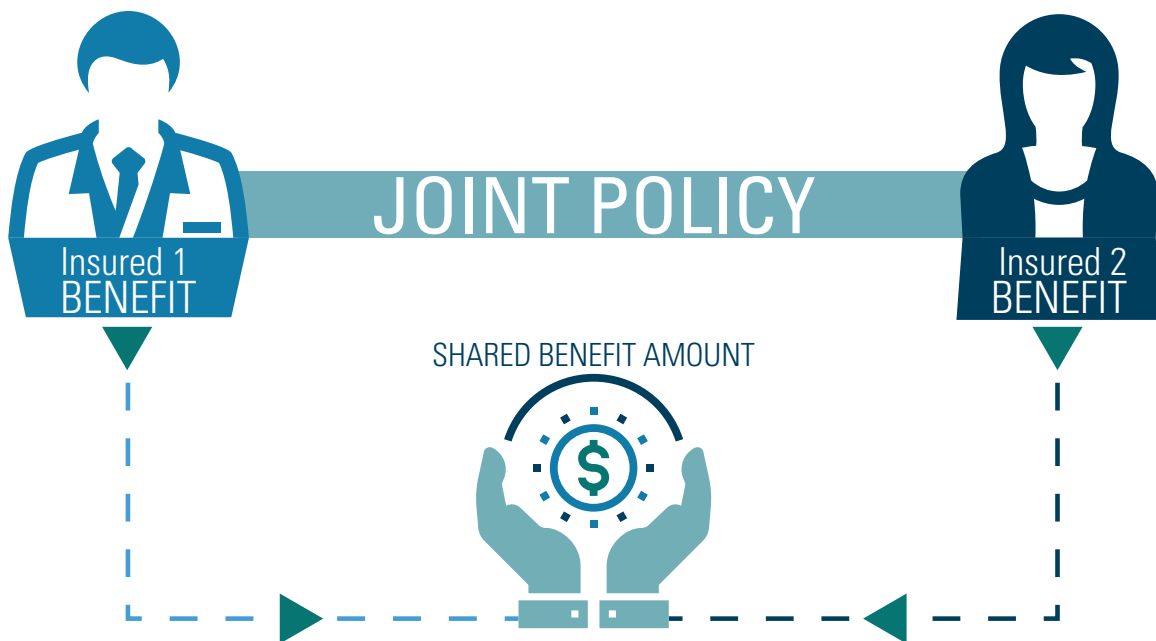
### Joint Pricing Structure

EssentialLTC offers a joint policy and premium for two insureds that can be comparable to the premium one individual would pay on their own – a feature that maximizes value for the premium dollar for couples.

### Shared Benefit Amount Rider

One or both insureds may need care for a longer period than provided by the joint policy they purchased. With this rider, the joint insureds can have an extra layer of financial protection added to the policy they purchased. This rider provides a third pool of money for the joint insureds to pull from in the event one or both insureds exhaust the benefits defined in their policy.

Each insured has their own Benefit Amount, and once either or both insureds exhaust their own Benefit Amount, a joint Shared Benefit Amount will become accessible.



## Comprehensive Benefit Period Options

### Lifetime, 2, 3, 4, 5, or 6-Year Benefit Periods

Customize coverage by selecting one of multiple benefit period options. The selection of a Lifetime Benefit Period will provide benefits for the remainder of the insured's life while on claim.

# Return of Premium & Optional Policy Surrender Riders

## Limited Return of Premium Rider

Under this rider, if the insured dies, (last to die under joint coverage), while the policy is in force, the beneficiary will receive an amount equal to the total premiums paid, reduced by benefits received.



-OR-



## Full Return of Premium Rider

Under this rider, if the insured dies, (last to die under joint coverage), while the policy is in force, the beneficiary will receive an amount equal to the total premiums paid.



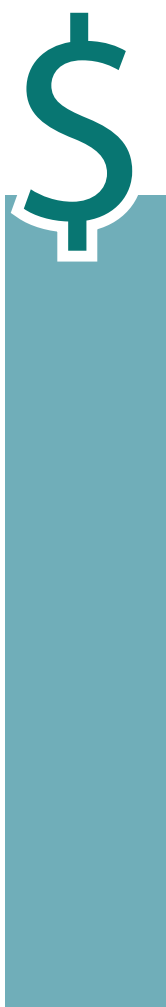
### Limited Return Of Premium With Optional Policy Surrender Rider

### Full Return Of Premium With Optional Policy Surrender Rider

Under these riders, if the insured requests to surrender the policy, (both insureds under joint coverage), and meets policy conditions, the insured will receive a lump sum Surrender Value up to 80% of the total premiums paid for the policy, reduced by the total benefits received. See schedule below.

