



TRANSAMERICA LONG TERM CARE
INDIVIDUAL PRODUCER GUIDE



This guide is designed for electronic use, with active links to our most current product and sales materials and information.

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THE TRANSAMERICA LONG TERM CARE ADVANTAGE

Long Term Care insurance (LTCi) is only as good as the company behind it. With a strong foundation, a solid structure, a secure framework and stellar positioning, Transamerica Long Term Care (Transamerica LTC) has proven to be an LTCi leader.

A FOUNDATION of Commitment

25 YEARS OF EXPERIENCE. 2012 marks a quarter century of leadership in the LTCi industry for Transamerica Long Term Care. Throughout these 25 years, the foundation of our dedication has remained the same: our commitment to our policy holders to provide the benefits they need when they need them the most.

A Solid Support STRUCTURE of Experience and Expertise

Over 500,000 POLICY HOLDERS. Our devotion to our clients has built a solid structure of experience and expertise that comes from servicing 460,000 policyholders in 25 years.¹

A Secure Financial FRAMEWORK

A+ A.M. BEST RATING & COMDEX 93.² Transamerica Long Term Care insurance is underwritten by Transamerica Life Insurance Company, ranked among the highest in the industry in financial strength and operating performance as recognized by independent rating serves like A.M. Best and Comdex.

Stellar POSITIONING in the LTCi industry

1.5 MILLION CLAIMS PAID per day³. Transamerica has established itself as a company that both you and your clients can trust. Transamerica has a solid reputation among consumers and agents alike for providing superior customer service and support.

The Power of the Tower: the strength behind the Transamerica brand makes it easy for you to establish a sense of confidence and security with your clients when talking about long term care. With the competitive advantage of a strong and highly regarded brand we make it easy for you to talk about long term care with your clients.

¹Transamerica LTC actuary: number of issued LTCi policyholders (#lives not policies) through the Bedford office from inception through 7/31/2012

²A.M. Best Rating as of October 1, 2011. Comdex as of 4/23/2012. ³Policy Benefits paid, Transamerica Long Term Care, 2011.

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Why Long Term Care insurance?

No one wants to think about or plan for a future where they are no longer able to care for themselves. Engaging your clients on the benefits of Long Term Care insurance (LTCi) exclusively from that perspective can understandably create resistance.

In many ways, a conversation about LTCi is really not that different from a conversation about life insurance; the planning emphasis of both is more about caring for the family than the policy holder. What LTCi can mean for your clients is not whether they will be able to stay out of a nursing home but how an unexpected need for long term care could affect the family. Will their families have to bear the financial, emotional, and logistical issues of caring for them alone?

Consider this:

- It is quite common for adult children to become the primary caregivers for the parents. Of the 48.9 million caregivers in the U.S., most are family members providing more than 20 hours of care each week.⁴
- The value of caregiving services that family members provide for “free” is estimated to be \$375 billion a year.⁵
- Increases in caregiving expenses have caused 47% of working caregivers to use up ALL or MOST of their savings.⁴
- Medical insurance and Medicare supplement plans will generally not cover long term care.
- In a few states children could become legally obligated to pay for their parents’ long term care bills.

A TransCare® II policy can help give your clients the security and added peace of mind that come from minimizing the negative impacts that an unexpected long term care event could have on themselves and their family.

⁴American Association for Long-Term Care Insurance, 2011 LTCi Sourcebook.
⁵Evercare Survey of the Economic Downturn and Its Impact on Family Caregiving; National Alliance for Caregiving and Evercare. March 2009.

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WHAT SETS TRANSCARE® II APART

TransCare® II provides some of the best features and benefits in long term care insurance available today with the flexibility to meet a wide range of client needs and budgets.

0-Day Elimination (No additional premium required)

0-Day Elimination means benefits are available from the first day that the policy goes into effect. This applies to Home Health Care and Cash Benefit. Other benefits are subject to the elected elimination period for the policy. 0-Day Elimination can help provide an immediate sense of security and potentially reduce out of pocket expenses.

Cash Benefit (No additional premium required)

The insured can choose to take a monthly lump sum equal to 1/3 of the monthly benefit in lieu of all other benefits. The Cash Benefit is paid directly to the insured and may be used in any way he or she sees fit with no receipts required. This is ideal for those receiving home care from a family member.

Return of Premium to Age 67 (No additional premium required)

If the insured dies before the age of 67, a refund equal to the sum of all premiums paid, less the amount of any claims paid to the insured, will be returned to the insured's beneficiary. This feature can make LTCi more attractive to younger clients who may feel they are too young to purchase.

Accident Benefit (No additional premium required)

When your client needs long term care due to an unintentional physical injury occurring before age 67 we will cover up to 2 times the Maximum Daily Benefit for eligible expenses while only subtracting no more than the Maximum Daily Benefit from the pool of money.

Not available with Cash Benefit, Global Coverage, Remain at Home and Extension of LTC Facility Benefits. Subject to Maximum Daily Benefit, Policy Maximum Amount, and Policy Elimination Period.

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Step-Rated Benefit Increase Option Rider

With this inflation protection option, both the benefit and the premium will automatically increase each year by either 3% or 5% as selected by the insured when purchasing the policy. This annual increase is not based on attained age. This option allows clients to grow their pool of money to help offset inflation, while offering the flexibility to stop and start these automatic increases. There is no limit to the number of times the insured can stop and restart the increases under this Rider. However, if they choose not to increase benefits for three consecutive years, the option to restart the increases under this Rider will end.

