Medicare Supplement
Enhanced Program Overview

Cigna Medicare Supplement Solutions®
Insured by American Retirement Life Insurance Company
Substandard Rate Classes

Household Discounts

Customer Programs Add Value
Expand Your Sales with New Rates for Substandard Risk

New underwriting rate classes for Cigna Medicare Supplement Solutions®
Introducing Tiered Rating Structure to Issue More Business

Turn your declines into Cigna customers!

As Cigna takes rate action in a given state with our ARLIC Medicare Supplement plans, a new 4-tier rating structure will be introduced:

- Preferred
- Standard (Tobacco User)
- Standard II
- Standard III (Tobacco User)

The introduction of this new rating system will give Cigna and our Broker Partners the ability to issue more underwritten Medicare Supplement business.

Open Enrollment and Guaranteed Issue applicants will continue to receive a Preferred rate.
Applicants, who would have previously been unable to obtain a Medicare Supplement policy, may now qualify for Medicare Supplement insurance coverage with our new underwriting rate classes.

This major change could open your business to:

- Seniors with some chronic health conditions
- Customers who may not have been able to pass underwriting to switch carriers or are forced into very high cost plans because of their medical history
- Couples that pay higher premiums with a different company to stay on the same plan as their spouse
### Newly-Accepted Health Conditions

<table>
<thead>
<tr>
<th>Standard II and III Conditions</th>
<th>Not Covered Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Angioplasty</td>
<td>Chronic bronchitis</td>
</tr>
<tr>
<td>Atherosclerosis or arteriosclerosis</td>
<td>Any other chronic lung or respiratory disorder requiring the use of oxygen</td>
</tr>
<tr>
<td>Peripheral vascular disease</td>
<td>Diabetes with neuropathy</td>
</tr>
<tr>
<td>Carotid artery disease</td>
<td>Diabetes with retinopathy</td>
</tr>
<tr>
<td>Coronary artery disease (CAD)</td>
<td>Diabetes with vascular disease</td>
</tr>
<tr>
<td>Angina</td>
<td>Myasthenia gravis</td>
</tr>
<tr>
<td>Cardiomyopathy</td>
<td>Systemic lupus</td>
</tr>
<tr>
<td>Stent placement</td>
<td>Hepatitis other than hepatitis A</td>
</tr>
<tr>
<td>Heart valve surgery</td>
<td>Cirrhosis of the liver</td>
</tr>
<tr>
<td>Atrial fibrillation</td>
<td>Other liver disease</td>
</tr>
<tr>
<td>Irregular heartbeat</td>
<td>Cerebral palsy</td>
</tr>
<tr>
<td>Cardiac pacemaker</td>
<td>Parkinson’s disease</td>
</tr>
<tr>
<td>Implantable or subcutaneous defibrillator</td>
<td>Dementia</td>
</tr>
<tr>
<td>Transient ischemic attack (TIA)</td>
<td>Senility</td>
</tr>
<tr>
<td>Chronic obstructive pulmonary disease (COPD)</td>
<td>Alzheimer’s disease</td>
</tr>
<tr>
<td>Chronic obstructive lung disease (COLD)</td>
<td>PSA levels greater than 6.0</td>
</tr>
<tr>
<td>Emphysema</td>
<td></td>
</tr>
</tbody>
</table>
Determining your applicant’s eligibility is easy!

> Applicants can still be approved for Preferred and Standard rates through underwriting

> An applicant’s rate will be the Standard II or Standard III rate if:

  – an applicant’s answer to any of the questions in Section VII, Part B of the application is ‘yes’;

  – their weight is outside the allowable ranges for the Preferred and Standard tiers as defined in the build chart;

  – or their weight is above the allowable range for selected conditions\(^1\).

Height and weight will no longer be used to decline coverage!

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1. Selected conditions include tobacco use, diabetes, or maintenance medications for heart and vascular conditions.
## Section VII. Medical Questions (cont’d.)

### PART B. MEDICAL QUESTIONS

The answers to questions in Part B will determine your rate and final determination is subject to the Company’s Underwriting review. Please provide complete details as requested below.

8. Height (ft.-in.) ___________ Weight (lbs.) ________

9. Do you have now or in the last two (2) years have you been treated for or advised by a medical professional to have treatment for the following conditions:

<table>
<thead>
<tr>
<th></th>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
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<tr>
<td>b.</td>
<td></td>
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<tr>
<td>c.</td>
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<td>s.</td>
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</tbody>
</table>

10. Do you have now or in the last two (2) years have you been treated for or advised by a medical professional to have treatment for the following conditions (you should answer NO if your only treatment is with maintenance medication):

<table>
<thead>
<tr>
<th></th>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b.</td>
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<tr>
<td>c.</td>
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<tr>
<td>q.</td>
<td></td>
<td></td>
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</tbody>
</table>

11. If you have used tobacco within the last 12 months, do you currently:

<table>
<thead>
<tr>
<th></th>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Alabama application shown*
Underwriting Applicants

Determining your applicant’s rate class is even easier!

