



Genworth<sup>SM</sup>  
Financial

*Built on GE Heritage*



## LONG TERM CARE INSURANCE SMALL BUSINESS DISCOUNT FAQ<sub>s</sub>

Underwritten by  
Genworth Life Insurance Company

# ELIGIBILITY

**Q.** Are shared policies counted as two lives?

**A.** Yes, when determining if a minimum of five lives has been submitted shared policies will count as two lives.

**Q.** Can an internal replacement policy be one of the five lives?

**A.** Yes, internal replacement policies will be counted towards the requirement for five or more lives. Regular replacement guidelines apply.

**Q.** Are there any circumstances where an application submitted would not count toward the requirement to submit a minimum of five lives?

**A.** Applications deemed invalid under current guidelines (example: applicant over 80 years old) will not be considered toward the minimum of five lives submitted requirement.

**Q.** Are retirees eligible for the discount?

**A.** Yes, a retiree from the small business who would otherwise have been an "eligible person" would be eligible for the discount. In addition, this would have to be the retiree's most recent employer. For example, a full- or part-time employee who retires from Business X is eligible, as is the officer of the Non-Profit Y. But the volunteer from Non-Profit Y who "retires" is not eligible. In addition, the person who leaves Business X three jobs ago and now finds out about the discount is not eligible. But the employee who retires from Business X and is just starting to work part-time would be eligible.

**Q.** What if the state where one of the applications is signed is a state that is not approved for the Small Business Discount?

**A.** the minimum five lives must be submitted from an approved state, based on the applicant's resident state. Applicants from other states can be included in the group if the employer wants to include them on a List Bill but these policies will not receive the discount.

**Q.** Are employees of an association eligible for the discount?

**A.** As long as the association meets all of the eligibility criteria, employees of that association are eligible for the discount. Members of the association are not.

**Q.** If the business or group dissolves, do policyholders still keep their discount?

**A.** Yes, once a policy receives a valid discount it will not be removed.

**Q.** Will the discount be available to existing groups?

**A.** No, the Small Business Discount is only available to new group numbers established by submitting a Business Profile form and applications submitted after the Group Number is established.

**Q.** If a group was created before June 22, 2005 but five or more new eligible members of the group apply together after June 22, 2005 are they eligible for the discount?

**A.** No, the Small Business Discount is only available to group numbers established and applications submitted on June 22, 2005 or later.

**Q.** Does the discount have to be offered to all small business groups?

**A.** Yes, the Small Business Discount must be offered to all groups that may qualify.

# DISCOUNT CALCULATION AND PROCESS

**Q.** How is the Small Business Discount calculated?

**A.** The Small Business Discount is applied to the premium net of all other applicable discounts.

*Example:* Couple from Ohio: \$1000 Premium, qualifies for the Couples Discount and the Small Business Discount:

$$\begin{array}{rcl} \$1000 & - & 40\% \text{ Couples Discount} & = & \$600 \\ \\ \$600 & - & 5\% \text{ Small Business Discount} & = & \$570 \end{array}$$

(\$30 discount)

**Q.** How will applications for Conditional Insurance Agreement (CIA) work if it is not certain whether the Small Business Discount will be applied?

**A.** CIA applications must submit the required initial premium as stated in the Premium Receipt and Conditional Insurance Agreement in the Application Package. Premium amount calculations will include the Small Business Discount when determining if the required minimum premium has been received.

**Q.** What happens if a policy is ready for issue before the minimum of five lives has been submitted?

**A.** Policies for businesses that have not qualified for the discount will be issued without the discount. If it is later determined that the business is eligible for the discount, the discount will be added to eligible issued policies as of their policy effective date.

**Q.** Once a group is established can I submit additional applications one at a time?

**A.** Yes. A minimum of five lives must initially be submitted to establish eligibility for the Small Business Discount, but once that eligibility has been established additional applications can be

submitted individually. The group number must be included on the coverage selection page for each additional application submitted.

**Q.** Can I offer List Bill without the Small Business Discount?

**A.** List Billing will be available without the discount only if the group does not qualify for the discount. This would include groups in states where the discount is not offered as well as groups that do not meet the eligibility requirements. The minimum number of policies required for List Bill remains at three policies.

**Q.** How will a business that wants some policies to be employer paid on a List Bill and others to be directly billed to employees be handled?

**A.** Businesses that need some policies on a List Bill and others to be direct billed will be assigned two group numbers - one for each type of billing. It is critical that the correct group number is indicated when submitting applications. All policies in both groups will be counted when determining the five life minimum.



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