

Quality health plans & benefits
Healthier living
Financial well-being
Intelligent solutions

aetnaSM

Begin Your Path to Success **with Individual Medicare Supplement from:**

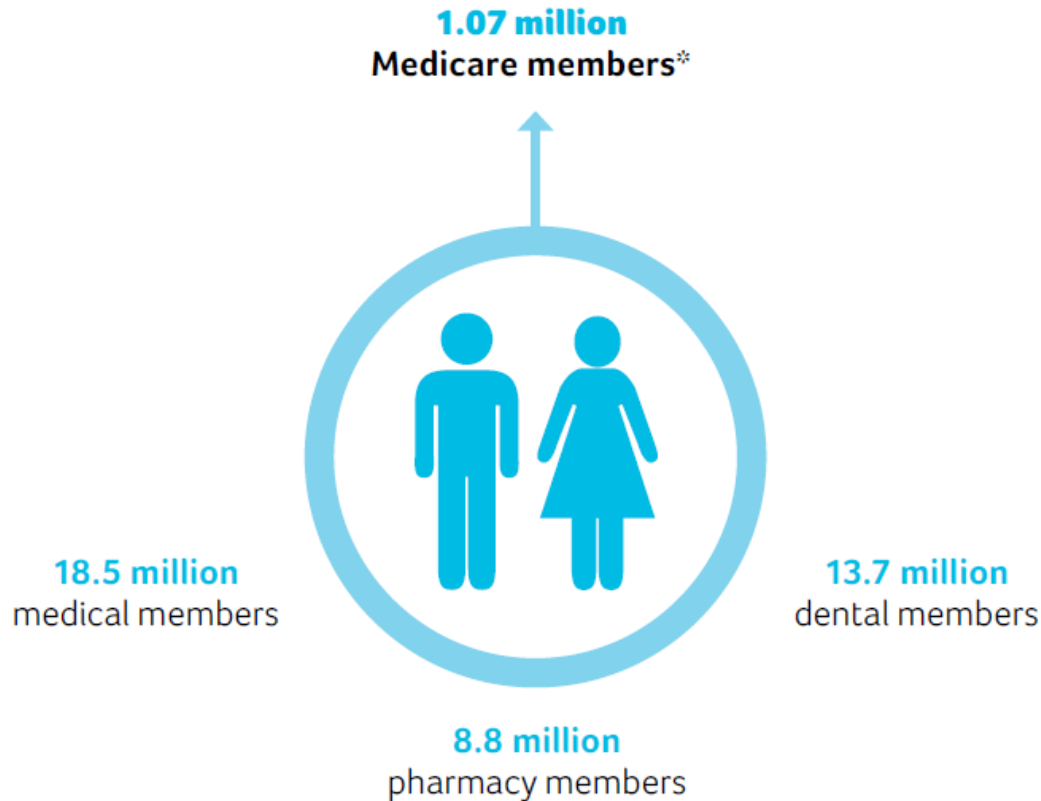
**Aetna Health and Life Insurance Company (AHLIC)
American Continental Insurance Company (ACI)
Continental Life Insurance Company of Brentwood,
Tennessee (CLI)**

For Agent Use Only. Not to be shared with Medicare beneficiaries.
Aetna Inc. Proprietary and Confidential.



Aetna's Brand Value

Aetna: A Recognized Leader In Health Insurance



*As of January 2012; includes 168K GNW/ALIC Medicare Supplement members

Top Financial Ratings

ACI and CLI financial strength as of November 18, 2011



A.M. Best

“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.

AHLIC has not been rated by A.M. Best

History, Reputation, Innovation



Aetna has more than 155 years of insurance expertise.

FACT: Aetna paid the industry's first Medicare claim in 1966.

