

VIP2 Producer Resource Guide

Multi-Life Discount Program

MetLife®



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■ Why LTCI? Why MetLife®?

■ Getting Started

■ Program Details

■ Sales Tools

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Why Long-Term Care Insurance? Why MetLife®?



Why Long-Term Care Insurance (LTCI)?

Today, more than 22 million households in the U.S. help a family member or a friend who is over age 50 with various activities of daily living. It is estimated that the total number of working caregivers is between 11 million and 15.6 million Americans – that's roughly one in every ten workers.⁽¹⁾

Not surprisingly, more and more employees are becoming acutely aware of what long-term care costs can do to a lifetime of savings and the stability of their families, and are looking for a way to help protect their own futures.

For many employers, from start-ups to Fortune 500 companies, Long-Term Care Insurance is the cornerstone of a solid benefits package. In addition to helping an employer attract and retain qualified employees, it helps employees refocus their energies on their work with a correspondingly positive influence on the employer's bottom line.

Fast Facts

One study found that the number of Americans covered by group employer-sponsored Long-Term Care Insurance plans increased by 19% in 2000. By year-end 2000, more than 900,000 employees were covered by 3,800 employers offering plans.⁽²⁾

Productivity

Studies have shown that 43% of older boomers have taken time off from their jobs and 17% have reduced the amount of time they work due to caregiving responsibilities.⁽³⁾ American businesses lose between \$11 billion and \$29 billion a year in productivity

costs due to workplace disruptions, scheduled and unscheduled absences, leaves of absence, reduction from full to part-time work, early retirement, or leaving work early⁽¹⁾ due in part to the responsibilities of caregiving.

Cost-Containment

Research shows a cause and effect relationship between caregiver stress and increased health insurance utilization.⁽⁴⁾ The connection: employees providing long-term care for family members incur stress, resulting in health conditions that require doctors visits.

Recruitment and Retention

A Long-Term Care Insurance program gives employers a competitive advantage that can help attract and retain the best talent.

Why MetLife?

A Powerful Program

MetLife, a leading carrier in the employer-sponsored group LTCI market, opens the door to hundreds of new prospects with our Multi-Life Discount Program designed for small to medium-sized businesses.

MetLife's LTCI Multi-Life Discount Program makes it possible for qualifying businesses to offer an attractive benefit at discounted rates and enjoy tax-deductible premiums for employer-paid participants.

⁽¹⁾ Centers for Medicare & Medicaid Services (CMS), *When Employees Become Caregivers - A Manager's Workbook*, December 2002.

⁽²⁾ LIMRA International, *U.S. Group Long-Term Care Insurance — 2000 Sales and In Force*, April 2001.

⁽³⁾ AARP, *In the Middle: A Report on Multi-Cultural Boomers Coping with Family and Aging Issues*, July 2001.

⁽⁴⁾ Mature Market Institute, *The MetLife Juggling Act Study: Balancing Caregiving with Work and the Costs Involved*, November 1999.

Sample

Successful Case #1

Employer: Medical Group

Sold via: Producer's Existing Book of Business

Number of Eligibles: 125

Applications: Executives – 13
Employees – 28

Annual Premium: \$75,269.53

Plan Structure: Voluntary Program
Modified Underwriting
Employer-Paid/Executive Carve-Out

As an added benefit, the Multi-Life Discount Program offers premium discounts to active employees/retirees and their:

- Spouses (includes, where permitted by law, Domestic Partners and Civil Union Partners);
- Adult children (18 years and older);
- Parents, step-parents and in-laws; and
- Grandparents, step-grand parents and in-laws.

Given that long-term care concerns often center around spouses and family members rather than the actual employee, this unique premium discount feature is a particularly effective selling point.

A Leading Company

- Over 135 years of insurance experience;
- One of the strongest and most respected financial institutions in the world; and
- Consistently given high ratings from industry experts including Fitch, A.M. Best, Moody's and Standard and Poors.

⁽⁵⁾ Americans For Long-Term Care Security, *Americans For Long-Term Care Security Hails OPM's Latest Step On Long-Term Care Insurance*, December 2001.