#### POLICY SURRENDER VALUE SCHEDULE

Policy Anniversary Date	Percent of Premiums Paid
First	20%
Second	40%
Third	60%
Fourth (and succeeding)	80%



# Flexible Payment Options

## Premium Payment Options

In addition to a lifetime premium payment duration, EssentialLTC also offers limited duration premium payment options to provide the flexibility to design a policy for many consumers' financial goals:

### 10-Year Premium

This option provides premiums to be paid over a 10-year period, after which no further premiums will be due. Premiums are only subject to change during the 10-year premium payment period. After the 10-year premium payment period, the policy will be fully paid up, noncancelable, and not subject to rate increases.

### Single Premium

This option allows the policy to be funded with a single premium payment after which no additional premiums are due, making the policy fully paid up, noncancelable, and not subject to rate increases.

### 1035 Exchange

Some clients might currently own an existing annuity or life insurance policy they no longer need. A 1035 Exchange provides a tax-free exchange of both the principal (basis) and tax-deferred gains in a non-qualified tax-deferred annuity and/or life insurance policy to pay for a tax-qualified LTCi policy, which can provide tax-free benefits.



## Employer & Association Groups

EssentialLTC can meet many LTCi needs by offering premium rates for the worksite and offering discounts to association groups:

### Worksite LTCi

This program offers business owners, employees, retirees, and eligible family members an Employer Group rate class, priced on a unisex basis, in most states.

See state variation listing for availability at [www.ngl-essentialtc.com/bga/NLTC-PF.pdf](http://www.ngl-essentialtc.com/bga/NLTC-PF.pdf)

### Associations

This program provides a 5% premium discount to associations for their members and eligible family members.

To learn more, contact our Sales Support Team at 888.505.2332 or [status@ngl-essentialtc.com](mailto:status@ngl-essentialtc.com) to discuss how EssentialLTC can help you continue to make a difference in your clients' lives.



# LTC Partnership

EssentialLTC is available as a Partnership policy in many states:

- with the purchase of an Inflation Protection Rider for ages 75 and younger
- with or without the purchase of an Inflation Protection Rider for ages 76+

LTC Partnership policies may entitle the insured to an asset disregard. This generally allows a person to keep assets equal to the insurance benefits received under a qualified Partnership policy without affecting the person's eligibility for Medicaid.

See state variation listing for availability at [www.ngl-essentialltc.com/bga/NLTC-PF.pdf](http://www.ngl-essentialltc.com/bga/NLTC-PF.pdf)



# Product Details

## A Comprehensive Long Term Care Insurance Policy

A comprehensive LTCi policy provides 100% of Facility Care Services and/or Home and Community Care Services expenses incurred up to the Daily Benefit Amount selected. A Facility Care Services Only policy is also available in most states.

See state variation listing for availability at [www.ngl-essentialtc.com/bga/NLTC-PF.pdf](http://www.ngl-essentialtc.com/bga/NLTC-PF.pdf)



## Basic Benefit Choices

### Daily Benefit Amount

Benefit payments will be the actual daily charges incurred for Qualified Long Term Care Services, up to the Daily Benefit Amount shown on the Policy Schedule. The choices are between \$50 and \$300, in \$10 increments.

### Elimination Period

A one-time amount of days during which the insured is benefit eligible, receives Qualified Long Term Care Services, and is financially liable for care received before benefit payments begin. The choices are between 0, 30, 90, or 180 days.

### Benefit Period

The insured can initially choose between a 2-Year and 3-Year Benefit Period, but can purchase additional coverage through the Benefit Period Extension Rider to extend the Benefit Period to either a 4-Year, 5-Year, 6-Year, or Lifetime Benefit Period.



# Optional Benefit Choices

## Benefit Period Extension Rider

Extends the 3-Year Benefit Period to either 4-Year, 5-Year, 6-Year, or Lifetime Benefit Period.

## Shared Benefit Amount Rider

If either or both insureds exhaust their own Benefit Amount, a joint Shared Benefit Amount will become accessible. See page 3 for additional information.