Care Coordination (No additional rider required)

The goal of Care Coordination is to try to take a more complete look at your care needs in conjunction with any available resources and help obtain a full range of appropriate services. A Care Coordinator will work with you, a family member or representative you designate, and your Physician to develop your Plan of Care. Additionally, the Care Coordinator can assist in securing the recommended services described in Plan of Care.

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BUILDING A POLICY

Coverage needs will vary among each person you contact. Some will have many assets to help protect. Others may just want additional choices for care available in case a long term care need occurs.

The following is a guide to help you determine some of the answers to your clients' questions. The numbers quoted are based on nationwide averages. Each individual will have different needs. We suggest that you ask questions to best assess your clients' needs and investigate the costs of care in your local metropolitan area (www.longtermcare.gov) in order to better meet each individual's requirements or go to www.taltc.com > Agent Resources > Cost of LTC for an interactive map.

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Determining a Maximum Daily Benefit

The Maximum Daily Benefit (MDB) is the amount that we will reimburse for each day of qualified care your client receives. The amount should be one that your client feels will comfortably cover her/his anticipated care needs.

Your client can select a Maximum Daily Benefit from a range of \$50 to \$400⁶ per day. TransCare® II will pay the out of pocket charges incurred for qualified care, up to the Maximum Daily Benefit, for each day the insured is eligible for benefits and is receiving long term care services at Home, in an Adult Day Care Center or in a Long Term Care Facility.

Average Costs of Long Term Care in the United States:⁷	
\$225/day	Private Room in a Nursing Home
\$200/day	Semi-Private Room in a Nursing Home
\$105/day	Care in an Assisted Living Facility (for a One-Bedroom Unit)
\$21/hour	Home Health Aide
\$19/hour	Homemaker Services
\$66/day	Care in an Adult Day Health Care Center

If care received on one day costs less than the MDB, the funds will remain in the Pool of Money to be used in the future. Care costs exceeding the MDB, will need to be self-funded when they occur. A monthly benefit rider can be added to the policy to create a monthly maximum benefit scenario.

Please remember, inflation has caused long term care costs to increase over the years. Long Term Care costs, in general, have increased at an average of 3.5% per year (higher for facility care, much less for home care) over the past 10 years⁷. If your client does not plan to include inflation protection in the Policy, you may want to suggest a higher initial MDB so that the amount selected may be more in line with future costs.

⁶ WI: \$60-400; VT: \$75-400; SD: \$100-400

⁷ American Association for Long-Term Care Insurance, 2011 AALTCI Sourcebook.

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Establishing a Pool of Money

Transamerica Long Term Care states the Policy Maximum Amount in terms of dollars, not time. Also known as the Pool of Money, it is the total amount available to cover the cost of long term care services. Your client may choose a Policy Maximum Amount between \$18,250 and \$876,000. The Pool of Money can be calculated by multiplying the daily benefit X 365 days/year X the number of years you want your benefits to last if you use all available funds every day.

Another option is to choose an amount for total Pool of Money (such as \$250,000 or \$500,000) and then select the maximum daily benefit amount which determines how much money is accessible each day.

- When less than the Maximum Daily Benefit is used, the remaining unused portion will remain in the Pool of Money for future use. The insured does not have to use all of their money within a certain time period.
- If a Benefit Increase Option is added to the policy, the total pool of money will increase as well as the Maximum Daily Benefit. Ask your clients if they expect to have savings or assets to cover some of the costs they may incur for Long Term Care, as many clients may want to self-insure for some of their potential risk. Determine an appropriate amount of coverage based on their assets and their budget.

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Selecting an Elimination Period

An Elimination Period (EP) is similar to a deductible; however, it is calculated in time instead of a certain amount of money. An Elimination Period is the number of days that your client is responsible for paying the cost of covered Long Term Care services before the Policy begins to pay benefits.

TransCare® II helps promote care at home by offering a built-in 0-day Elimination Period for some benefits. Those benefits are: Home Care, Cash Benefit, Remain at Home Benefit, Optional Care Coordination, Respite Care, and Adult Day Care Benefits. For CT and CT Partnership policies, Home Care is subject to Elimination Period. The Cash Benefit for CT policies is also subject to Elimination Period.

NOTE: Days on claim for the 0-day benefits services do not count towards satisfying the facility elimination period.

TransCare® II offers the following Elimination Period options from which to choose:

- 0-day Elimination Period (eligible for benefits from day one)
- 30-day Elimination Period
- 60-day Elimination Period
- 90-day Elimination Period
- 180-day Elimination Period (not available in CT, CT Partnership, KS, SD, VT)

The Elimination Period selected will apply to LTC Facility Benefit, LTC Facility Bed Reservation Benefit, and Global Coverage Benefit. A TransCare® II Elimination Period is cumulative, so once it has been satisfied, even if it's over more than one claim period, it need never be satisfied again.

⁸WI: \$131,400 to \$876,000; VT: \$164,250 to \$876,000; SD: \$219,000 to \$876,000

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Explaining the Standard Package

The TransCare® II Standard package includes many features that can benefit your client. These benefits are available with each individual policy at no additional charge.