History, Reputation, Innovation

Aetna Senior Supplemental Insurance

- Has more than 28 years of experience specializing in the senior market
- Focus on being a distributor-preferred company
- Supports the long-term success of our valued agents
- Has small company personality with BIG company capability
- Offers a diverse portfolio of products consumers know and trust

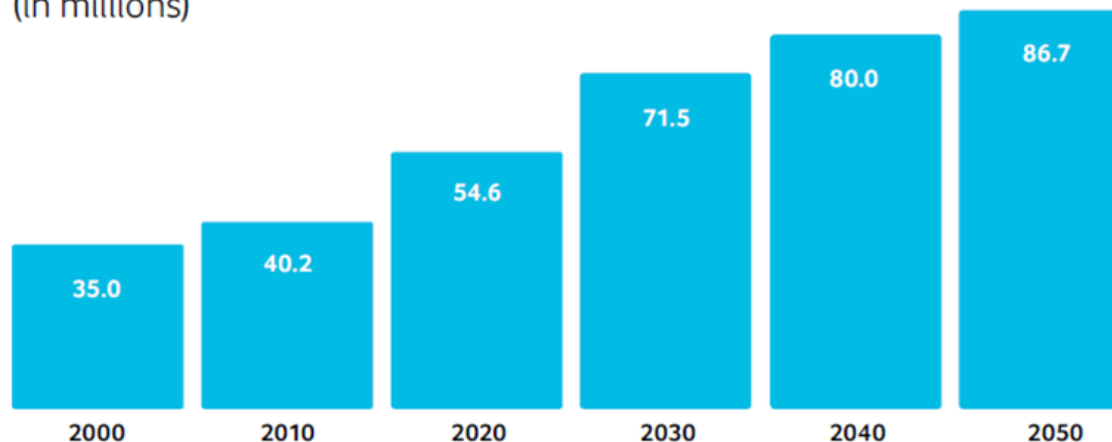
The Opportunity... The
Benefits...

The Right Demographics Enhance Your Medicare Supplement Opportunity

- The 65+ age group is projected to grow by 14.4M individuals, a 35% increase, over the next decade (2010 – 2020).
- The senior population will double from 40M to 80M, and represent one out of every five U.S. citizens (20%) over the next 30 years.

Population Aged 65 and Over: 2000 to 2050

(in millions)