Affiliations

- **AARP** — MetLife is the only endorsed provider making Long-Term Care Insurance available to AARP members.
- **Federal Program** — In conjunction with another carrier, MetLife is a selected provider for the Federal government's Long Term Care Insurance program. This program is offered to Federal employees and annuitants (including members of the U.S. Postal Service), active and retired members of the uniformed services, spouses, and other qualified relatives. The program is the largest employer-sponsored Long-Term Care Insurance program in the nation.⁽⁵⁾

Commitment to Superior Customer Service

As representatives of MetLife, you can depend on us for all your sales and marketing support. We are committed to helping you achieve success in the large and growing Long-Term Care Insurance market. Our **dedicated team of Multi-Life Account Specialists** can guide producers through the Multi-Life Discount Program. In addition, they can;

- Give producers advice on our products;
- Help producers develop individual sales strategies for difficult cases;
- Supply information on products offered by competing carriers; and
- Provide information on materials that are available to help promote a sale.

Account Specialists

A Multi-Life Account Specialist can be contacted through the Resource Line, fax or e-mail.

Fax Number: 203-221-6564

Email: LTCML@metlife.com

Getting Started



Identifying Prospective Companies

For a successful enrollment, look for companies that exhibit the following characteristics:

- Small to mid-size workforce (50 to 3,000 employees);
- High concentration of well-educated and highly compensated individuals;
- Track record of successful voluntary employee benefits offerings;
- Stable Workforce or Industry;
- Employees with long-tenure and/or affinity to employer (e.g. family-owned businesses can be particularly receptive); and
- Large number of employees at each location.

Employer commitment

Employers should be willing to devote time to ensuring the success of the program. The employer must be willing to not only support the program, but must also be willing to be involved in the implementation. For instance, the employer should:

- Grant access to employees, (e.g. seminars and one-on-one meetings);
- Support proven enrollment strategies;
- Assist with distribution of materials;
- Designate an employer point-of-contact; and
- Facilitate payroll deduction (if applicable).

The following items are also key to successful participation:

- Simple plan design;
- Strong communications program; and
- Sufficient lead time for implementation.

The following are examples of the types of small businesses that may qualify for MetLife's LTCI Multi-Life Discount Program:

- Law, accounting, and engineering firms, physician groups, and other professional organizations;
- Local banks and financial institutions (employees, not customers or clients);
- Centrally located small businesses that wish to offer an executive benefit program; and
- Healthcare and insurance professionals.

The following types of groups generally do not qualify for MetLife's LTCI Multi-Life Discount Program:*

- Building and special trade contractors;
- Casino employees;
- Foodservice workers;
- Seasonal employees;
- Sports teams;
- Trucking industry employees;
- Employees represented by unions;
- Warehouse workers;
- Charitable organizations;
- PEOs or Employee Leasing Companies; and
- Those working in the industries of agriculture, livestock, forestry, fishing, mining, and metallurgy.

** Please note that we may consider the management and/or executives of the above-listed groups.*

VIP2 Multi-Life Discount Program

Employer Case Characteristics

Desirable Case	Less Desirable Case
1. Existing “need for the product” <ul style="list-style-type: none"> • Fills gap in existing coverage (e.g., little or no employer-funded plan) • Employer interest • Mid to high salaries • Mid to high average age • Stable core benefit plan 	1. Unclear “need” <ul style="list-style-type: none"> • Existing employer-funded plan with rich benefits • Low employee interest • Low salaries • Young to mid-age • Benefits costs rising—and being shifted to employees
2. Paternalistic employer	2. Little employer interest in well-being of employees
3. Employer understands role: <ul style="list-style-type: none"> • Employer time commitment • MetLife, producer or broker, access to employees granted • Interested in developing enrollment strategies with MetLife • Helps distribute materials • Strong internal communication process • Supports mandatory meetings and standards 	3. Employer does not support the enrollment: <ul style="list-style-type: none"> • Won’t support payroll deduction • Won’t help organize meetings • Won’t help distribute materials • No access to employees • Only home mailings allowed
4. Adequate enrollment timeline	4. Unrealistic timeline
5. Employer contact for the enrollment	5. No employer contact for enrollment
6. Stand-alone offering	6. Too many products competing for the employee dollar simultaneously
7. Stable workforce or industry	7. Industry in upheaval—current or anticipated layoffs, increasing competition
8. Few locations	8. Multiple locations with small number of employees at each location
9. Simple plan design	9. Complex plan design with many employee choices

While MetLife prefers to approve “Desirable Cases,” depending upon the circumstances, it may also approve “Less Desirable Cases.”