These are basic descriptions. Not all benefits are available in all states. Additional details, state variability and exclusions and limitations for each benefit are available in the Outline of Coverage. Go to www.taltc.com > Agent Resources > Training Material > Reference Guides for State variation chart.

Average Costs of Long Term Care in the United States:⁷	
LTC Facility	Pays for out of pocket expenses incurred up to the chosen Maximum Daily Benefit (MDB) for each day the Insured is confined in a qualifying Long Term Care Facility. Subject to MDB, Policy Maximum Amount and policy EP.
LTC Facility Bed Reservation	If the insured is absent for any reason (except discharge) at an LTC facility, this pays for out of pocket expenses while the room is reserved for up to 60 days per calendar year. Subject to MDB, Policy Maximum Amount and the Policy EP.
Home Care and Adult Day Care (HCADC)	Provided at the Insured's Home or at an Adult Day Care Center; subject to Policy Maximum Amount and MDB. Not subject to, nor will it satisfy the Policy EP.
Cash Benefit	A cash benefit equal to 10 times the MDB or 1/3 the Monthly Benefit paid each month in lieu of all other benefits for care or services, except the Optional Care Coordination Benefit, subject to the Policy Maximum Amount. The money can be used in any way the Insured sees fit. Benefits will be prorated, if only needed for part of a calendar month. Not subject to, nor will it satisfy the Policy EP. Not available on CT or IN Partnership policies.
Optional Care Co-ordination Benefit	This feature pays for a Care Coordinator to facilitate an assessment of the Insured's care needs, while working with doctors and family members and may help to establish a Plan of Care to help ensure care is received when needed. In IN Partnersihp policies, this feature is required for all benefits.
Remain at Home Benefit <i>The insured must also be receiving the Optional Care Co-ordination Benefit.</i>	Will pay out of pocket expenses incurred up to a lifetime maximum equal to 60 times the MDB for: Home Modifications; Caregiver Training for a Volunteer Caregiver; Therapeutic Device or Technology; Medical Alert System. The Remain at Home Benefit is not subject to, nor will it satisfy the Policy EP. These benefits reduce the pool of money
Return of Premium to Age 67	If the Insured dies before the age of 67, a benefit totaling the sum of all premiums paid less the amount of any claims, will be paid in one lump sum to the Insured's beneficiary.

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Average Costs of Long Term Care in the United States:⁷	
Global Coverage Benefit	<p>If the Insured is outside of the fifty (50) United States and the District of Columbia, or Canada, in lieu of all other Policy benefits, this will pay up to 75% of the LTC Facility MDB x 365 for eligible expenses for care or services. The Global Cash Benefit is equal to 10 x the Facility MDB and may be used until the Global Maximum Benefit amount has been exhausted. Not applicable in CT and IN Partnership policies.</p> <p>Benefits are limited to HCADC, Cash Benefit, LTC Facility, and Hospice Care Benefits. Subject to MDB, Policy Maximum and Policy EP.</p>
Accident Benefit (AB)	<p>Will pay out of pocket expenses up to 2 times the MDB for Qualified Long Term Care services needed as a result of an unintentional physical injury before the 67th birthday (not to exceed out of pocket expenses; however, only one times the MDB will be deducted from the Policy Maximum Amount). Not applicable in CT non-Partnership and NJ.</p> <p>Not available with Cash Benefit, Global Coverage, Remain at Home and Extension of LTC Facility Benefits. Subject to MDB, Policy Maximum Amount and Policy EP.</p>
Respite Care Benefit	<p>Will pay out of pocket expenses, up to the MDB, for temporary confinements in a Long Term Care Facility, in a community-based program such as Adult Day Care, or care received in the home, up to 30 days per calendar year.</p> <p>Subject to the Policy Maximum Amount. It is not subject to nor will it satisfy the EP.</p>
Contingent Non-forfeiture Benefit	<p>If the insured chooses to lapse their policy because of a substantial increase in the premium, the sum of premiums paid up to that time becomes available as a pool of money from which the policy benefits can be claimed.</p>
Alternate Plan of Care Benefit	<p>Because there may be new and evolving LTC services that we could not anticipate at the date of issue, this benefit gives us the discretion to consider whether we may want to cover alternate Qualified LTC Services not otherwise expressly covered by this Policy.</p>
Waiver of Premium Benefits	<p>Premiums will be waived on a monthly basis as soon as the Insured's Home Care, Adult Day Care, LTC Facility, Cash, Accident or Hospice Care benefits begin. Subject to the EP, if it applies to the benefits received and the Policy Maximum Amount. Waiver of Premium for HCADC or Cash Benefit is not available for Substandard classes.</p>