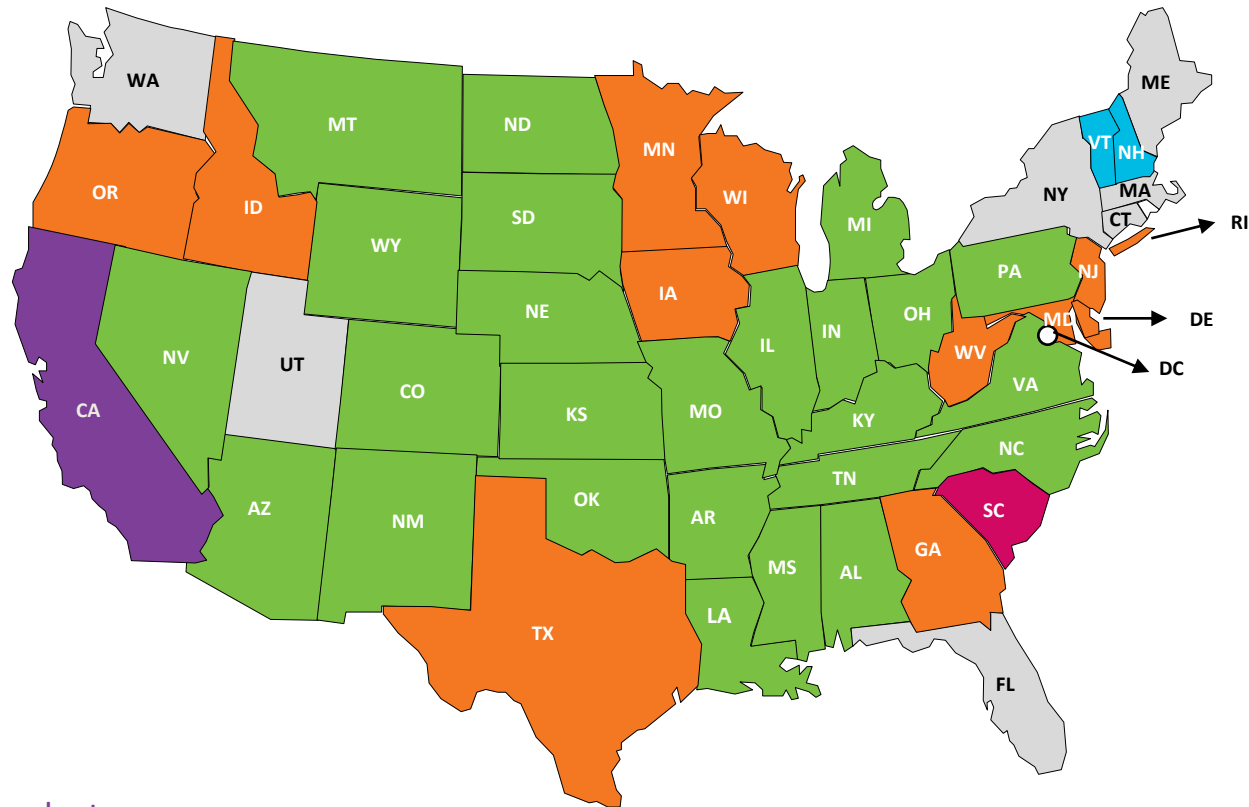


Note: The reference population for these data is the resident population.

Sources: 2000, U.S. Census Bureau, 2001, Table PCT12; 2010 to 2050, U.S. Census Bureau, 2004.

Individual Medicare Supplement Product Offering

- Product not available in all states
- Policy based on applicant's state of residence
- Plan options also vary by state
 - Availability of under age 65 plans also vary by state
- 5% household discount available in some states



Plus -- new Medicare Supplement products coming soon in CA, NH, and VT



Individual Medicare Supplement Plans

**Plans A, B, C, F, High Deductible F (HDF), G,
and N**

**Do Not Include a Pre-existing Condition
Clause**

Pays Competitive Commissions

**Home Office Approval Required Before You
Sell**

- Make sure you are appointed with the appropriate underwriting company before taking an application

aetna
Underwritten by
**Continental Life Insurance Company
of Brentwood, Tennessee**
An Aetna Company

Helping provide
financial security

**Medicare Supplement
Insurance**

Plans A, B, C, F, High Deductible F, G, N

New Jersey
CLMS01765NJ 010913

Household Discount

The two Medicare eligible individuals applying for coverage must be either:

- Married
- Domestic Partner (civil union or partnership), or
- Individuals who have resided at the same residence for 12 continuous months or more

Both applications must result in an issued Medicare Supplement policy – do not have to apply at the same time.

- Both policies must be a MIPAA plan issued by the same underwriting company

Application for the discount **MUST** be indicated on the application

- For applicants who apply separately (such as when one spouse later becomes eligible for Medicare), the second applicant **MUST** include the existing policyholder's coverage information

Policies are **NOT** issued **UNTIL** both applications are processed

- Inform the applicant and plan accordingly

Household Discount (continued)

Each policy receives the discount

- One discount per policy
- One discount per household

Discount will apply to the total premium AND for the life of the policy.

Inform the applicant(s) that the initial premium should include the 5% discount

- Should one application be declined or withdrawn a premium adjustment will be made to the issued policy

The joint application **MUST** include for **EACH** applicant all state required forms

- To include, HIPAA, Policy Replacement, and Proof of Creditable Coverage

Policies are **NOT** issued **UNTIL** both applications are processed

What's Great About Medicare Supplement Plans

- **30 Days Free Look:** Return any policy for any reason within 30 days after receipt for a full refund of all premiums paid.
- **Guaranteed Renewable:** No worries of reduced benefits or cancelled coverage for the life of the policy, as long as the premiums are paid on time.
- **Freedom to Choose Your Doctors:** You control and choose the physicians who you trust for your care.
- **Benefits Stay the Same:** You always know what your benefits are with this standardized plan...no surprises or re-evaluations year-after-year.
- **Portable Coverage:** You are not restricted to use a network of health care providers. If you move, your coverage goes with you.

What's great about the plans

All of the following are features of all of the Medicare Supplement plans offered by Continental Life Insurance Company of Brentwood, Tennessee.

• 30 days free look

Return any policy for any reason within 30 days after receipt for a full refund of all premiums paid.

• 12-month rate guarantee

No rate increase for the first 12 months, as long as the premiums are paid on time.

• Guaranteed renewable

No worries of reduced benefits or cancelled coverage for the life of the policy, as long as the premiums are paid on time.

