



# EssentialLTC



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## NGL Sales Team



### **Joe Guyotte**

- *CLU, ChFC, CLTC*
- *NGL National Sales Manager*
  - Joe has 25 years of LTCi distribution experience as a Regional and a National Sales Vice President.

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## NGL Sales Team



### Larry Moore

- *MBA*
- *Regional Vice President, Individual Products*
  - Larry has over 30 years of experience in LTC planning.

## NGL Sales Team



### Lawrence Vivenzio

- *CLTC*
- *Regional Vice President, Individual Products*
  - Lawrence has dedicated his entire professional career to Long Term Care insurance. His experience ranges from field sales to agency experience to carrier positions.

# National Guardian Life Insurance Company (NGL)

## NGL Background

- *Founded in 1909*
- *A (Excellent) rating from AM Best*
- *\$4.8 billion in assets*
- *1.27 million policyholders*
- *Partnered with an expert LTCi TPA who:*
  - *Administers 200,000+ insureds' policies*
  - *Has 30+ years in Long Term Care insurance*



Ratings current as of 3/24/2021. NGL reported \$4.4 billion in consolidated liabilities for 2020. Financials current as of 12/31/2020. Policyholder membership based on year end 2020 financials.

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# National Guardian Life Insurance Company (NGL)

## NGL EssentialLTC

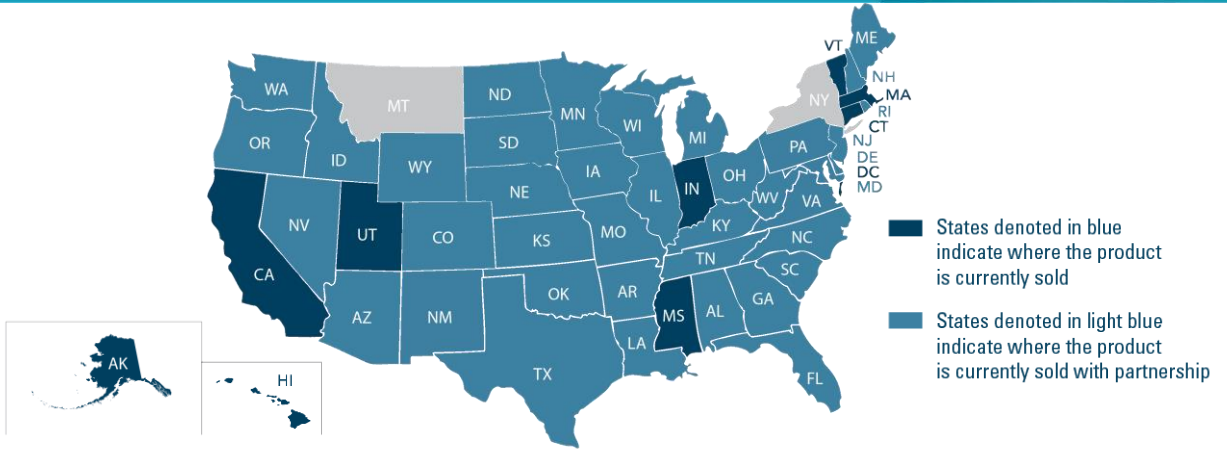
- *Competitive rates*
- *Rich LTCi features*
- *Prudent underwriting*
- *Flexible plan designs*



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# EssentialLTC Product Availability



# EssentialLTC

## Traditional LTCi can be what you want it to be

- Joint / Shared Benefit (3<sup>rd</sup> benefit pool)
- 2, 3, 4, 5 or 6-Year Benefit Periods
- Lifetime Benefit Period
- Single / 10-Year / Lifetime Premium
- Return of Premium / Surrender

- Consumer  
+ Price +
- Agent  
+ Value +
- LTC Specialist  
+ Flexibility +

# Flexibility of Traditional LTCi

## NGL EssentialLTC Features

- *Joint Coverage*
- *Shared Benefit Amount Rider*
  - *Separate 3<sup>rd</sup> benefit pool*