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Average Costs of Long Term Care in the United States:⁷	
Hospice Care Benefit	<p>If the insured has no reasonable prospect of cure, and has certification that he/she is Terminally Ill, the Policy will pay out of pocket expenses for Hospice Care up to the MDB for each day of care given by a Hospice Care Provider (180 Days Maximum). 180 day maximum is not applicable to CT non-Partnership policies.</p> <p>Benefits for Hospice Care are not subject to, nor will they be applied toward the satisfaction of, the EP. Subject to the Policy Maximum Amount. Benefits for Hospice Care will not be payable when other benefits are payable under this Policy, except for: the Optional Care Coordination Benefit; and the Global Coverage Benefit.</p>
Rate Guarantee	<p>5-year rate guarantee included in all states except CT, CT Partnership, and NY.</p> <p>10-year rate guarantee available in AR, DC, DE, IN, IN Partnership, MT, NJ, ND, and SD.</p>
Deferred Benefit Increase Option	<p>If the Insured has not had a claim or is not currently eligible to claim, he/she will have an opportunity to add a Benefit Increase Option (3%CBIO or 5%CBIO) without evidence of insurability. The offer will be extended to the Insured within 90 days prior to the 1st, the 3rd and the 5th anniversary date of the Policy.</p> <p>The additional premium for this benefit will be based on the Insured's age when he/she adds the Benefit Increase Option to the Policy. Benefit increases begin on the Policy anniversary following the one in which the Insured makes the election.</p> <p>The Deferred Benefit Increase Option will automatically be included if no other Benefit Increase Option Rider is selected. In SD, DBIO can be included if over age 75 or on all non-DRA policies at any age. Not applicable for CT and IN Partnership policies.</p>

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Electing Optional Benefits to Customize a Policy

Every individual has specific needs and desires for a Long Term Care insurance policy. That is why TransCare® II offers a number of benefits for an additional premium that can be purchased to truly customize your client's policy. These benefits are available in addition to all the standard benefits included in the TransCare® II policy.

Optional Benefits Available to Truly Customize a Policy <i>(additional premium required)</i>	
Nonforfeiture Benefit Rider	Provided the Policy has been in effect for at least three years, if the insured chooses to lapse their policy for any reason, the sum of premiums paid up to that time becomes available as a pool of money from which the policy benefits can be claimed.
Return of Premium Upon Death Rider	If this rider is continuously in force from its effective date, an amount equal to the sum of all premiums paid less the amount of any benefits paid under the Policy will be paid in one lump sum to the insured's beneficiary upon the insured's death.
Monthly Benefit Rider	<p>Because the charges for LTC services may vary from day-to-day, this option makes the LTC Facility, LTC Facility Bed Reservation, Home Care, HCADC, Respite Care, and Hospice Care benefits available on a calendar month basis rather than a daily basis. This means that the MDB no longer applies and the entire benefit may be used in one day, ten days, or whatever best suits the insured's needs.</p> <p>Example: The Policy has a \$100 MDB. On January 1st, services are received from a home health aide and the total charge is \$125. Without this Rider, only \$100 would be covered. However, with the Monthly Benefit Rider, the insured would have \$3,100 available (\$100 MDB x 31 days in January), so all charges for that day would be covered.</p> <p>Benefits will be prorated, if they are only needed for part of a calendar month. The Global Coverage Benefit is not available under this rider.</p>
Shared Care Benefit Rider <i>In some states, a person may not deplete their spouse/partner's Policy Maximum Amount and/or allow the spouse not on claim to purchase additional long term care benefits.</i>	<p>This benefit allows couples to share each other's long term care benefits should one exhaust their own benefits, as long as Insured and his/her spouse/partner both purchase and maintain identical Long Term Care insurance Policies.</p> <p>Should one spouse/partner die, any remaining Policy Maximum Amount on his or her Policy will be transferred to the surviving spouse/partner. No further premium on the Rider will be required.</p> <p>If one member of the couple exhausts both Policy maximums, the remaining spouse/partner can purchase an additional two years of coverage (before their 91st birthday) with no additional underwriting required.</p> <p><i>Under the TransCare® II Policy, the term "spouse/partner" and "couple" may include married persons, domestic partners and/or civil union partners. May vary by state. Review the requirements for your state on www.taltec.com > Agent Resources > Product Information</i></p>

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Optional Benefits Available to Truly Customize a Policy <i>(additional premium required)</i>	
Full Restoration of Benefits Rider	Once claims have been paid as per the Policy, those Policy benefits can be restored provided the insured is not a chronically ill individual for 180 consecutive days. The Policy maximum amount will be restored only one time during the life of the Policy. This benefit does not apply to Global Benefit.
Joint Waiver of Premium Rider	Premiums for the insured's Policy will be waived for the same months that we are waiving the insured's spouse/partner's Policy. Couples must have identical policies with Joint Waiver of Premium Riders attached. In NJ, the rider is named "Other Insured Waiver of Premium".
Additional Rate Guarantee	Up to 10-year rate guarantee is available in AZ, AR, DE, IN, MT, NJ, ND, DC, and SD.
Compound Benefit Increase Option (CBIO)	On each anniversary of the effective date of this Rider, the current Maximum Daily Benefits will increase by either 3% or 5% without regard to claims paid. The Policy Maximum Amount will also increase. It is calculated based on the Policy Maximum Amount on Your last Policy anniversary, minus any claims paid since the last Policy anniversary. The Remain At Home Maximum Benefit will increase in the same way. These increases will continue as long as this Rider is in force, even if you are receiving benefits on the date of the increase. The Deferred Benefit Increase Option will automatically be included if no Benefit Increase Option Rider is selected. 3% BIO not available in IN.
Step-Rated Compound Benefit Increase Option (SR-BIO)⁹	Premiums begin lower and increase by 3% or 5% of the current year's premium as the benefit increases by 3% or 5% of the current benefit amount of the Policy less claims already paid. Not available in HI, or for CT or IN Partnership policies. This may be a better choice financially for some individuals because it allows the premiums to begin lower and increases at a set amount over the years as the insured's income increases.