ERISA

The Employee Retirement Income Security Act (“ERISA”) was established by the Federal government in 1974 and sets minimum standards for most voluntarily established pension and health plans in private industry to provide protection for individuals in these plans. ERISA (i) requires plans to provide participants with plan information including important information about plan features and funding; (ii) provides fiduciary responsibilities for those who manage and control plan assets; (iii) requires plans to establish a grievance and appeals process for participants to get benefits from their plans; and (iv) gives participants the right to sue for benefits and breaches of fiduciary duty.⁽⁶⁾

Generally, if employer involvement is more than making the program available to its employees, the arrangement may be subject to ERISA. For example, some factors that may indicate an ERISA plan are:

- The employer contributes to the cost or endorses the program; or
- Employer involvement extends beyond merely remitting the employee premiums.

Please be aware that employers need to specify whether the Long-Term Care Insurance program they make available to their employees is to be considered an ERISA or non-ERISA plan. If it is an ERISA plan, the plan sponsor’s name, tax identification number and ERISA plan number will need to be included on the Multi-Life Discount Program Offer Letter, in the spaces provided.

Note: ERISA reporting is not required for plans with 100 or less participants.

⁽⁶⁾ Department of Labor. *ERISA*, November 2002.
<<http://www.dol.gov/dol/topic/health-plans/erisa.htm>>.

Sample

Successful Case #2

Employer: Law Firm

Sold via: Previous sale — Life and Health Insurance

Number of Eligibles: 12 Business Partners, 12 Spouses*

Applications: 24

Annual Premium: \$114,410.24

Plan Structure: Employer-Paid Program
Executive Carve-Out
Simplified Underwriting

*Spouses include, where permitted by law, Domestic Partners and Civil Union Partners

Program Details



Program Options

Program Options

Employers may choose to offer the Multi-Life Discount Program through a voluntary program or an employer-paid program. Under a voluntary program, employees are responsible for paying their own premiums but receive the Multi-Life Discount Program benefits.

Employers may also offer the Multi-Life Discount Program as part of an employer-paid benefits program. In this case, as a general rule, premium costs paid toward employees' spouses' and/or dependents' tax-qualified Long-Term Care Insurance policies may be classified as a business expense or a self-employed deduction for tax purposes. Please refer to MetLife's LTCI *Tax Guide* for more details.

Executive Carve-Outs

Employers may opt to only pay for certain employees' premiums. For example, the full-time management staff may receive long-term care coverage as an employer-paid benefit while other full-time employees may still have the option of having coverage, but are responsible for paying their own premium.

Collecting Premium

When submitting a Multi-Life application that will be part of a payroll deduction/list-bill, producers must not collect any premium. Therefore, conditional coverage is not available. However, if it is a direct bill, a premium amount can be collected and therefore, conditional coverage would apply.

Fast Facts



In 2001, employer-sponsored programs enhanced market expansion by contributing close to a quarter of the sales. By the end of 2001, more than 1.3 million policies had been sold through more than 4,700 employers. Employers with 1 to 500 employees represent the majority (more than two-thirds) of all employers offering LTCI coverage to their employees, retirees or both.

Sources: America's Health Insurance Plans (AHIP), *Long-Term Care Insurance in 2000-2001*, January 2003; and AHIP, *An Employers Guide to Long-Term Care Insurance*, 2002.



Program Specifications

Employer-Paid Program

Eligibility:

- Ages 18 to 84
- Retirees
- W-2 Employees*
- Minimum 30-hour work week*

Available to Spouses, which includes, where permitted by law, Domestic Partners and Civil Union Partners, adult children (18 years and older), parents, parents-in-law, step-parents, grandparents, step-grandparents and grandparents-in-law of employees/retirees.

I. Employer-Paid Modified Underwriting:

- **5% discount applied**
- 10 approved lives (all eligibles) needed over a 12-month period to meet participation requirements
- All benefits available
- Preferred health discount available to qualified participants

II. Employer-Paid Simplified Underwriting:

- **10% discount applied**
- At least 10 employer-paid approved lives must be received by MetLife within 90 days of case approval to meet participation requirements
- Benefits limited to \$200 DBA and 5-year Benefit Period
- Preferred health discount not available for any participants

Voluntary Paid Program

Eligibility:

- Ages 18 to 84
- Retirees
- W-2 Employees*
- Minimum 30-hour work week*

Available to Spouses, which includes, where permitted by law, Domestic Partners and Civil Union Partners, adult children (18 years and older), parents, parents-in-law, step-parents, grandparents, step-grandparents and grandparents-in-law of employees/retirees.

