

Introducing :

SimplicitySM

Twice as Simple to Sell

S2-6046

For Agent Use Only

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Company Review

MEDAmerica

- 20 Year History as Insurer of LTCI Products
- Unique Company– Not a Financial Services Supermarket
- Wholly Owned Subsidiary of Lifetime Healthcare Company:
 - \$5+ billion Not-For-Profit health insurer w/over 65 years experience

1987

- **Finger Lakes Long Term Care Insurance Company founded.**

1988

- **First group case sold: Montefiore Medical Center.**

1995

- **TransGeneral Life and Casualty Group, Inc. of Maryland purchased by BlueCross BlueShield of Rochester & re-named MedAmerica Insurance Co.**

1997

- **Acquired LTC business of Principal Life Insurance.**
- **Won first competitive state bid: State of NC.**
- **Partnership agreement with COPIC Companies, offering group LTCi to physicians in CO.**

1998

- **CareDirections® Premier product launched.**

1999

- **MedAmerica redomiciled to Pittsburgh, PA.**

2001

- **Acquired LTC business of The Hartford Life Insurance Co. & a block of LTC business of Metropolitan Life Insurance Co.**

2002

- **Kickoff: NY State Public Employee & Retiree LTCi Plan (NYPERL).**

2003

- **Kickoff: Tennessee Employee & Retiree LTCi Plan.**
- **Licensed in 50th state.**
- **Acquired large LTC block of business from ERC Long Term Care Solutions, Inc.**

2004

- **Endorsed by Blue Cross and Blue Shield Association for national accounts.**
- **CareDirections Simplicity® product launched & received highest product rating in the country to date from SellingLTC.com.**
- **Exceeded \$100 million in in-force premium.**

2005

- **Experienced record year with \$17.6 million in new policy sales. Became top 10 LTCi carrier based on number of new policies sold.**
- **Entered into partnership agreement with A+ rated Munich American Reassurance Company to reinsure the individual Simplicity product.**

2006

- **Achieved 16th consecutive year of positive operating results & 2nd consecutive year of top 10 individual sales, providing \$15.4 million in annualized premium from new policy sales.**
- **In-force contracts surpassed 100,000.**
- **Established affinity partnership with Highmark Blue Cross Blue Shield and Highmark Blue Shield of PA.**

2007

- **Launched SimplicityⁱⁱSM, which earned a score of 92 from SellingLTC.com.**
- **MedAmerica Insurance Company of New York celebrates 20th year.**
- **Over \$175 million in claims paid to date.**

2008

- **Exceeded \$1 billion in assets.**

Types of LTC Policies

Reimbursement

Reimbursed up to daily/monthly maximum for actual *qualified* LTC expenses by *certified & approved* providers

Indemnity

Pays maximum daily benefit for each *qualified* service day receiving *qualified* LTC services

CASH

Guaranteed Monthly Cash Payment

MedAmerica "Claim Form"

MEDAmerica

An Exelon Company
 MedAmerica Insurance Company
 Home Office: Pittsburgh, PA
 MedAmerica Insurance Company of New York
 Home Office: Rochester, NY

MedAmerica CareDirections SIMPLICITY®
 INITIAL REQUEST FOR BENEFITS
 OR
 CHANGE TO INFORMATION ON FILE

I. INSURED INFORMATION (Please type or print)						
First Name		Middle Initial	Last Name		Billing Account #	Social Security Number
Street Address-Current Residence					City	County State Zipcode
Mailing Address (if different)					City	County State Zipcode
Date of Birth	Current Age	Marital Status		Sex	Phone	
Month Day Year		<input type="checkbox"/> Married <input type="checkbox"/> Single <input type="checkbox"/> Widowed		<input type="checkbox"/> Male <input type="checkbox"/> Female	() - () - ()	
II. RESIDENCY AND PLAN OF CARE: (To be completed by the Insured or POA/Guardian)						
Current Place of Residence:				Requesting Benefit Payment for Month		
<input type="checkbox"/> Home: Any place where You reside other than a Qualified Facility <input type="checkbox"/> Qualified Facility (as defined in the policy)				FROM TO - / - / - / - / - Month Day Year Month Day Year		
Current Plan of Care: <input type="checkbox"/> Qualified Facility (as defined in the policy) <input type="checkbox"/> Hospice Care Program (as defined in the policy)						
<input type="checkbox"/> Home Care <input type="checkbox"/> Adult Day Care <input type="checkbox"/> Other (please specify)						
III. POWER OF ATTORNEY-LEGAL GUARDIAN INFORMATION (If Applicable): If Insured is unable to sign, the Insured's legal representative should complete the following and Attach Proof/Documentation of Legal Guardianship/Power-Of-Attorney. If the proof of guardianship is on file with the Company, you need only provide the signature and any change of address or phone number.						
First Name		Middle Initial	Last Name			
Street Address					City	County State Zipcode
Mailing Address (if different)					City	County State Zipcode
Home Phone				Work Phone		
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Simplicity Request for Benefits

LTC-214 SPL 12/2003

The Improved Simplicity

INTRODUCING

Simplicityⁱⁱ_{SM}

Cash Benefit Account

- Cash Benefit Account (face amount).
\$100,000, \$200,000, \$300,000,
\$500,000 & \$1 million.
- Easy to Explain
- Builds with Inflation Option
- No Durations, No Complicated Formula!