⁹ In IN, 3% CBIO and 3% SRBIO are not available; however only in IN is the 5% Simple Benefit Increase Option (Simple BIO) available. The Simple BIO provides for an annual 5% increase of the original benefit amounts of the Policy less claims already paid.

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Additional Discounts

Couples¹⁰ Discount¹¹

Spouse/Partners applying together may be eligible for a discount of up to 20%. This discount, which is available to couples who are issued and maintain identical benefits, may be just the incentive that applicants need to extend your sale to include their spouse/partner. Changes in benefit levels due to underwriting may result in the discount being reduced to 10% for one or both members of the couple.

Discount for Spouse/Partner Individuals Applying Alone

Individuals that are part of a couple¹⁰ but applying for a TransCare® II Policy alone or for different coverage amounts than their spouse/partner are eligible for a discount of up to 10%.

Preferred Health Discount

The Preferred Health Discount of up to 10% off standard premium rates may be offered in addition to other discounts available and will be determined at the time of Underwriting.

Some discounts may be offered simultaneously to help your clients save more.

Choosing Payment Frequency

Your client has the choice of how often to pay premiums: annually, twice a year, quarterly, or monthly.

Premiums will vary based upon premium payment choice. The more often premiums are paid the higher the total premium amount may be per year. All premium selections are subject to underwriting approval. Multiply the modal factor x annual premium to calculate the modal payment.

Modal Factors	Annual – 1.0	Quarterly – 0.265
	Semi-Annual – 0.52	Monthly – 0.09

¹⁰Under this Policy, the term “spouse/partner” and “couple” may include married persons, domestic partners and/or civil union partners. Requirements vary by state. In ID, LA & VA, discount available for legal spouses only. In MT, the term is “companion” which is defined as a legal spouse or an adult not related by blood to the Policyholder who: (1) resides with the Policyholder on a continuous basis and shares the same address, living expenses, rent and/or mortgage; and (2) has exchanged powers of attorney, or has designated his or her companion as the primary beneficiary under his or her will and/or testamentary trust. Consult your insurance agent/producer for details.

¹¹Must be issued and maintain identical benefits. Changes in benefit levels due to underwriting may result in the discount being reduced to 15% for one or both members of the couple.

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SUITABILITY GUIDELINES

People buy Long Term Care insurance for many reasons. Some clients don't want to use their own assets to pay for long term care. Some clients buy insurance to make sure they can choose the type of care they get. Others don't want their family to have to pay for care or don't want to go on Medicaid. But Long Term Care insurance may be expensive, and may not be right for everyone.

By state law the insurance company must ask each applicant for his income and asset levels. This information should be used by the producer and the applicant to help determine if the contemplated policy will be suitable for the client. You should review with the client the total premium that will be charged for the coverage selected.

As a general rule, premiums for an LTC policy should not exceed 7% of the client's income. This recommendation is found in the National Association of Insurance Commissioner's (NAIC) Long Term Care Model regulation. The Personal Worksheet follows the NAIC guidelines on assets, suggesting that an applicant have a minimum of \$30,000 in assets (excluding a house) before considering the purchase of a Long Term Care insurance policy.

When we receive the completed application we will verify that the suitability form is completed and signed by the applicant or that the applicant has checked the opt-out box and signed the form. We may also ask the Insured to verify his responses during the underwriting telephone interview if one is completed.

If the income and/or assets are less than \$30,000 we are required by law to send a suitability letter to the applicant confirming they would still like to purchase coverage. In the state of Texas we are required to send a suitability letter to the applicant even if they elect not to disclose their financial information. The suitability letter in both instances must be returned before we can issue the policy.

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UNDERWRITING GUIDELINES

If you need assistance with prequalifying an applicant, please contact us via email at LTC_Prequalify@transamerica.com. When the Underwriting Department responds to you, print a copy of the response and attach it to your application. Every effort will be made to place the applicant in the best rating classification, regardless of what has been applied for. When the underwriting evidence indicates that a policy cannot be issued as applied for, rather than simply decline, we will give consideration to providing an alternate offer. In addition to Preferred and Standard premium rates, we can offer coverage on a Class 1 or Class 2 basis with increases in premium. Please refer to the Underwriting Field Guide, available at the Agent Resource Center (www.taltec.com) for complete details.

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SUBMITTING BUSINESS

At Time of Application

NOTE: State variations may require the use of additional or different forms.

The following items **MUST** be delivered to the applicant at the time of application:

- The Disclosure Package that includes the following:
 - o Outline of Coverage (Disclosure Form in some states)
 - o “Things You Should Know Before You Buy Long Term Care Insurance”
 - o Potential Rate Increase Disclosure Form, if applicable
 - o Authorization for the Release of Health Information
 - o MIB Authorization for Release of Health Information
 - o Privacy Notice
 - o Disclosure Notice – Medical Information Bureau and Fair Credit Reporting
 - o If replacing existing coverage, Replacement Notice form should be used
 - o State specific forms or guides if applicable
 - o Conditional Receipt
- The NAIC Shopper’s Guide to Long Term Care Insurance
- If eligible for Medicare; The Guide to Health Insurance for People with Medicare

Note: The coverage comparison section of the NAIC Shopper’s Guide must be completed anytime a comparison of Long Term Care coverage is done.