## Riders To Help Protect Against Inflation

### Inflation Protection Options

The amount by which the Daily Benefit Amount and Benefit Amount will grow over the life of the policy. The insured can choose 3% compound, 3% step-rated compound, 5% compound, or 5% step-rated compound. With step-rated inflation, the premium will also increase as the benefits increase.

## Riders Designed with Beneficiaries in Mind

### Limited Return of Premium Rider

Upon the death of the insured while the policy is in force, the total of premiums paid, less benefits received, will be paid to the beneficiary (second to die for joint policies). See page 4 for additional information.

### Full Return of Premium Rider

Upon the death of the insured while the policy is in force, the total of premiums paid will be paid to the beneficiary (second to die for joint policies). See page 4 for additional information.





# Optional Benefit Choices (continued)

## Additional Riders Available

### Limited Return of Premium with Optional Policy Surrender Rider

This rider includes all the features of the Limited Return of Premium Rider and allows the insured (both insureds under joint coverage) to surrender the policy for a lump sum payment that begins at 20% of total premiums paid on the first policy anniversary, increases to 40% on the second policy anniversary, increases to 60% on the third policy anniversary, and increases to 80% on the fourth policy anniversary and remains at 80% for the life of the policy.

The surrender value is reduced by the total of benefits received as claim payments. It is available as long as the insured(s) has/have not received benefit payments under the policy that total more than 365 days, the insured(s) is/are not currently receiving benefits, and the insured(s) has/have not filed a claim that is currently under consideration.

### Full Return of Premium with Optional Policy Surrender Rider

This rider includes all the features of the Full Return of Premium Rider and allows the insured (both insureds under joint coverage) to surrender the policy for a lump sum payment that begins at 20% of total premiums paid on the first policy anniversary, increases to 40% on the second policy anniversary, increases to 60% on the third policy anniversary, and increases to 80% on the fourth policy anniversary and remains at 80% for the life of the policy.

### Waiver of Premium Rider

The base policy provides for the waiver of premium for Facility Care Services. This rider extends the waiver of premium to include Home and Community Care Services. Once the payment of benefits begins for Facility Care Services or Home and Community Care Services, the payment of future premiums for the policy and any attached riders will be waived. Premium payments will again become payable on the next renewal date after the insured is no longer receiving benefits for Facility Care Services or Home and Community Care Services.

### First Day Home and Community Care Services Benefit Rider

Under this rider, the Elimination Period required for Home and Community Care Services will be waived. If the insured satisfies the Payment of Benefits Provision under the Policy for Home and Community Based Services, no Elimination Period will be required and benefits will be payable on the first day the insured is qualified to receive benefits. Days on which Home and Community Care Services benefits are payable will also count toward the satisfaction of the Elimination Period for Facility Care Services.

### Shortened Benefit Period Nonforfeiture Rider

Provides a benefit when the policy remains in force for at least 3-Years and lapses due to nonpayment of premium. Coverage will continue, and benefits will be payable until the total benefits payable is equal to the greater of: (a) the total of premiums paid for the policy and all riders; or (b) 30 times the daily benefit in effect on the date of lapse.

# Built-In Features

## International Benefits

For covered services outside the United States, its territories, or Canada, benefit payments will be the actual daily charges incurred, up to the Daily Benefit Amount, for up to 30 days per calendar year. Benefits paid will be subtracted from the Benefit Amount.

## Caregiver Training Benefits

If Home and Community Based Services are covered under the Policy, benefits are payable for caregiver training if prescribed by your Plan of Care and provided by a person who will not be paid as a primary caregiver. The benefit is equal to five (5) times the Daily Benefit Amount. Benefits paid will be subtracted from the Benefit Amount.

## Care Coordinator Benefits

Care coordination services are available upon request. A care coordinator can assess and coordinate appropriate care and services, provide assistance in developing a Plan of Care, maintain a continuing role in arranging and monitoring services being provided, and assist with necessary claims documentation.

## Emergency Response System Benefits

While receiving benefits for Home and Community Care Services, a reimbursement benefit of up to \$50 per month is available to install a residential device or system that provides a means of communication to request assistance in the event of a medical emergency. Benefits paid will be subtracted from the Benefit Amount.