• Freedom to choose your doctors

You control and choose the physicians who you trust for your care.

• Go direct to your doctors

You can go directly to the physicians and specialists you choose without pre-certifications and pre-approvals.

• Benefits stay the same

You always know what your benefits are with this standardized plan...no surprises or re-evaluations year-after-year.

• Portable coverage

You are not restricted to use a network of health care providers. If you move, your coverage goes with you.



Pre-existing Condition Limitations

Unlike some Medicare Supplement plans, Pre-existing Condition limitations DO NOT apply to AHLIC, ACI, CLI, GLAIC or GLIC Medicare Supplement policies

A pre-existing condition is any injury, sickness or disease for which the insured has received, or has had recommended, medical advice or treatment during the six months before the effective date

For Plans where a Pre-existing Condition does Apply:

- Plans do not pay benefits for loss which occurs within six months* after the effective date as a result of a pre-existing condition
- Pre-existing conditions will be covered after six months* from the policy effective date

- Individuals who apply during their OE period and, as of the date they applied, had a continuous period of Creditable Coverage of at least 6 months are not subject to the pre-existing conditions limitation
 - If period of creditable coverage is less than 6 months, the pre-existing condition limitation is reduced by the continuous period of creditable coverage the insured had within 63 days of the effective date of the Medicare Supplement policy

* The period for which a pre-existing condition is determined and/or for which benefits are not available can vary by carrier.

Why Sell AHLIC, ACI and CLI Individual Medicare Supplement Plans

- Choice of plans to meet the individual's needs
- Choice of any licensed doctor or hospital that is eligible to receive reimbursement from Medicare — no network constraints
- Competitive rates coupled with competitive commissions
- Plans are portable; policyholders don't have to worry about losing coverage when they relocate
- Plans available that cover emergency care outside the United States
- Claims are electronically submitted by the Original Medicare processor for Parts A and B
 - Beneficiary is generally not required to submit paper claims
- Electronic payment options (checking account) policyholders paying for monthly premiums
 - EFT results in better business persistency

Credit card payments not available at this time. List bill with other individual policies with the same underwriting company is available in some situations. Call Policyholder Services for details.

Why Sell AHLIC, ACI and CLI Individual Medicare Supplement Plans (continued)

- Medicare Supplement applications are accepted throughout the year for eligible applicants
- Backed by Aetna's financial strength
- Personable service for you and your clients
- Competitive commissions
- Sales incentives (visit exotic destinations)
- Consumer lead referral program
- PDP Referral Program



Can I sell an Aetna Medicare RX (PDP) Plan with an Individual Medicare Supplement Plan?

- Medicare Supplement Plans do not include prescription drug coverage; therefore, prescription drug coverage must be a standalone purchase
- Producers cannot solicit the purchase of a PDP plan with a Medicare Supplement Plan
- PDP Referral Program pays \$45 per referral that results in a PDP

Refer or Sell PDP?

To SELL Aetna PDP:

- Agent must be contracted with Aetna and satisfy ALL certification requirements before they can sell Aetna PDP
- And, the agent must satisfy these requirements each year to receive his/her Aetna PDP renewal commissions

To REFER Aetna PDP:

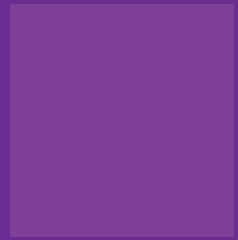
- **Certification is NOT REQUIRED for agents to make PDP referrals**

Can I sell an Aetna Medicare RX (PDP) Plan with an Individual Medicare Supplement Plan?

The Aetna PDP Referral Program:

- Aetna Referral Program Agreement required
- AHIP or MA/MAPD/PDP certification is NOT required
- Agent must be appointed to sell Medicare Supplement with either AHLIC, ACI, CLI, GLAIC, or GLIC AND receive home office approval to participate in the PDP Referral Program
- Agent receives a one time referral fee for any Aetna PDP plans sold
- PDP Referral Specialist will help protect your AHLIC/ACI/CLI/GLAIC/GLIC Medicare Supplement business

- If an individual Medicare Supplement as well as an Aetna PDP is sold, it should be made clear to the individual that they will receive separate policies, membership ID cards, and premium notices will be sent separately. Premium remittance for the two "stand-alone" policies should be made to the appropriate underwriting company.