The following items **MUST** be submitted with the application:

- A completed Personal Worksheet
- Signed Authorization for the Release of Health Information
- Signed MIB Authorization for the Release of Health Information
- Signed Replacement Notice, if applicant is replacing existing coverage
- Note that the Rejection Of Compound Inflation must be checked and signed by every applicant choosing anything other than 5% CBIO

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Resident States

In most cases, the application should match the applicant's state of residence. In certain situations, the application may match either the sign state or the applicant's state of residence, but this is considered an exception. Special delivery receipts may be required. Agent must be properly appointed.

The Interstate Compact (IC) States are: AL, AK, CO, GA, ID, IL, IA, KS, KY, LA, ME, MD, MA, MI, MN, MS, MO, NE, NH, NM, NC, OH, OK, OR, PA, RI, SC, TN, TX, UT, VT, VA, WA, WV, WI, WY.

Please use the following Applicant Situations below to determine whether there is an exception to the rules.

APPLICANT SITUATIONS:

- (1) If the two states in question, the state of residence of the applicant and the state where the application is being taken, are both states covered by the IC, an IC policy can be issued for that person and no special delivery receipt is required.
- (2) If the applicant is a resident of an IC state, but the application is being taken in a non-IC state, the producer should refer to the Resident State Guidelines and Chart found on the Agent Resource Center (ARC). Resident State Guidelines And if a policy can be issued outside the resident state (see the chart for specific states), a special delivery receipt will be required.
- (3) If the applicant is a resident of a nonIC state, then there are three states an agent should be aware of: CT, NJ and NY. CT does not allow anything other than a CT policy to be issued to their residents. The chart on the ARC outlines the requirements for an agent in order to write an out of state policy on a NJ or NY resident. The special delivery receipt requirements will also apply.

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Submitting Premium

For all non list billed applicants, two months premium must be submitted with the application (California and New Hampshire require only one (1) month).

Payment options are check, EFT, or credit card (MasterCard, Visa, Amex and Discover). Credit card can be used to pay initial premium only, up to one (1) full annual modal premium.

Credit Card payment is not available in Alaska, California, Maryland, Nevada, North Carolina, or New Jersey.

Electronic Funds Transfer is recommended for initial premium payment to ensure that you will not have to go back to the client for additional funds. We will draft the premium from their account based upon what is ultimately due. Differences could occur due to a Class Rating in underwriting or a Cash with Application (CWA) difference.

If EFT is selected, when the policy is approved a letter will accompany the policy notifying the applicant that 15 days from the date of this letter we will be drafting your bank account for the amount below. We cannot accept cashier's checks, certified checks from a bank, or money orders.

Monthly direct billing is not available.

Balance of Premium

The balance of any premium due must be received in the Home Office before the coverage will be placed in force.

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Effective Date

The Effective Date on individual policies is the Signature Date on the completed application with the following exceptions:

- The client chooses to Save Age
 - o Application should be dated the actual date signed
 - o Application must be received in the Home Office no later than 30 days following the Signature Date
 - o Application must be signed within 30 days of birthday
 - o A notation to “Save Age” must be included in the “Special Instructions” section on the signature page
 - o The Effective date will be the day before the birthday. Future premiums will be due on that date.
- A future Effective Date less than 90 days out is requested
- Does not have to be a date; can be “Upon Approval”
- Note: Cover provided by Conditional Insurance, if any, begins on future Effective Date
- Cannot request a future effective date and save age

Delivery Requirements

Completed delivery requirements must be returned to the Home Office within 25 days from the date sent.

We accept faxes to 800-724-0331 for all requirements except checks. We accept checking account debits (electronic check) via the phone for your clients’ convenience.

Delivery Receipt

In states that require a delivery receipt (LA, PA, SD, WV) the delivery receipt must be signed and received in the Home Office within 25 days. If the delivery receipt has not been received by the 25th day, a new policy will be sent directly to the policyholder. This will ensure compliance with requirements under the IRS code which mandates that tax-qualified long term care policies be delivered to the policyholder within 30 days of approval. A delivery receipt is also required when the policyholder’s resident state is different than the state where the application was signed.

Note that the agent may instruct the Home Office to send the policy directly to the policyholder.

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Premium Payments

Payment by credit card is accepted only for the initial premium payment up to the full annual amount. For premium payments after the initial premium payment, bank draft/electronic fund transfer (EFT) or check are the only forms of payment accepted. Money orders, cashier's checks or certified checks from the bank are not accepted.

Note that we will accept EFT for all modes of payment. If client pays monthly, EFT is the only payment accepted.

For monthly EFT payments:

- The initial 2 month deposit will be debited upon receipt of the application at the home office.
- Policyholder will be notified that the next draft for the 3rd month's premium and/or balance of CWA (cash with app) will occur 15 days after the policy is mailed.
- The next draft for the 4th month's premium will occur when payment is due, so there may be a longer period of time between the 2nd and 3rd drafts, depending on how long the underwriting process takes. Subsequent drafts will occur as scheduled.