## Respite Care Benefits

After the insured satisfies the conditions for Payment of Benefits, a benefit will be available to pay for each day of Respite Care Services that are received. Benefits will be paid for a maximum of 30 days per calendar year. This Benefit is not subject to the Elimination Period. Benefits paid will be subtracted from the Benefit Amount.

## Facility Bed Reservation Benefits

When an insured incurs a temporary absence from a Nursing Facility or Assisted Living Facility, EssentialLTC will pay the actual daily charges incurred for a bed reservation up to the Daily Benefit Amount for a maximum of 30 days per calendar year. Benefits paid will be subtracted from the Benefit Amount.

## Contingent Benefit Upon Lapse\*

If premium rates are increased resulting in a cumulative increase of the annual premium equal to or exceeding the percentage of the initial annual premium as set forth in the table in the policy and the policy lapses within the grace period, then the following options become available:

1. the Daily Benefit Amount or Benefit Period may be reduced (subject to availability), or
2. the policy may be converted to a paid-up status with a Benefit Amount equal to the total of premiums paid and no less than 30 times the Daily Benefit Amount in effect on the date of lapse.

\*This explanation applies to policies with the Lifetime Premium Payment Option. For policies with the 10-Year Premium Payment Option, refer to the state-specific specimen policy.

# Policy Notes

## The Policy is Guaranteed Renewable\* for Life

To renew, pay the premium due by the premium due date or within the grace period. NGL cannot cancel or refuse to renew a Policy. Premiums are subject to change. NGL may increase premiums. NGL can only change the premium for a Policy if NGL changes premiums for everyone in the insured's state with the same Policy form, subject to the approval of the appropriate regulatory authority of the state in which a Policy is issued. NGL will give the insured (owner if there is one designated under a Policy) at least 60 days written notice, at the last address shown in NGL's records, before NGL changes a Policy's premium.

## Eligibility for Payment of Benefits

While the policy is in force, the insured is eligible for payment of benefits if he/she is Chronically Ill. This means that within the previous 12 months, the insured has been certified by a Licensed Health Care Practitioner as: being unable to perform without Substantial Assistance, at least two Activities of Daily Living for a period expected to last at least 90 days due to loss of functional capacity; or requires Substantial Supervision due to a Severe Cognitive Impairment.

## Payment of Benefits

While a Policy is in force, NGL will pay benefits if: the insured satisfies Eligibility for Payment of Benefits; the insured satisfies any applicable Elimination Period shown on the Policy Schedule; the insured receives services covered under the Policy pursuant to a Plan of Care; the insured is not receiving any other benefits covered under the Policy; the insured has not been paid benefits that exceed the Benefit Amount shown on the Policy Schedule; the insured satisfies the requirement under the "filing a claim" section of the Policy; the claim is not subject to any Limitation or Exclusions contained in the Policy.

## Grace Period

Except for the first premium, there will be 31 days after each due date to pay the premium due. This Policy remains in force during the grace period.

## Limitations and Exclusions

No benefits will be paid and the Elimination Period will not be satisfied for any confinement, care, treatment, or service(s):

- provided to the insured by a person in the insured's family;
- provided outside the United States or its territories, or Canada, except as described under Coverage Outside the United States in the Policy Benefits section of the Policy;
- for which the insured has no financial liability or that is provided at no charge in the absence of insurance;
- provided at a government or veteran's facility where the insured is not required to pay;
- provided as a result of alcoholism or drug addiction;
- provided as a result of Mental or Nervous Disorders; however, this shall not permit exclusion or limitation of benefits on the basis of Alzheimer's Disease or other demonstrable organic diseases such as senile dementia;
- resulting from attempted suicide or intentionally self-inflicted injury;
- resulting from war, an act of war or active duty in the armed forces; or
- resulting from participation in a felony, riot or insurrection.

The policy does not contain a pre-existing condition exclusion.

## Non-Duplication of Benefits

Benefits are not payable under the Policy for: (a) expenses incurred to the extent that such expenses are reimbursable under Medicare or would be so reimbursable but for the application of a deductible or coinsurance amount; or (b) any other state or federal workers' compensation plan or other governmental program (except Medicaid).

For purposes of satisfying the Elimination Period, days on which the insured satisfies the conditions on Eligibility for Payment of Benefits, but coverage is excluded due to Non-Duplication of Benefits, will count toward satisfaction of the Elimination Period.

\*If there is no material misrepresentation on the application the policy will not be canceled.



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

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

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Long Term Care Policy Form: ICC16-NLTC100P