Fast & Responsive Service

We emphasize personal service for our distribution with...

- A dedicated Agent Services team with one number for all administrative questions 800-264-4000 option 3, 1, and
- Knowledgeable Regional Vice Presidents located within five geographic areas:
 - Northeast: Greg Etchison
 - Southeast: Steve Patton
 - Midwest: George Pelekanos
 - Northwest: Tony Clark
 - Southwest: Frank Bell

Available to answer your questions regarding:

- License, appointment, certification
- Product support and sales materials
- New business
- Underwriting
- Commissions
- Policyholder services

Information you need at your fingertips.

Aetnaseniorproducts.com

- a website dedicated to supporting your business:

- Producer dashboard
 - Pending new business report
 - Recently issued business
 - Potential Policy Lapse
(a policy conservation report)
 - Policy termination
 - Policy search
- Product and supplies
 - View, download or order materials
- Promotions (sales contests)
 - Track your progress toward qualification
- Commission statements



Information to
Keep you Current

Agent Alerts: Keeping You on Top of What is Happening.

- Email Blasts: Make sure we have your current email address on file
- Product launches
- Sales incentive announcements
- Product and regulatory updates
- Company and industry developments
- Operational updates
- Notice of upcoming webinars and seminars

Pacesetter

Sent to agents actively writing Aetna Senior Supplemental business

- Includes informative sales, administrative, and compliance articles
- Includes sales promotions and agent recognition

Aetnaseniorproducts.com

Agent message board – news alerts (to include office closings due to holidays or inclement weather, etc.)

Get out front of the market and be ready to sell...

Licensing and Appointment

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)
- Unlike Medicare Advantage plans, no certification or tests are required
 - Agents need to be properly licensed AND appointed (with the appropriate underwriting company) in the state(s) where they wish to market the product

That's it! You're ready to sell.

To order supplies, become approved to sell, or for product information or training contact Agent Services team at:

Phone:

800-264-4000 option 3, 1 (Sales)
7:30 a.m. – 4:30 p.m. Central time

Fax:

855-690-0893

E-mail:

AetSSlinformation@aetna.com



Understanding Your Medicare Supplement Commission

- The commission amount paid is a percentage of the policy's paid premium as calculated at the time of the initial sales
 - No commission on rate increases or policy fee
 - Companies policy replacement rules can apply on internal policy replacement or policy exchanges
- Commission payments are processed based on receipt of the policyholder's premium payment:
 - AHLIC, ACI, and CLI commissions are paid based on the premium mode (monthly, quarterly, semi-annual or annual) selected by the policyholder
 - Commission advancing is available on AHLIC, ACI, and CLI commissions and requires home office approval
 - GLAIC and GLIC commissions are paid based on the first year annualized premium regardless of the premium mode selected
- Commissions can be paid by Electronic Funds Transfer (EFT) or by check
- Commission payments are processed weekly (new business cutoff is the close of business on Saturday)
 - Bank and company holidays can vary new business cut off date
- Commission rules vary by state for policies issued to individuals under age 65
- Commissions not paid on premiums for the Medicare Part B Deductible

Enrollment and Applications

The Sales Kit includes everything you need and contents vary by state:

- Product Brochure
- Outline of Coverage (benefit summary, including premium rate information) — MUST be left with the applicant
- Form entitled “Notice to Applicant Regarding Replacement of Medicare Supplement Insurance or Medicare Advantage”
- Application and Electronic Funds Transfer Form

- Copy of CMS’ booklet, “Choosing a Medigap Policy” (Required to be left with applicant)
- Business Reply Envelope
- New Business Fax Cover Sheet (use for EFT applications and get your business issued faster)
- Agent Checklist

Available separately:

- Agent rate card — shows monthly and annual rates

Online (electronic) applications are not available. Sales materials can be ordered as sales kits or individually through aetnaseniorproducts.com (agent website) or by calling the Agent Services team. Online forms can be downloaded and printed.

