Protection Series℠ - Hospital Indemnity Insurance Plans

Underwritten by Continental Life Insurance Company of Brentwood, Tennessee (CLI)
Aetna: A recognized leader in health insurance

- More than **2 million** Medicare members
- **22.9 million** medical members
- **15.2 million** pharmacy members
- **14.3 million** dental members

*As of June 30, 2016*
Top financial ratings – as of June 22, 2016

- Aetna Health and Life Insurance Company (AHLIC)
- American Continental Insurance Company (ACI)
- Continental Life Insurance Company of Brentwood, Tennessee (CLI)

“A” Excellent is the third highest rating out of sixteen possible ratings by A.M. Best Company. Founded in 1899, A.M. Best Company is the world’s oldest and most authoritative insurance rating and information source.
Aetna Senior Supplemental Insurance*

- Over 30 years specializing in the senior market
- Focused on being a distributor preferred company, supporting long term success for our valued producers
- A small company personality with big company capability
- Proven “personalized” customer service
- Products to cross sell that will help grow your business
- Attractive commissions
- Diverse product portfolio that meet the unique needs of your clients
- Qualify for sales incentives (all products count - state compensation rules vary)
- Consumer Lead Referral Program

* Includes all products underwritten by American Continental Insurance Company (ACI) and Continental Insurance Company of Brentwood, Tennessee (CLI), Aetna companies; and Medicare Supplement products underwritten by Aetna Health and Life Insurance Company (AHLIC).
The opportunity

Anyone concerned with paying expenses that may be incurred as a result of a hospital stay, temporary skilled nursing facility stay, outpatient doctor visits, or surgery such as:

• The self employed
• A small business owner
• A primary caregiver
Paying for hospital services

According to the Congressional Budget Office, budget cuts to Hospital Services as part of Medicare are projected to be $260 billion between 2013-2022.
Inpatient versus observation stays

Did you know that staying overnight at a hospital doesn’t always mean the person is listed as an inpatient?

A person only becomes an inpatient when a hospital formally admits the person as such, after a doctor orders it. Otherwise, a person could be billed for an “observation stay.” This impacts how much the person pays and qualifying for skilled nursing facility care through Medicare.

Sources: Medicare & You 2015 (p. 38), Centers for Medicare & Medicaid Services; NBC News, Office of the Inspector General (Dept. of Health and Human Services)

Check out this video on YouTube: https://youtu.be/A0E5lfFizqQ
Inpatient versus observation stays

Medicare only pays for rehab for people admitted to a hospital as **inpatient** for 3 or more days, not if they were classified as **observation status**.

See the whole story here:

[https://youtu.be/dpwUTK_fX2w](https://youtu.be/dpwUTK_fX2w)
Inpatient versus observation stays

In 2015, there were more than 600,000 cases where patients were in the hospital for 3 days or more, but **not eligible for rehab coverage**.

See the whole story here: https://youtu.be/dpwUTK_fX2w
Inpatient versus observation stays

That’s what this patient experienced. She was under observation with a broken leg and was saddled with a $28,350 rehab bill.

See the whole story here: https://youtu.be/dpwUTK_fX2w
Inpatient versus observation stays

Hospitals are obligated to follow Medicare rules when assigning patients to their appropriate level of care.

See the whole story here: https://youtu.be/sLmIpQKCXhY
Policyholder has the freedom to use the benefits* for:

- Hospital confinement
- Skilled care received at a nursing facility
- Doctor’s office visit for a covered illness or injury
- Outpatient surgical procedure
- Hospital emergency room visit or ambulance service

*Benefit availability varies by state.
Hospital Indemnity (HI) base benefit

- Pays a lump sum benefit for a hospital confinement of 24 hours or more
- Includes observation stays in a hospital
- Available in $250 units, up to $2500 maximum
- Payable once for each new period of care

Benefit availability varies by state. Product is not available in all states.
Daily Hospital Indemnity Benefit (optional)
• Pays for each day of hospital confinement
• Select benefit in increments of $10
  — Up to $300 per day of confinement
• Period of care is 20 days with a lifetime maximum of 365 days

Skilled Nursing Facility Indemnity (optional)
• For each day of confinement in a skilled nursing facility
• Select in increments of $10
  — Up to $200 per day of confinement
• Choice of covered days/period of care:
  • Days 1-20
  • Days 21-100
  • Days 1-100

Benefit availability varies by state. Product is not available in all states.
**Doctor’s Office Visit Indemnity (optional)**
- For each doctor’s office visit for a covered illness or injury
- Select in increments of $10, up to $60 per visit
- Up to 20 visits per year

**Outpatient Surgical Procedure Indemnity (optional)**
- Pays for an outpatient surgical procedure performed at an ambulatory surgical center or outpatient surgical facility for a covered illness or injury
- Select benefit in increments of $250, up to $1500 per surgical procedure

**Hospital Emergency Room Visit or Ambulance Service Benefit (optional)**
- Pays benefits for either a hospital emergency room visit or an ambulance service
- Must be medically necessary and on an emergency basis
- Pays up to $200 per visit/service, two times per year

Benefit availability varies by state. Product is not available in all states.
What is the Period of Care?
• Begins the first day of confinement in a hospital due to a covered injury or sickness
• Ends when you have been out of the hospital or skilled nursing facility and do not require medical care for 60 continuous days

Is the policy guaranteed renewable?
• Yes

Are benefits paid directly to the policyholder?
• Yes, unless assigned to a healthcare provider

Do premiums increase because of age or health?
• No
Simplified Underwriting

- Yes or No application
- No phone interview required
- Prescription drug script check – reference the Field Guide for drug list

Pre-Existing Conditions

- Policy pays for pre-existing conditions after it has been in-force for three months
- Benefits for all other covered injury or sickness begins the date the policy is issued
Hospital Indemnity cannot be marketed or advertised as a...