<table>
<thead>
<tr>
<th>Underwriting Medical Questions Answered ‘YES’</th>
<th>Rate Class</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Preferred</td>
</tr>
<tr>
<td>Part A</td>
<td>NO</td>
</tr>
<tr>
<td>Part B</td>
<td>NO</td>
</tr>
<tr>
<td>Tobacco User</td>
<td>NO</td>
</tr>
</tbody>
</table>

If an applicant’s height and weight is outside the allowable ranges for Preferred/Standard

| Standard II | Standard III with Conditions¹ |

When in doubt… Reach out to our Agent Underwriting Line to Prequalify Applicants!

1. Selected conditions include tobacco use, diabetes, or maintenance medications for heart and vascular conditions.
# MEDICARE SUPPLEMENT

## Underwriting Applicants

### Phone Verification Process Changes

<table>
<thead>
<tr>
<th>Medicare Supplement</th>
<th>Product</th>
<th>EXPRESS APP (no wet signature)</th>
<th>Phone/Fax (no wet signature)</th>
<th>Paper/Fax (with wet signature)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>OE/GI</td>
<td>Not needed*</td>
<td>Live PV</td>
<td>Not needed*</td>
</tr>
<tr>
<td></td>
<td>Underwritten** States only offering Preferred &amp; Standard classes</td>
<td>Live PV</td>
<td>Live PV</td>
<td>Live PV</td>
</tr>
<tr>
<td></td>
<td>Underwritten** States offering STD II &amp; III classes</td>
<td>Live PV</td>
<td>Live PV</td>
<td>Live PV</td>
</tr>
</tbody>
</table>

*Applicant verification in lieu of a PV

**Please check your state's Outline of Coverage or our Product Availability Chart to determine if STD II or III are available in your state

**Live PV: 8am to 6pm, M-F, call 866-825-4822**
Household Discounts

Capture more business per household
HOUSEHOLD DISCOUNTS

Encourages additional household members to purchase

> Beginning June 1st, 2015, Cigna Medicare Supplement Solutions® will be rolling out a 7% household discount for our Medicare Supplement Insurance policies, insured by American Retirement Life Insurance Company (ARLIC) as it is approved in each state

> Household Discount is a discount that is available when more than one member of the household enrolls or is enrolled in a Medicare Supplement policy provided by or through an Affiliate of American Retirement Life Insurance Company

  > Affiliate company is defined as an insurance company that is under common ownership or control with American Retirement Life Insurance Company and that is a member of the same insurance holding company system

> Automated quoting in Express App, Text Quote and Mobile Quote

> Cigna will automatically adjust current qualified customers to the 7% discount upon state approval

> Household is defined as a condominium unit, a single family home, or an apartment unit within an apartment complex.

  > Assisted Living Facilities, Group Homes, Adult Day Care facilities and Nursing Homes, or any other health residential facility are not included in the definition of “Household”.
HOUSEHOLD DISCOUNT

The Opportunity in Numbers – ARLIC Demographics as of June 2015

- 84% Eligible
- 16% Not Eligible

44% of current customers that are not eligible, have a family member in the household that is eligible if they purchase an ARLIC policy.
Customer Programs

Extra value and special services to Cigna customers
CUSTOMER PROGRAMS

Cigna Healthy Rewards®*
A discount program available with a Cigna Medicare Supplement insurance policy

Policyholders can save on health and wellness programs such as:
> Weight and nutrition – Jenny Craig®
> Vision exams and eyewear – Pearle Vision®, JCPenney Optical®, Sears Optical®, Target Optical®
> Hearing aids and exams – HearPO® and drugstore.com™
> Alternative medicine – chiropractic, acupuncture and massage services

24-hour Health Information Line to answer medical questions any time, day or night

We are filing updated customer brochures and value-added services brochures for promotion presale!

Please note not all extra services are offered in all states; availability may vary.
No promotional discussion is allowed presale at this time.

Health Rewards programs are separate from Medicare Supplement insurance benefits. A discount program is NOT insurance, and the customer must pay the entire discounted charge. Some Health Rewards programs are not available in all states and programs may be discontinued at any time. Participating providers are independent contractors who are solely responsible for any care or services provided.
CUSTOMER PROGRAMS

Silver&Fit Fitness Program

To help live a more active and healthy lifestyle;

> Low-cost\(^1\) access to a large network of fitness facilities nationwide
> Group classes designed for older adults, where offered\(^2\)
> Low-cost\(^3\) option to work out at home using up to 2 home fitness kits per benefit year (15 to choose from)
> Healthy aging materials (online or DVD)
> A newsletter four times a year
> Silver&Fit Connected!\(^TM\), a fun and easy way to track exercise at a facility or through a wearable fitness device or app and earn rewards\(^4\)

\(^1\)Cost to member is $25 per benefit year/per member  \(^3\)Lower cost to member is $10 per benefit year/per member

Silver&Fit is our new rollout program that competes with our competitor product

The Silver&Fit program is provided by American Specialty Health Fitness, Inc., a subsidiary of American Specialty Health Incorporated (ASH). All programs and services are not available in all areas. Silver&Fit and the Silver Slate are federally registered trademarks of ASH.