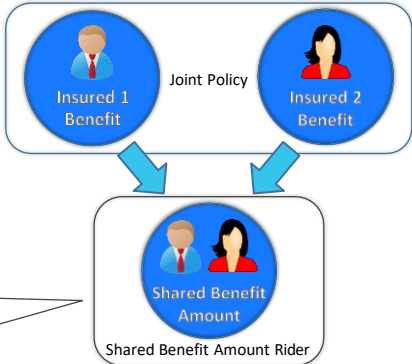


# A Policy Structure with Couples in Mind

## NGL EssentialLTC Features

- *Joint Coverage*
- *Shared Benefit Amount Rider*
  - *Separate 3<sup>rd</sup> benefit pool*

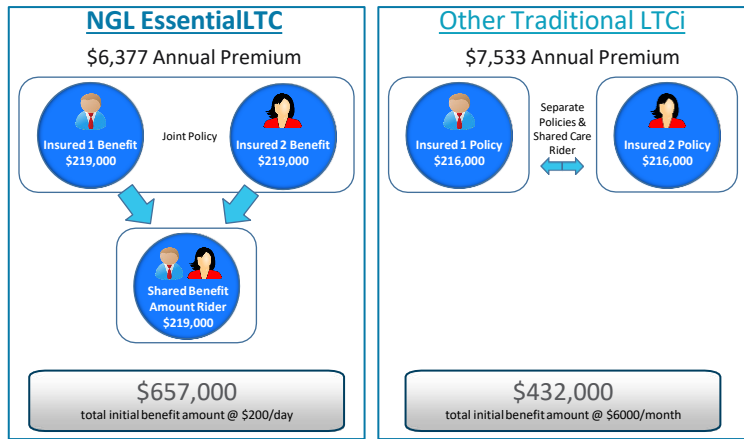
If either or both insureds exhaust their own benefits, a joint Shared Benefit Amount will become accessible to either or both of them.



# Competitive Scenario



55-year-old couple



Generic state, \$200 Daily Benefit Amount for NGL, \$6,000 Monthly Benefit Amount for "Other," 3-Year Benefit Period, Shared Benefits, 3% Compound Inflation Protection Rider, Most Common Rate Class "Other Traditional LTCi" information sourced from competitive carrier's illustration program 02/19/2021

# Flexibility of Traditional LTCi

## NGL EssentialLTC Features

- Joint Coverage
- Shared Benefit Amount Rider
- Lifetime Benefit Period



## Flexibility of Traditional LTCi

### NGL EssentialLTC Features

- *Joint Coverage*
- *Shared Benefit Amount Rider*
- *Lifetime Benefit Period*
- *Single / 10-Year / Lifetime Premium*



## Flexibility of Traditional LTCi

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- Joint Coverage
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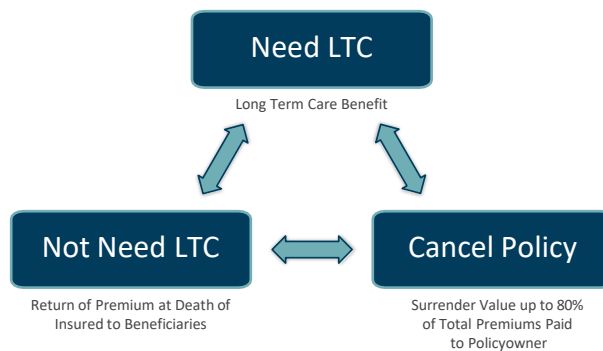


### Sales Ideas

- Asset-Based LTCi Planning

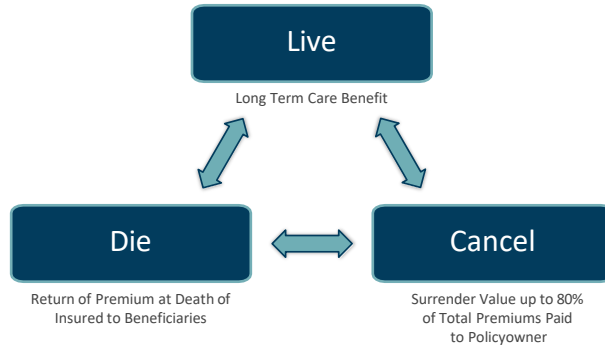
# Live, Die or Cancel on a Traditional LTCi Policy