- Replacement for a Major Medical plan
- Supplement to Medicare or a Medicare Supplement plan
- “Wrap,” “gap-filler,” “supplement,” or imply that it functions as one
Field Underwriting

Agents should use caution when asking an applicant the health questions found on the application form.

- Don’t rush through the health questions
- Make sure the applicant fully understands each part of the question and has enough time to carefully consider his/her response.
- If an applicant is unsure as to how to answer any of the health questions based on his/her health history, contact our underwriting department for guidance before you complete the application form.

Be careful. Responding incorrectly to a health question can result in a policy that is later rescinded.
Hospital Indemnity

How to start the conversation

How to start the conversation:

• Do you have a hospital copay or deductible plan?
• Do you have money set aside for those out-of-pocket expenses?
Product availability as of December 14, 2016
Applicant must reside in policy issue state

For Agent Use Only. Not To Be Used As A Sales Tool.
IMPORTANT:

- You need home office approval to sell before you take an application.
  - Indicate the states where you plan to sell in Section 4 of the Producer Information Form (PIF).
- Use approved marketing materials based on the policy issue state.
  - Sales kit includes all the required forms and sales materials (sales kits vary by state).
- No certification or tests are required.

Remember – as new products become available, home office approval is required. Make sure you are properly licensed AND appointed (with the appropriate underwriting company) in the state(s) where you wish to market any Aetna Senior Supplemental insurance product.
Privacy: It’s Everyone’s Responsibility

Customer information needs to be protected and secured at all times.
• Demographic, bank and health information
• Coverage type, policy and claims information

Data stored on laptops and other electronic and mobile devices used for business must be encrypted.
• Do not download or store customer data unless absolutely necessary
• Secure these devices when not in use.

Any loss of data, stolen/lost laptops/devices must be reported to Aetna Compliance as soon as possible.
• Notify Aetna’s 24-hour corporate security hotline at 800 682.3213.

Vendors and support staff used by producers must also comply with privacy laws.
• Do not provide customer data to anyone other than what is minimally necessary to transact business.
Another Way We Help Agents To Grow Their Business With Us!

Get FREE leads from your existing policyholders with this simple program:

- Referral cards are sent to existing policyholders through their policy (when issued) and with each EOB.
- Policyholder provides a referral and receives a FREE gift.
- Agent works the referral AND receives his/her normal commission for the sale PLUS production credit.

Registration in the program is required.

For more information contact:
Natalie Slaughter, Program Manager
SlaughterN@aetna.com
Our focus on helping you (the agent) is what sets us apart...

• A dedicated Agent Services team with one number for all administrative questions
  800 264.4000 option 3, 1

• Knowledgeable Regional Vice Presidents and Regional Sales Managers
  – Field staff that cover three geographical regions
  – Offer product training and support to help grow your business
  – Provide assistance in resolving issues or concerns

Available to answer your questions regarding:

• How to become contracted (or approved to sell new products)
• Product support or training opportunities
• Order sales materials
• New business
• Underwriting
• Commissions
• Policyholder services
Senior Supplemental Insurance Sales Management Team

<table>
<thead>
<tr>
<th>Region</th>
<th>Vice President</th>
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<tbody>
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A website dedicated to supporting your business: aetnaseniorproducts.com

Information you need at your fingertips

- My Business dashboard
  - Pending new business report
  - Recently issued business
  - Potential Policy Lapse (a policy conservation report)
  - Policy termination
  - Policy search
- Agent message board, including office closings
- Alerts - important policyholder alerts
- Product and supplies
  - View, download or order materials
- Promotions (sales contests)
  - Track your progress
- Commission statements
- Policyholder secure portal
Keeping you up to date

Email blasts
- Weekly eBulletin
- Product launches
- Sales incentive announcements
- Regulatory updates
- Operational updates
- Upcoming webinars and seminars

Pacesetter newsletter
- Insights from Aetna Senior Supplemental leaders
- Product updates
- Agent recognition
- Promotions updates
- Industry trends
- Compliance Corner articles
Qualification Period:
January 1, 2016 – December 31, 2017

Destination:
Miami, Florida
Summer 2017

Qualifying Products:
Medicare Supplement  1:1 production
Final Expense         3:1 production
Complementary        3:1 production
(Cancer and Heart Attack or Stroke, Continental Care, Home Care, Home Care Plus, Hospital Indemnity, Nursing Facility Care, Recovery Care)

Requirements:
Combination of any qualifying products

BONUSES:
Submit $80,000 or more in underwritten Medicare Supplement business and earn an extra $30,000 production credit toward qualification.
Submit 60% of qualifying business via E-App and earn an extra $20,000 production credit towards qualification.

For details and to track your progress, go to aetnaseniorproducts.com (agent side/promotions)

For Agent Use Only. Not To Be Used As A Sales Tool.
Thank you