I. Voluntary Paid Modified Underwriting:

- **5% discount applied**
- 10 approved lives (all eligibles) needed over a 12-month period to meet participation requirements
- All benefits available
- Preferred health discount available to qualified participants

II. Voluntary Paid Simplified Underwriting:

- **5% discount applied**
- At least 10 approved lives must be received by MetLife within 90 days of case approval to meet participation requirements
- Benefits limited to \$200 DBA and 5-year Benefit Period
- Preferred health discount not available for any participants

* Required for Simplified Underwriting.

Application Options

Applications

It is imperative that the correct section of the Multi-Life application be completed to ensure timely and accurate processing. **Under no circumstances should a non-Multi-Life application be completed in any Multi-Life case.** All applications must be filled out completely and include a Multi-Life Group Identifier Number assigned by MetLife.

Once a group is approved and a Group Identifier Number is issued, you may begin taking applications. MetLife will add the insured to the Multi-Life Discount Program as soon as he/she is approved, so each insured may have a different policy effective date, unless the employer selects a common effective date for the group. For Simplified Underwriting cases, the minimum number of approved lives must be submitted within 90 days of the signature date on the Offer Letter. (See *Program Specifications* on page 11 for more details.)

Producer Licensing Requirements

Applications taken for Multi-Life groups must be based on the applicant's state of residence. Use the state-specific VIP2 Multi-Life application for the applicant's state of residence.

The producer must always be licensed in the state where the application is signed. In addition, if the resident state does not match the state where the application is signed, the producer may need to be licensed in the resident state as well (the determining factor is the resident state). Some states are considered "Risk States," which require the producer to be licensed in both the resident and signing states. Risk states can change, so please contact the Resource Line or a Multi-Life Account Specialist for an updated listing.

Additionally, you may partner with other producers to meet with applicants in states in which you are not located. Producers who opt to do so have the ability to split commissions. *The primary producer named on the application will be the "producer of record" for that individual.* All producers must be licensed and appointed in the state where the application is signed.

Marketing Tip

When you select Modified Underwriting for the group, there will be more medical questions to complete than if the case were Simplified Underwriting. However, the underwriting requirements are less restrictive than if the coverage had been purchased on an individual basis.

Selecting Modified Underwriting allows the applicant to choose from more benefit options, and qualify for a preferred health discount, which equates to an overall lower premium.

Simplified Underwriting works well in executive carve-out programs or with smaller organizations. Simplified Underwriting cases require the applicant to answer only five medical questions with no additional underwriting.

Additional Features

Simplified Underwriting Only

If the applicant answers “yes” to any of the five insurability questions in the Simplified Underwriting section of the Multi-Life application, a *Minimum Benefits Offer* may be extended. The group must have submitted ten healthy lives for every one *Minimum Benefits Offer* extended. If the applicant answers “no” to all of the five insurability questions, the policy will automatically be issued with standard rates.

Details of *Minimum Benefits Offer*

- Facilities-Only policy
- \$50 Daily Benefit Amount
- 2-year Benefit Period
- 100-day Elimination Period
- No Benefit Increase Option available
- Sub-standard rates apply
- No compensation to producer
- An alternative plan may be offered in AZ, CA, FL, GA, MA, NY, OR, RI, VT & WI

Rate Structure

Rates are available for employees ages 18 through 84. Applicants under age 30 will be charged the age 30 rates. The LTC (MetWINS) Illustration software includes premium and discount information. Producers may also consult the *VIP2 Premium Rate Book*.

Discounts

Discounts for VIP2 are additive. Some discounts may not be available in certain states. To qualify for Multi-Life discount rates an organization must be pre-approved and generate the minimum participation requirement. If the minimum participation requirement is not met, the discount will continue for current insureds, but will not be available to new applicants/insureds. **Please note discounts do not affect producer commissions.** See your *Approval Process* insert found at the back of this guide to learn how to apply for Multi-Life discount approval.