## EssentialLTC

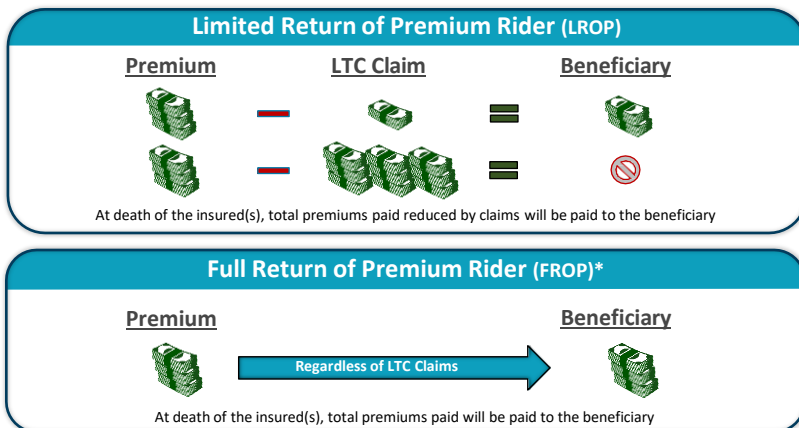




# EssentialLTC



# Return of Premium Riders



## Return of Premium *with* Optional Policy Surrender Riders

Policy Surrender Value Schedule	
Policy Anniversary Date	Percent of Premiums Paid
First	20%
Second	40%
Third	60%
Fourth (and succeeding)	80%

Lump sum payment to the policyowner up to 80% of total premiums paid, reduced by claims.



Limited ROP with Optional Policy Surrender available in all product-available states.  
Full ROP with Optional Policy Surrender only available in select states.

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## Flexibility of Traditional LTCi

### NGL EssentialLTC Features

- *Joint Coverage*
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- *Lifetime Benefit Period*
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### Sales Ideas

- *Asset-Based LTCi Planning*
- *Business Owner / Worksite*
  - TQ LTCi - Tax Deductions



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# Employer Group Rate Class (unisex premium rates)

## • Employer Group Rate Class

- Issue ages 40-79 (age nearest) including joint applicants
- One rate class - Unisex pricing
  - Same premium rate for same age male, female
  - Competitive joint premium for couples
- Streamlined group approval process
- Available to almost any business with 5+ employees
- Low minimum participation, 2-5 issued employees, varies by state
- Full compensation / commission



# Marketing Support – Tax Summary for Agents/Advisors

**2021 LTCi TAX SUMMARY**

The tax treatment of Tax-Qualified Long Term Care insurance (TQ LTCi) premiums and benefits can be an important part of the decision to purchase Long Term Care insurance.

Below is a summary of the income tax treatment of TQ LTCi policies for 2021.

This is offered for education and informational only. It is not intended to constitute tax or legal advice. For information on a specific situation, always consult with an attorney or tax advisor for the tax implications of TQ LTCi policies.

TQ LTCi is a government-insurable contract that provides benefits for long-term care expenses that are paid by employees that are not covered by Medicare. It may provide a tax advantage under the Health Care Financing Act (HCFA) and the Internal Revenue Code. However, it is not a health insurance policy and does not provide the same level of protection as health insurance. TQ LTCi can generally be used to cover and health insurance.