Signed Endorsement

When required, a signed endorsement must be received in the Home Office before coverage will be placed in force. Endorsements are required for changes to benefits, changes in premium, and corrections to an incomplete or incorrect application.

Replacements

We strongly recommend that you compare the proposed policy with the current policy, and document the reasons for recommending a replacement. We suggest that you retain your own copy of this written comparison and recommendation. You and the applicant will then need to sign the replacement form and return it along with the application.

If the Long Term Care insurance policy is replacing a policy underwritten by another Transamerica or AEGON Insurance Group Company we will ask for the producer's brief, written explanation as to why this replacement is in the policyholder's best interest.

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Any LTC policy or rider replacing an existing LTC policy or rider pays the 2nd year commission rate in the 1st year. Exceptions may apply (subject to state imposed limitations) if the policy or rider being replaced is not a Transamerica Company or other AEGON company policy or rider, AND the replacement policy is clearly and substantially better than the policy being replaced. Please consult your commission schedule for details.

Reinstatements

Full Underwriting – regardless of the type of policy, benefits or underwriting standards used when the original application was made.

Any policy, regardless of benefits or original underwriting, that has lapsed for non-payment of premium may be reinstated within 90 days of the date of lapse, subject to Full Underwriting. A full application must be submitted, without a premium deposit, and will be subject to Full Underwriting. In some states, reinstatement is available for up to 6 months when the lapse was due to cognitive impairment.

Long Term Care Policies may not be reinstated after 90 days. After 90 days, applicants must reapply for new coverage at current age following the Full Underwriting procedures, with a full application and a premium deposit.

Please contact the Customer Service Department for additional information regarding the reinstatement rules and procedures.

Statement of Good Health

This form is used when the Underwriter requires verification that an applicant's health status has not changed since the date the application was signed. It might be used if the new business/underwriting process took longer than expected due to missing information or forms. If this form is requested, it must be signed and returned to the Home Office before coverage will be effective.

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TOOLS AND MATERIALS

Innovative Tools

- The **Agent Resource Center** (www.taltc.com) is your one-stop support and work portal for all your marketing and sales needs, including training presentations, marketing supplies and forms, quotes, and application status.
- The **TransQuote® Illustration System** allows you to generate customized proposals for clients via an easy to use interface. It is available to agents who are licensed and appointed with Transamerica Long Term Care and can be run directly from the Agent Resource Center (www.taltc.com) or downloaded to your computer for convenient off-line quoting.
- Everything you need to quote Transamerica Long Term Care insurance is now in the palm of your hand. The **TransQuote® Mobile** application allows you to create on-the-go quotes on multiple portable devices: Apple iPhone, iPad, Apple iTouch and Android. The app is a free download.
- **TransBuilder** is an intuitive yet powerful tool found on the Agent Resource Center that allows you to easily and seamlessly embed your name and agency logo in Transamerica's best marketing materials. One of the great features of TransBuilder is the ability to send personalized co-branded materials as email attachments directly to your clients at no cost to you. You can find TransBuilder in the "Order Supplies" submenu.

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Advertising and Marketing Materials

All agent/producer materials utilizing the Transamerica logo and/or featuring TransCare® II must have written approval from Transamerica LTC prior to use. If necessary, we will file advertising in those states where filing is required.

Marketing materials are approved for one year’s use from the date of LTC Compliance approval. After one year, materials should be resubmitted through the Transamerica Marketing Communications group for review. Insurance Producer/Agent recruiting and product advertising on the Internet, by facsimile (fax), or E-mail must also be approved prior to use.

Marketing materials should be submitted for review through the Marketing Communications mailbox at LTCMKT@transamerica.com. Please refer to the Professional Conduct Principles and Policies (TLC A PC), available at the Agent Resource Center, www.taltc.com, for complete details.

Downloading PDFs from Transamerica Long Term Care

Log in to www.taltc.com. Go to Order Supplies > Print Order for both PDFs and hard copies. To download PDF’s: “Left Click” on the icon (picture) at the left side of the page to make it full screen, then “Right Click” and “Save As” to put on your desktop or in a folder on your PC.

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CONTRACTING AND LICENSING

Insurance Agents/Producers

All Long Term Care agents/producers must be properly licensed and be current on all Long Term Care training requirements for all state(s) in which they expect to do business. Agents will be contracted and appointed with Transamerica Long Term Care before being permitted to take any applications under Transamerica Life Insurance Company (TLIC). So please apply for appointment prior to submitting an application, even for “Just-in-Time” states.

Producers who are interested in selling Transamerica Long Term Care Insurance should contact their marketing organization for the Application for Appointment and the Agent Agreement. If your managing agency does not have a Transamerica selling agreement, please call our marketing team at 1-888-545-2713 and we will introduce you to a distribution channel that will best support your sales.

Electronic agent contracting/appointment is available. Please contact your marketing organization for an authorization code to register.

Transamerica Life Insurance Company Licensing Department contact information:

Transamerica Life Insurance Company
Licensing Department
P. O. Box 95302
Hurst, TX 76053-5302
Telephone: 1-866-588-8745
Fax: 1-866-630-7496
Email: LTCLicensing@transamerica.com

Once an agent has been appointed, a welcome letter will be sent to the agent, along with the executed contract, via email or mail.

An agent writing number allows you full access to our Agent Resource Center (www.taltc.com).