Please note not all extra services are offered in all states; availability may vary. No promotional discussion is allowed presale at this time.

\(^2\)Services at fitness facilities that call for an added fee are not part of the Silver&Fit program. Examples of services include but are not limited to, personal training sessions, tennis lessons, and personal coaching among others.

\(^4\)Rewards subject to change; purchase of device or app is not included.

The programs and services described are not insurance and are neither contractually offered nor guaranteed under Cigna affiliated companies Medicare Supplement insurance policies. They may be provided by a third party, discontinued at any time, and are subject to geographic availability.
Round Out Your Portfolio

Grow your business and protect your client’s assets
SUPPLEMENTAL HEALTH

Flexible Choice Cancer and Heart Attack & Stroke Policies

Provide lump sum benefits for diagnosis of cancer or heart conditions and stroke with the flexibility to cover both and to add multiple riders for recurrence, restoration and more¹ for an additional premium

Competitive Advantages

> Payroll Rates up to age 64
> No cap on child coverage
> 100% of the benefit amount is payable for Cancer and Carcinoma In Situ
> Return of Premium (ROP) rider available
> Cancer Recurrence/Heart and Stroke Restoration riders build benefits back²
> Can sell Heart/Stroke policy and rider above age 65
> Offer a Hospital/ICU rider above age 65

Benefit Features

> Benefit amounts from $5,000 to $100,000¹
> Issue ages 18 – 99 and your dependents
> No tobacco questions on the application

¹Benefit amounts and rider availability varies by state
²The Cancer Recurrence Rider can only be added to the Lump Sum Cancer Policy and the Heart Attack and Stroke Restoration Rider can only be added to the Lump Sum Heart Attack and Stroke Policy
SUPPLEMENTAL HEALTH

Individual Whole Life

Designed to help pay final expenses with Level and Modified benefits to provide coverage under a variety of health conditions

Competitive Features

> No annual policy fee
> No wet signature required
> 5% spousal premium discount\(^1\)
> No height/weight chart

Benefit Features

> Issue ages 50-85
> Benefit amounts from $2,000 - $25,000
> Accidental Death Benefit to Age 100 Rider for an additional premium

\(^1\)Only available if both individuals apply at the same time. Discount is applied to the policy of the youngest spouse.
Enrollment Experience

Maximize these enhancements easily within ExpressApp
MEDICARE SUPPLEMENT

ExpressApp & Submitting Applications

Express App will allow you to easily do the following:

> Determine the rate class of an applicant at the time of quote or application

> Apply a Household Discount at the time of quote or application

> Allow a primary and spouse to have different rate classes on the same quote and application
ExpressApp & Submitting Applications

The underwriting questions will be available on the ‘Choose Plan’ screen to quickly field underwrite and determine the appropriate rate class.

Household Discount is as easy as checking the box.

The rate class can also be selected in the drop down box here; the premium will adjust based on the selection.
MEDICARE SUPPLEMENT

ExpressApp & Submitting Applications

An applicant and spouse can have different rate classes based on their individual medical history and tobacco use.
When opting to ‘Rate Qualify Now’ the medical underwriting questions will pop up verbatim to how they appear on the application.

A ‘Yes’ response to an underwriting question in Part A will continue to field decline.

‘Yes’ responses to underwriting questions in Part B, pictured, will drive the rate class determination.
The questions can easily be answered for all applicants on the same form.

When indicating a ‘Yes’ the system will ask which applicant the ‘yes’ applies to.

An applicant can answer ‘yes’ to more than one condition and still be considered.
MEDICARE SUPPLEMENT

ExpressApp & Submitting Applications

Applicants that indicate they are **NON** tobacco users will only have the options of Preferred and Standard II rates classes.

Applicants that indicate they are **Guarantee Issue** will only see the Preferred rate class.
MEDICARE SUPPLEMENT

ExpressApp & Submitting Applications

Applicants that indicate they are tobacco users will have the ‘Tobacco’ indicator on the screen and will only have the options of Standard and Standard III rates classes.
Applicants that indicate they have another member of their household applying or currently enrolled in a Med Supp plan with ARLIC or an affiliated company will check the box.

An indicator will appear above the premium reading ‘Discounts Applied’.
Applicants applying with a Household Discount applied to their quote will be prompted to enter the household member’s information whom has the Cigna Med Supp plan within the General tab under Applicant.

If applying at the same time, their information will be prepopulated.
MEDICARE SUPPLEMENT

ExpressApp & Submitting Applications

Paper applications will be updated as states are approved for these changes

- Outdated versions of applications will not be accepted once the new application is available
  - Example: Alabama is approved for changes as of 6/1
  - The outdated application will not be accepted after 5/30
- ExpressApp will automatically update with the changes as states are approved

Check the Product Availability Chart for current and upcoming availability by state

The Agent Sales Guide has been updated!
Your virtual home office to:

- Product Portfolio & Availability Guide
- NEW Agent Sales Guide
- Training Materials & Replays to All Webinars
- Start Quoting Today in ExpressApp!
Thank You

Offered by: Loyal American Life Insurance Company or American Retirement Life Insurance Company.

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