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**Individual Taxpayer**

Individual Who Does Not Receive Deductions

- Premiums are not deductible
- Premiums are deductible as a medical expense if medical expenses including TQ LTCi Long Term Care Insurance exceed 10% of adjusted gross income (AGI)
- Limited to the lesser of the actual premium paid or Eligible Long Term Care Premiums in Table 1

**Eligible Long Term Care Premiums**

Age	Male	Female
Age 40-49	\$5,000	\$5,000
Age 50-59	\$6,000	\$6,000
Age 60-69	\$7,000	\$7,000
Age 70 and older	\$8,000	\$8,000

**C-Corporation Owners & Employees**

Employer-provided LTCi treated as an accident and health plan:

- Employer-paid premiums are deductible by employer as ordinary compensation cost
- Not taxable to TQ LTCi Long Term Care Insurance Table 1
- Employer-paid premiums are not deductible for employees
- Employer pays the expense for premiums, interest, and eligible tax expenditures

**Self-Employed Taxpayer**

Self-Employed Taxpayer (Sole Proprietor, Partnership, S-Corp, LLC, or Trust)

**Tax Treatment of Premiums for Self-Employed Taxpayer**

- Premiums are not deductible
- Premiums are deductible as a medical expense if medical expenses including TQ LTCi Long Term Care Insurance exceed 10% of adjusted gross income (AGI)
- Limited to the lesser of the actual premium paid or Eligible Long Term Care Premiums in Table 1

**Tax Treatment of LTCi Benefits**

Benefits Paid for Tax-Qualified Long Term Care Expenses

- TQ LTCi payments made to pay for long-term care expenses are not included in income
- TQ LTCi benefits paid on a non-qualified basis are payments based on actual charges of long-term care services provided, up to the \$49,000 monthly benefit maximum (under the TQ LTCi policy)

**Method of Premium Benefits**

- Includes only optional amounts or death benefits (not death benefits for a joint policy)
- Not included in gross income or subject to gift tax
- Not included in gross income for the amount that any deduction in calculating net adjusted cost basis for the policyholder

**1035 Exchange & The Pension Protection Act**

The Pension Protection Act (PPA) allows 1035 exchanges for TQ LTCi contracts. This allows the insured to exchange a TQ LTCi contract for another TQ LTCi contract or a qualified annuity. The exchange is tax-free if the replacement contract is not a "qualified annuity" and the TQ LTCi policy is not a "qualified annuity" (as determined by the IRS).

Contract	Life Insurance	Non-Qualified Life Insurance
1035 Exchange	Yes	Yes
Non-Qualified Life Insurance	No	No

**Premium Payment Sources**

Health Savings Accounts and Archer Medical Savings Accounts

Individuals may use TQ LTCi premiums to pay for health care expenses if they have a Health Savings Account (HSA) or Archer Medical Savings Account (ARMSA) in a qualified account. The funds must be used for long-term care services related to the payment of long-term care premiums.

**EssentialLTC**



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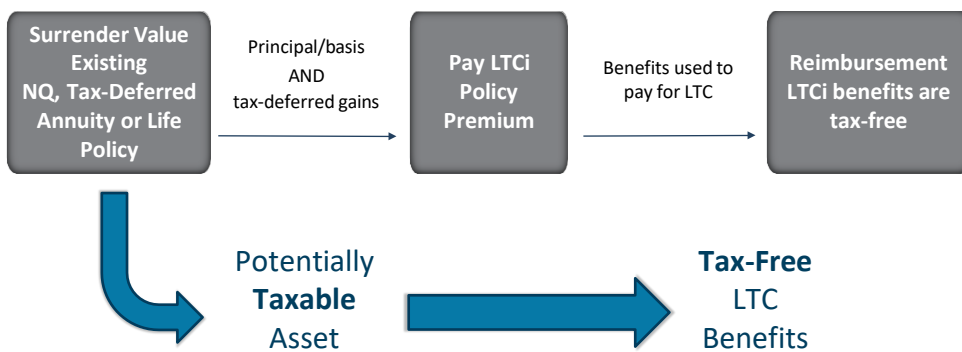
## Sales Ideas