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Agent Licensing and Appointment

ATTENTION: You must verify the following information before submitting any business:

1. That you are properly licensed and appointed by Transamerica Long Term Care and by the state in which you intend to solicit business
2. That the product you wish to offer is approved in the state in which you intend to solicit business
3. That you signed and returned the Professional Conduct Principles and Policies Acknowledgment that accompanied your licensing and appointment paperwork

DRA Partnership Requirements

Transamerica Long Term Care makes state required DRA Partnership Training easy through our website www.TALTCDDRA.com designed to help you maintain your licensing requirements. All training content is ClearCert Certified and is available online, or for large groups in an onsite classroom.

With the Partnership Training - Agent Resource Training Center you are able to:

- Review your State Training Requirements
- Purchase an online course
- View your training history
- Print your certificate of completion
- Receive automatic reminders when future training is due

The Agent Resource Training Center can also help save you time. Training updates, test results and certificates of course completion are automatically sent within one business day to your state Department of Insurance and our Licensing Department. This means you no longer have to be concerned with preparing and sending us your training paperwork. The site also enables you to keep track of your training history and print your completion certificates at anytime.

With our Partnership Training website we make it easy for you to track and stay compliant with the mandatory DRA Partnership training requirements in your state. To see what the requirements are for each state, go to <https://www.taltc.com/ARC/public/licensing.jsf>.

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ADMINISTRATION

Professional Conduct and Marketplace Standards

Code of Professional Conduct

As a Company, we are committed to treating our customers fairly and ethically. Our distributors are the individuals and firms authorized to sell our insurance products. You have a responsibility to treat our customers fairly and ethically. Our employees, who support our agents, brokers and representatives and serve our mutual customers, share that responsibility and trust. As distributors and employees, we will apply the principles and policies included in the Professional Conduct Principles and Policies (TLC A PC), available on the Agent Resource Center at www.talrc.com. Agents and Producers receive a copy and sign an acknowledgement at the time of contracting. Transamerica is committed to following the ethical principles in the sale of life and Long Term Care insurance to individuals. In so doing the Company subscribes to these six principles (see the Agent Resource Center for additional information):

To conduct business according to high standards of honesty and fairness and to treat our customers as we would expect to be treated

To provide competent and customer-focused sales service

To compete fairly

To provide advertising and sales material that is clear, honest and fair in content

To handle customer complaints and disputes fairly and promptly

To maintain a system of supervision and monitoring reasonably designed to demonstrate the Company's commitment to and compliance with these principals.

If you have questions about any market conduct matter, please contact your management or the LTC Marketing Department:

Transamerica Long Term Care

P. O. Box 95302
Hurst, TX 76053-5302
(866) 475-5986

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ADDITIONAL REFERENCES

Knowing the Tax Advantages of Long Term Care insurance

Paying for Long Term Care insurance may have important tax implications for your clients. “Frequently Asked Tax Questions for Long Term Care Insurance” is a useful publication from Transamerica that is intended to give you a better understanding of tax laws applicable to Long Term Care insurance. While tax regulations can change and this publication should not take the place of professional tax advice, it does provide information and examples that may be helpful to you in presenting the best opportunities for your clients.

“Frequently Asked Tax Questions for Long Term Care Insurance” is available for download at the Agent Resource Center, www.taltc.com.

How Transamerica Underwrites Long Term Care insurance

Your Long Term Care insurance business is built on applications that are successfully approved by us for underwriting. Transamerica’s “Underwriting Field Guide” outlines our philosophy and expectations for insurability and is designed to help you prepare your clients for the underwriting process and facilitate their application. Note that we require regular doctor’s visits to qualify for the Preferred Health discount.

“Underwriting Field Guide” is available for download at the Agent Resource Center, www.taltc.com.

Quick Guide for Long Term Care insurance Facts

It can be frustrating to dig through a Long Term Care insurance policy to answer basic questions about benefits, requirements, and plan design. Transamerica’s “Fast Facts” (for agent use only) puts the essential information about TransCare® II at your fingertips so you can spend more time on your sales instead of research.

“Fast Facts” is available for download at the Agent Resource Center, www.taltc.com.

Selling Multi-Life Policies Guide

You may find yourself in a situation where an employer or association is interested in purchasing or making available TransCare® II. There are additional steps when you are selling to a worksite, association or other Multi-Life group. The Producer’s Guide for Multi-Life Sales will help walk you through the steps to ensure a successful case.

The Multi-Life Producer Guide is available for download at the Agent Resource Center, www.taltc.com. Our dedicated Multi-Life help line is 866-475-6925.

TransCare® II is an individual Long Term Care insurance policy underwritten by Transamerica Life Insurance Company, Cedar Rapids, IA (and Transamerica Financial Life Insurance Company in NY, Home Office: 440 Mamaroneck Ave., Harrison, NY; Administrative Office: P.O. Box 93003, Hurst, Texas 76053-3003). Policy Series ICC10 TLC-3, TLC 2-P 0410, TFL 2-P NY 0410, TFL 2-P NYAF 0410 and TFL 2-P NYF 0410. Qualifying for benefits is required. Benefit options not available in all states. Policy features may be named differently depending on state. Exclusions and limitations apply. Premiums and benefits vary based upon plan selected.