Note: *Discounts and coverage are portable.*

Discount Percentages

- **30% Spousal Discount:** When two spouses (which includes, where permitted by law, Domestic Partners and Civil Union Partners) apply and both are accepted for coverage, each will receive the Spousal discount as long as both policies remain in-force. If only one spouse is accepted for coverage, the 15% “marital discount” will apply.
- **15% Marital Discount:** For married applicants, if their spouse does not enroll or is declined coverage.
- **15% Residential Discount:** For two or more applicants who reside in the same household and meet eligibility requirements. May not be combined with marital or spousal discounts.
- **10% Preferred Health Discount:** Applicants who meet specific medical underwriting criteria will receive a preferred rating. (Not available to applicants of a Simplified Underwriting Multi-Life group.)
- **5%-10% Multi-Life Discount:** When approved applicants purchase Long-Term Care Insurance through the Multi-Life Discount Program, an additional 5% or 10% discount will be added after all other discounts have been applied. Discounts available are as follows:

- ◆ Employer-Paid – 5% or 10%
- ◆ Voluntary Paid – 5%

Note: *The same discount will apply to all participants in the case.*

Program Overview

Program Type	Participation Requirements	Discounts
	Minimum Participation to Maintain Discount	Preferred Health Discount Availability
Employer-Paid Modified Underwriting 5% Multi-Life Discount	10 Approved Lives within 12 Months of Group Approval	✓
Employer-Paid Simplified Underwriting* 10% Multi-Life Discount	10 Approved Employer-Paid Lives <i>within 90 Days of Group Approval</i>	N/A
Employee-Paid Modified Underwriting 5% Multi-Life Discount	10 Approved Lives within 12 Months of Group Approval	✓
Employee-Paid Simplified Underwriting* 5% Multi-Life Discount	10 Approved Lives <i>within 90 Days of Group Approval</i>	N/A

* *Minimum Benefits Offer* may be available for declines. Specifications: Facilities-Only policy, \$50 DBA, 2-Yr Benefit Period, 100 Day EP, no Benefit Increase Option available. Sub-standard rates apply. An alternative plan may be offered in AZ, CA, FL, GA, MA, NY, OR, RI, VT, & WI.

APPLICATION COMPLETION		UNDERWRITING		
Can the Applicant Skip the Health Questions in Section D of the Multi-Life Application?	Nurse Telephone Interview (For Age 66 and over or Underwriter’s Discretion)	APS (Medical Reports) (For Age 66 and over or Underwriter’s Discretion)	Nurse Face-to-Face Interview (For Age 75 and over or Underwriter’s Discretion)	
All Sections of the Multi-Life Application Including Section D <i>Must be Completed</i>	✓	✓	✓	
W2 Employees Age 65 or Under Who are Actively at Work** and Spouses Age 65 or Under (Only if the Employer Pays) Who Choose \$200/Max DBA and 5-Yr/Max Benefit Period <i>May Skip Section D</i>	N/A	N/A	N/A	
All Sections of the Multi-Life Application Including Section D <i>Must be Completed</i>	✓	✓	✓	
W2 Employees Age 65 or Under Who are Actively at Work** Who Choose \$200/Max DBA and 5-Yr/Max Benefit Period <i>May Skip Section D</i>	N/A	N/A	N/A	

** A minimum of 30 hours a week.

Flex-Payment Choices

- **Ten-Year Premium Payment Rider:** Lets clients pay-up their policy in ten years. Once the client has paid their premiums for ten years, the policy will become completely paid-up and will be accessible should they need to access benefits in the future.
- **Paid-Up Premiums Rider:** Lets your client pay-up their policy at age 65. With this rider, the client's policy is considered fully paid-up on their policy anniversary following their 65th birthday or after ten years of payment, whichever comes later.
- **Reduced-Pay at Age 65 Rider:** Lets clients cut their premiums in half at age 65. With this option, once a client turns 65, they pay half the premium amount they paid for the policy before turning age 65. The reduced payments begin on the policy anniversary on or after their 65th birthday.
- **Double-Pay First Year Rider:** Pay more initially, save later. With this option, a client pays twice their regular premium amount for the first policy year in return for an 8% or 10% premium discount (depending on age) off the regular premium amount for each year after the first.

Note: Choosing a Flex-Pay rider will affect the pay-out structure of commissions.

Sample

Successful Case #3

Employer: Engineering/
Light Industrial

Sold via: Marketing/Sales Calls

Number of Eligibles: 53

Applications: 38

Annual Premium: \$44,270.92

Plan Structure: Employer-Paid Program
Modified Underwriting

Fast Facts

Among married couples who own Long-Term Care Insurance, 82 percent have a Long-Term Care policy for each spouse. Two out of three insurance buyers cited spouses as having the most influence on the decision to purchase Long-Term Care Insurance.