Monthly CASH Benefit Options

Cash Benefit Account (Choose One)	Monthly Cash Benefit	
\$100,000 2 Options: a or b	a. \$1,500	
	b. \$3,000	
\$200,000 4 Options: a, b, c, or d	a. \$1,500	c. \$4,500
	b. \$3,000	d. \$6,000
\$300,000 4 Options: a, b, c, or d	a. \$3,000	c. \$6,000
	b. \$4,500	d. \$7,500
\$500,000 4 Options: a, b, c, or d	a. \$4,500	c. \$7,500
	b. \$6,000	d. \$9,000
\$1,000,000 4 Options: a, b, c, or d	a. \$6,000	c. \$9,000
	b. \$7,500	d. \$12,000

The Simplicity Improvements

Discounts

Care Partner Discount:

- 20% Savings if One Purchases
- 40% Savings if Both Purchase and are Accepted

PLUS

- 10% Preferred Health Discount

PLUS

- 10% Affiliation or Employer Program Discount

The Simplicity Advantage

- **Guaranteed Cash**—“All Wheel Drive” for the changing terrain of LTC service delivery.
- Will pay for Emerging Technology
- **Any Service Covered** even if provided by by Spouse or Non-Licensed Provider
- 100% Worldwide Benefits

Inflation Options

- None
- 5% Simple
- 5% Compound 2X Max
- 5% Compound No Max
- 3% Compound No Max
(Partnership Ready)

Field Underwriting Best Practices

- Quote “Standard” rates
- Pre-qualify medically, before presenting cash
- Partners in Underwriting Program
(Check MedAmerica web for details)
- Agent pre-qualify hotline—**(877) 233-5435**

Simplicityⁱⁱ Value Design

Client Type	Age 50 Couple interested in ways they can protect 401k savings should one get sick before their retirement plan is complete.
Typical Agent Request	\$150 per day, 100% Home Care, 5 yr duration, 5% Compound Inflation Protection, 90 day elimination, Standard rate class, life pay.
New Simplicityⁱⁱ Translation	\$500,000 Initial Cash Benefit Amount (CBA) \$4500 Monthly Benefit Amount (MBA), 3% Compound Inflation, 100% Home Care.

Simplicityⁱⁱ Value Design (cont.)

	Simplicityⁱⁱ Design	Traditional Reimbursement
Value of Benefit at age 50	\$500,000	\$270,000
Benefit	Age 65 - \$779,000 Age 74 - \$1,016,000 Age 84 - \$1,365,953	Age 65 - \$561,000 Age 74 - \$870,540 Age 84 - \$1,418,000
Premium	\$1,636.00 each	\$1,597.00 each

What is an Affiliation?

- Association

Constitution and/or By Laws

Member Based vs. Customer Based

Minimum of 5 members in Association

Minimum 1 member purchasing coverage

OR

- Employer

Minimum 5 employees in Group

Minimum 1 employee purchasing coverage

Affiliation Program

- Discounts: 10% All Eligibles
 - Preferred Health -10%
 - Care Partner Premium Reduction: 40% if both; 20% if one
 - No Discount cap
- No limits on Plan Design
- No defined open enrollment period
- Minimum participation: 1

Note: Discounts may vary by state

Affiliation Program Market Fit

- Associations
- Small Businesses
- Executive carve outs
- Employers with less than 10 lives
- Great for perpetual marketing/enrollment
- Perfect fit with the *SPEED* App

SPEEDAppSM

- Short Form Application Process
- Ages 71 or younger
- Purchasing most popular CBA
\$100,000
or \$200,000
- 4 Question insurability profile and
meds.

Employer Program

- Discount: 10%
- Care Partner rates for couples regardless if one or both purchase
- Minimum size: 10 Active at Work EE's
- Minimum participation: 10 apps from Active at Work EE's answering "no" to 4 UW questions

Employer Program Market Fit

- Privately held Small Businesses
- Law & Accounting Firms
- Physician Offices
- Bank & Financial Institutions
- School Districts
- Colleges & Universities
- Technology Companies
- Any Employers with a need for Underwriting Concessions
- Employer Paid Base Cases
- Voluntary Cases Requiring Steam-lined On-Line Web Enrollment and Limited Marketing support

Join the National Growth in EP Sales

Employer Program Advantages

- Simplified Underwriting: During open enrollment
- Actively-at-work employees
- Actively-at-work spouses (30+hours/week)
- Age 71 or younger
- On-Line Website enrollment:



A MedAmerica 1st !