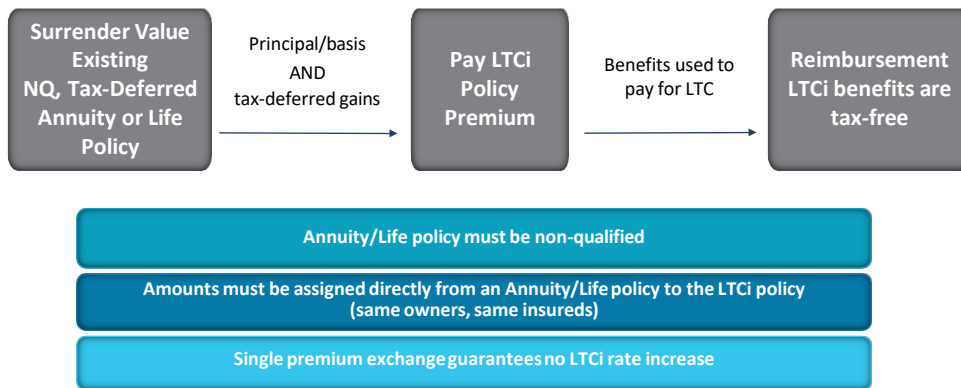
- Asset-Based LTCi Planning
- Business Owner / Worksite
- 1035 Exchange



# Pension Protection Act (PPA) – 1035 Exchanges



## Pension Protection Act (PPA) – 1035 Exchanges



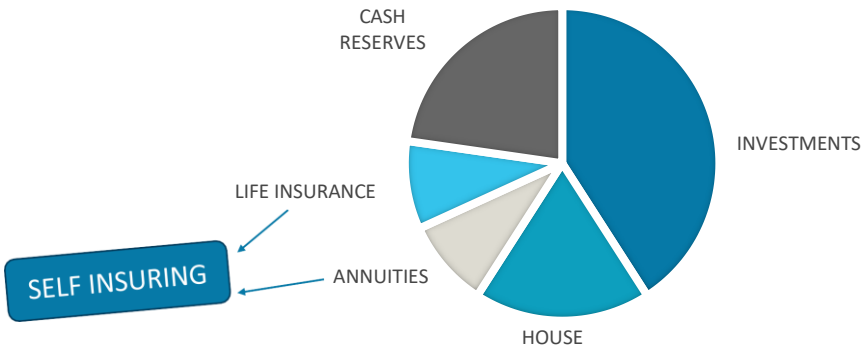
## Top Producer Approach

At the beginning of a 1035 presentation, tell your client / prospect that you can help in one of two ways...

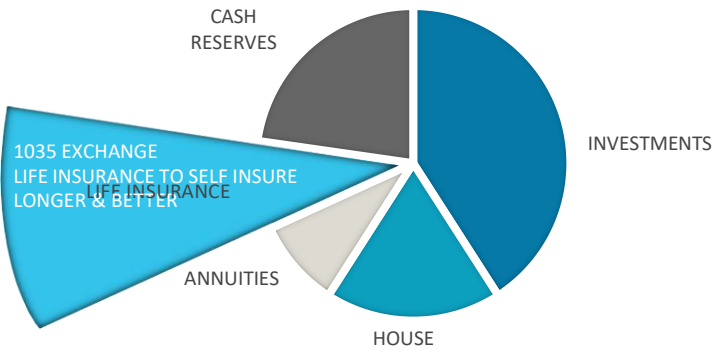
1. Transfer the LTC risk - "Traditional" - Using available income or assets
2. Self-Insure the LTC risk - "Hybrid" - Longer and better than you are doing now

Would you mind if I showed you **both**?!