Source: America's Health Insurance Plans (AHIP), *Who Buys Long-Term Care Insurance in the Workplace?, A Study of Employer Long-Term Care Insurance Plans 2000-2001.*

Billing Options

- **Direct billing** is available to all participants on a monthly (automatic checking account deduction), quarterly, semi-annual or annual basis. Bills are mailed directly to the insured.
- **Third-party payor billing** is available on a direct bill basis. Bills are mailed to a third-party selected on the application.
- **Payroll deduction/list-bill** is only available for employees and their spouses and is only available to pre-approved Multi-Life cases on a monthly basis. A monthly bill is mailed to the employer or payroll vendor selected by the employer.

Note: Family members, other than spouses, can only be billed on a direct bill basis.

Buy-ups

MetLife cannot (*at the current time*) provide a "split-bill" to reflect the employer-paid and voluntary portions of premiums.

Common Effective Date (Payroll Deduction/List-Bill)

The employer may select a common effective date for applications taken during the initial enrollment period. The employer will define the initial enrollment period and common effective date (not longer than 90 days). For example, initial enrollment period is from June 1st through July 15th and the employer selects a common effective date of September 1st regardless of issue/approval date. Any applications received before or after the enrollment period may not receive the same common effective date.

Sales Tools



Proposals and Illustrations

Requesting a Proposal

- Proposals are available and can be customized with the name of the organization and include the producer's name.
- To obtain a proposal, submit a request form to a Multi-Life Account Specialist by fax or e-mail.
- The proposal will be sent to the producer electronically as a PDF file. We suggest the producer print the proposal on high quality paper and bind (if necessary) with Marketing material before presenting to an organization.

*Note: In order to request a proposal, the employer group must be pre-qualified by MetLife. For more information on how to pre-qualify a group, please refer to the **Approval Process** insert at the back of this guide.*

LTC (MetWINS) Illustration

MetLife's MetWINS LTC Illustration software features the capability of developing Multi-Life illustrations to fit your specific sales requirements. It is flexible and has five distinct types of reports that can be prepared for both first or second sale use. The five different reports are:

1. Side-by-Side Rate Sheet for All Ages

This report provides a summary of premiums for ages 18 to 84, for up to three different plan designs, with all discounts assumed at the group level. No census is required.

2. Side-by-Side Comparison for Entire Census

This report provides employee premiums for up to three different plan designs, and totals the cost for each plan. Discounts are based on each employee's specific variables. A census is required.

3. Premium Difference (2 Plans)

This report provides employee premiums for two plan designs, as well as the cost difference between these plans. Discounts are based on each employee's specific variables. A census is required.

4. Census Summary by Age (1 Plan)

This report provides employee premiums for one plan design, as well as a subtotal breakdown of premiums by age group. Discounts are based on each employee's specific variables. A census is required.

5. Census Summary by Plan (2-3 Plans)

This report provides employer costs for up to three different plan designs, where employees can mix and match plan choices. Each employee is associated to one of the three plan designs and a subtotal of costs and number of employees is provided for each plan. Discounts are based on each employee's specific variables. A census is required. This report is an ideal way of illustrating an executive carve-out program.

Account Specialists

For assistance in preparing a Multi-Life proposal, you can contact a Multi-Life Account Specialist through the Resource Line, fax or by e-mail.

Fax Number: 203-221-6564

Email: LTCML@metlife.com

Lead Generation

Generally, producers who are able to gain a company's support for the Multi-Life Discount Program have a business relationship with the employer. Approximately 70% of producers have an existing relationship with the company prior to qualifying the Multi-Life case. Visiting some of your clients to discuss the importance of adding Long-Term Care Insurance to their benefits package may be a great way to enter this market.

Suggestions on approaching companies:

- Begin with the President of a small company;
- Present the top three reasons for offering Long-Term Care Insurance: *Productivity, Cost-Containment* and *Recruitment/Retention*, (see page 2); and
- Present the idea of an executive carve-out and suggest certain tiers of employees receive employer-paid Long-Term Care Insurance coverage.

Successful implementation of the Multi-Life Discount Program is a cooperative effort between the producer and the company. Neither side can do it alone.