Application Checklist

Before the Application is Submitted, the Producer is Responsible for Reviewing the Following Information:

- Make sure applicant is provided with all the required enrollment materials included in the Enrollment Kit (state laws vary)
- Make sure all information on all required forms is complete and legible
- Complete all required fields on the application, including the effective dates for Part A and Part B.
 - Incomplete applications will be returned to the applicant
- Make sure beneficiary's Medicare claim number is complete (include the alpha code)*
- Ensure all health questions are completed for individuals who enroll outside of their Open Enrollment (OE) and Guaranteed Issue (GI) periods.
 - **Use the Preferred Rate for all GI and OE applications**
 - **Do not answer the health questions on GI and OE applications (Applications received with health questions answered in a OE or GI period will be returned.)**
- Make sure the signature and date are valid on the application

* If the applicant is becoming eligible for Medicare and the Medicare claim number has not been issued, instruct the applicant to call Policyholder Services as soon as the ID card is received.

Application Checklist (continued)

- Complete and sign the agent information section of the application
- Include initial premium amount on the application, including applicable adjustments for increases for direct monthly billing or smoker status. Include the one time only Policy Fee (\$20 in most states)
- Include a voided check if the applicant elects to pay their monthly premium via Electronic Fund Transfer (EFT)
- Make check payable to the appropriate underwriting company. CA applications must include 1/12 of the annual premium
- Attach any necessary documentation of prior coverage for proof of Guaranteed Issue entitlement
- Make sure all state-required forms are included
- Submit the application on time, within 30 days of the signature date
- Do not sell a Medicare Supplement plan to an individual if they are not terminating their existing Medicare Advantage plan prior to the desired effective date of coverage
- Inform applicant if they are cancelling a Medicare Advantage plan that Aetna does not process the disenrollment
- Advise the applicant to retain their current coverage until they receive the new policy and accept the terms of coverage (30-day free look)
- Advise an applicant who is not applying during OE or GI that a company representative will be calling them to conduct a telephone interview. (They will be asked the same health questions asked on the application)

Individual Medicare Supplement Enrollments and Applications

Submit applications ONE of these ways:

- **By fax (recommended method – EFT apps only): 877-380-2777**
- **By mail (include initial payment):**

AHLIC

P.O. Box 14399
Lexington, KY 40512-9700

ACI

Bank of America Lockbox Services
P.O. Box 405925
Atlanta, GA 30384-5925

CLI

Bank of America Lockbox Services
P.O. Box 742214
Atlanta, GA 30374-2214

GLAIC/GLIC

Bank of America Lockbox Services
P.O. Box 404140
Atlanta, GA 30384-4140



Policy Issuance

- Unless otherwise requested, Policy is issued the first day of the month following receipt and acceptance of the completed application
 - Policy effective date cannot be the 29th, 30th, or 31st of a month
 - Policy effective date cannot be more than 90 days from the application date UNLESS the applicant is within 6 months (90 days in WI) of their Medicare Open Enrollment Period
- If application is missing information, the application will be pended until the missing information is received
 - The agent will be contacted for the missing information
- In addition to the applicant's notification, Agent will be informed by letter when policy is issued or if application is declined
- Agent may request delivery of policy directly to him/herself (except PA) or the policyholder
- Policy is sent on approval to the policyholder* and includes:
 - A welcome letter
 - ID card
 - Policy page reflects the member's name, policy number, effective date, and premium rate
 - HIPAA Notice of Privacy Practices
- Coverage may be canceled within the 30 day "free look" period for a full refund

State rules vary. Policy must be delivered to the Policyholder in some states, like PA.

Premium Rate and Billing Information

- Premiums may be paid on a monthly, quarterly, semi-annual* or annual basis
 - Electronic Funds Transfer (EFT) is available by monthly bank draft (EFT helps get your policies issued faster and results in better business persistency)
 - Unless requested differently, premium draft dates are based on the policy effective date (Call Policyholder Services or New Business for details)
 - Direct Bill is available for applicants who chose to pay annually, semi-annually, or quarterly
- AHLIC, ACI, CLI, GLAIC and GLIC Individual Medicare Supplement plans include a one year rate guarantee
 - Premium rate adjustments are made on the policyholder's policy anniversary date

IMPORTANT: Guaranteed Renewable – coverage cannot be terminated as long as the policyholder pays their premium

Thank you for your
attention today.