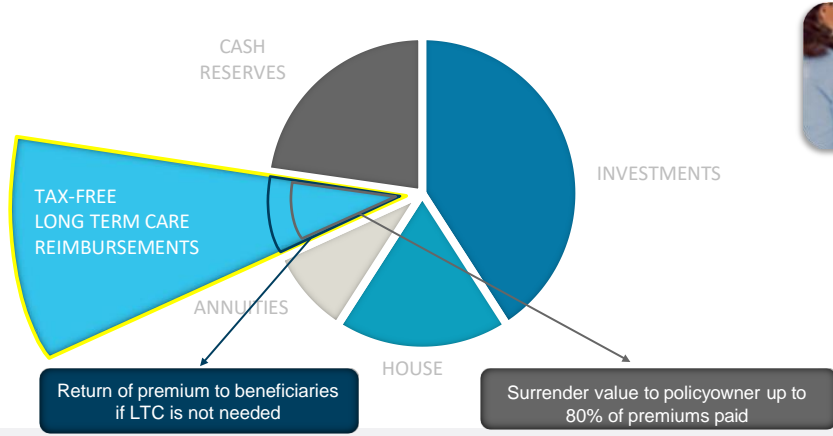
# Susan & John's Advisor Suggests to Self-Insure



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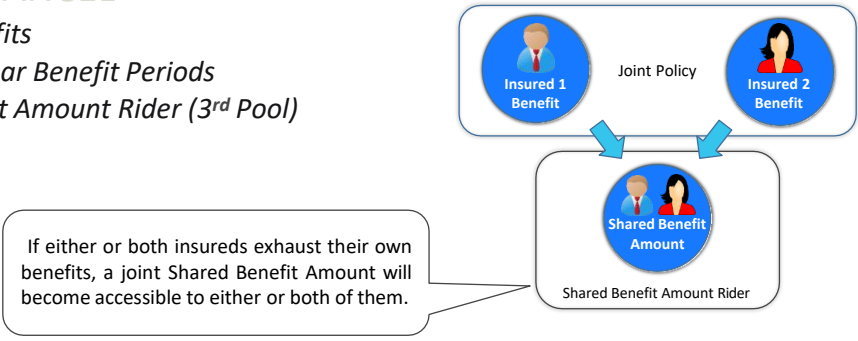


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# 1035 Exchange LTCi Planning

## LIVE / DIE / CANCEL

- Lifetime Benefits
- 2, 3, 4, 5, 6-Year Benefit Periods
- Shared Benefit Amount Rider (3<sup>rd</sup> Pool)

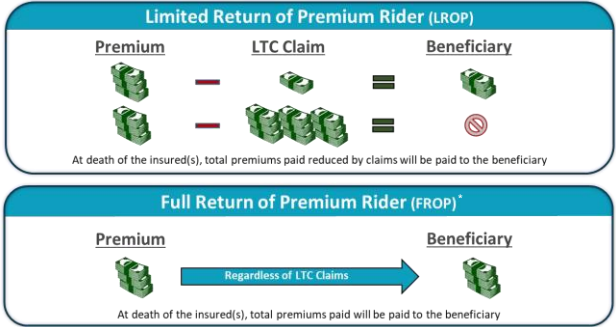


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# 1035 Exchange LTCi Planning

LIVE / **DIE** / CANCEL

- Lifetime Benefits
- 2, 3, 4, 5, 6-Year Benefit Periods
- Shared Benefit Amount Rider
- Return of Premium



# 1035 Exchange LTCi Planning

LIVE / DIE / **CANCEL**

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### Sales Ideas

- Asset Based LTCi Planning
- Worksite / Executive Carve Out
- 1035 Exchanges

- Consumer  
+ Price +
- Agent  
+ Value +
- LTC Specialist  
+ Flexibility +

## EssentialLTC



# NGL LTC Rate Calculator



<https://calc1.nglic.com/calc-n-gl-ltc>

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# EssentialLTC



# EssentialLTC Agent Resource Center

EssentialLTC

agent login



<https://ngl-essentialtcc.com>



Thank you!

The information contained herein is not intended to provide legal or tax advice. Nothing contained herein represents a guarantee that amounts paid for or received through Long Term Care insurance are excludable from gross income for tax purposes. Consult with your attorney, accountant, or tax advisor regarding the tax implications of purchasing Long Term Care insurance.

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