Producer's Role

- Work with the company to define the program benefits and determine the needs of the organization;
- Map out a comprehensive communications strategy;
- Prepare and deliver a variety of communication materials that meet the company's needs. Typical communication channels include print, electronic media and face-to-face meetings;
- Provide employees with information on the product during an informational meeting (mandatory meetings typically yield better results);
- Conduct appropriate follow-up activities for the initial enrollment period; and
- Facilitate on-going awareness and informative activities.

Employer's Role

- Provide the MetLife producer with an overview of the organization, including employee demographics and communication vehicles available for use;
- Announce and actively promote the program;
- Arrange locations for informational meetings and provide sign-up information;

Marketing Tip

If an organization already offers Disability Income Insurance, they recognize the need to plan for the unexpected. Use this as an opportunity for presenting the need for Long-Term Care Insurance.

- Require employees to take part in one of the informational meetings;
- Provide an on-site area for informational meetings and enrollment; and
- Actively support follow-up initiatives.

Formalizing the Agreement

To be successful, producers need to emphasize the company's role. Formulating a joint plan of action and providing on-going support and communication will help.

(See the *Program Implementation Timetable* on pages 20-21).

Sample

Successful Case #4

Employer: Regional Bank

Sold via: Competitive Bid

Number of Eligibles: 1,020

Applications: 58

Annual Premium: \$65,943.04

Plan Structure: Voluntary Paid Program
Modified Underwriting

Program Implementation Timetable

The timetable below is based on a 90-day implementation process with a 40-day enrollment period from initial contact through payment of the first premium.

This timetable is intended to help keep your client's program on-track through the implementation process.

Enter Date Below		Action Item
	Implementation Call	<p>Implementation Call - Held after receipt of signed Offer Letter and assignment of group number.</p> <p>Participants should include the Producer, Account Specialist, Benefits Administrator and Billing Contact. On this call, participants should:</p> <ul style="list-style-type: none"> • Discuss and formalize program implementation and timeline; • Discuss effective date; and • Discuss billing/payroll deduction/list-bill dates to meet desired effective date <p>MetLife program communication materials should also be reviewed and finalized.</p>
Enter Dates Below	Enrollment Period (In Days)	Action Item
	Day 1	<p>Organization announces program to employees.</p> <p>Send Announcement Letter from a company executive. May include details about process and upcoming informational meeting(s).</p>
	Day 10	<p>Start employee communications – enrollment period.</p> <p>Program posters/flyers, e-mail messages, newsletter articles distributed. Enrollment period announced – communicate deadline with time, place and date(s) of informational meeting(s). Include information, if available, on how to sign-up to attend informational meeting(s).</p>
	Day 14	<p>Follow-up announcement letter - Including details about program, enrollment deadline and informational meeting(s).</p>
	Day 16	<p>Reminder communication - Highlighting details about the program, enrollment deadline and informational meeting(s).</p>

Enter Dates Below	Enrollment Period (In Days)	Action Item
	Day 17	Informational meeting(s) begin. Provide enrollment kits.
	Day 27	Follow-up communication e-mail – Giving the program highlights and an application deadline reminder – enrollment period coming to a close.
	Day 30	Follow-up communication e-mail – Informing that the enrollment period is coming to a close.
	Day 40	Deadline for receipt of applications – enrollment period ends.
	Days 45-60 (15 days prior to effective date)	<p>Payroll deduction. Once the employer receives an invoice, the employer can begin payroll deduction for employee/voluntary paid cases. Payroll deduction cannot begin prior to the receipt of an invoice, and should begin at least 15 days prior to the desired effective date.</p> <p>For Voluntary paid cases – Payroll deduction can begin once the employer receives a bill.</p> <p>For Employer-Paid cases – Employer should remit payment as soon as the bill is received.</p>
	Days 60-90	Program effective date. A common effective date is used for each applicant as long as they applied during the enrollment period and are approved by the time the payroll deduction/list-bill is generated.

Multi-Life Frequently Asked Questions

Applications:

Q: Do I need to use a special Multi-Life application?

A: Yes. Standard “Individual” applications must NEVER be used for Multi-Life cases. If the Multi-Life application is not used, we cannot properly identify the applicant as a member of the group. (Note: Effective with VIP2, there is only one Multi-Life application that accommodates both Simplified and Modified groups.)

Q: Do I need to submit all Multi-Life applications together (at the same time)?

A: Yes, if using Simplified Underwriting, at least 10 applications must initially be submitted together before underwriting can begin. If using Modified Underwriting, the applications are not required to be submitted together.

Q: Does a group that selected Simplified Underwriting have 90 days or 12 months to meet the minimum participation requirements?

A: The group has 90 days from when MetLife approves the group to submit 10 approved Simplified Underwriting applications. This is considered the enrollment period. Any employee that wishes to apply for benefits after 90 days must complete the Modified Underwriting sections of the application. New hires have 90 days from their start date to qualify for Simplified Underwriting.

Account Specialists

For additional questions or concerns, please contact a Multi-Life Specialist through the Resource Line, fax or e-mail.

Fax Number: 203-221-6564

Email: LTCML@metlife.com

Q: Can I take applications without a Group Number ?

A: No. The fact that a Group Number has not been assigned indicates that MetLife has not finalized approval of the group. A discount will not be applied if there is no group number on the application.

Q: If an employee within a Simplified Underwriting group completes the Modified Underwriting sections of the application to obtain higher benefits and is declined, would the employee be eligible for any benefits?

A: Once the employee is declined, they may still qualify for the maximum benefits allowed under the Simplified Underwriting guidelines as long as they can pass the five insurability questions in the Simplified Underwriting section of the Multi-Life application. However, if the employee does not pass the five insurability questions, they may only be entitled to a *Minimum Benefits Offer*. In this case, the applicant would still need to answer the five Simplified Underwriting insurability questions. (See page 13 for more information.)

Billing:

Q: What are the billing options?

A: Billing can either be direct or payroll deduction/list-bill (for businesses). Direct billing can be done on an annual, semi-annual, or quarterly basis and mailed to the applicant’s residence. If done on a monthly basis, the billing must be done via an automatic checking account deduction.

Payroll deduction/list-bill for employees and their spouses will be made monthly for their premium. MetLife will send one bill to the employer listing each employee’s required premium amount. All other insureds in the group will be billed directly. (See page 16 for more information.)

Q: How do I request a common effective date for a group?

A: Inform the Multi-Life Account Specialist of this request during the approval process.

Commissions:

Q: Is commission reduced on Multi-Life cases/policies?

A: No. Although the client's premium is discounted, your commission is not reduced.

Discounts:

Q: Is there an extra Multi-Life discount for employer-paid policies?

A: Yes, when the case is an employer-paid Simplified Issue, the Multi-Life Discount increases to 10% (rather than 5%).

Q: Is the Multi-Life discount portable for employees if they leave the organization?

A: Yes. Once a policy is issued with a Multi-Life Discount, it retains the discount for the life of the policy and will stay with the policyholder even if they leave the employer.

Q: If the Multi-Life discount is suspended for the group, do the existing in-force policies lose the discount?

A: No. Once a policy is issued with a Multi-Life discount, it retains the discount for the life of the policy.

Q: Under Simplified Underwriting (either employer-paid or voluntary), can any participant get a preferred health discount?

A: No. The Preferred Health discount is not available with Simplified Underwriting.

Processing/Business Rules

Q: Is there any difference between the 30-day free-look period for Multi-Life and standard policies?

A: There is no difference in the 30-day free look period. However, if the applicant was approved for Simplified Underwriting, and then wants to increase benefits above the plan choice maximums for that program (\$200 DBA, 5-Year Benefit Period) additional underwriting may be required.

Q: How much premium must employers pay for a spouse in order to allow the spouse to complete the Simplified Underwriting section of the application?

A: Any amount paid by the employer is sufficient to grant the spouse employer-paid classification and, therefore, allow the applicant to complete the Simplified Underwriting section of the application.

Q: Can two (or more) different Multi-Life Discount Programs be offered to the same Organization? (e.g. employer-paid Simplified Underwriting for executives — voluntary Modified Underwriting for rank and file)?

A: Yes, as long as each "carved-out" group can meet its own minimum participation requirements, and the reason for the carve-out is not to separate potential underwriting risk classifications.

Q: Does the producer have exclusive rights to market to the approved group?

A: Generally, our agreement is exclusive with the producer that was awarded the case. Unless we have the producer's permission and any required authorization, MetLife will not distribute any information regarding the group to outside individuals.

Q: Who should I go to for more information, help and/or support with my Multi-Life Discount Program questions?

A: For more information, contact a Multi-Life Account Specialist through the Resource Line, fax (203)221-6564, or e-mail LTCML@metlife.com.

