



EssentialLTC

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.

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*



National Guardian Life Insurance Company (NGL)

NGL EssentialLTC

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



EssentialLTC

Traditional LTCi can be what you want it to be

- *Joint / Shared Benefit (3rd 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 3rd benefit pool*

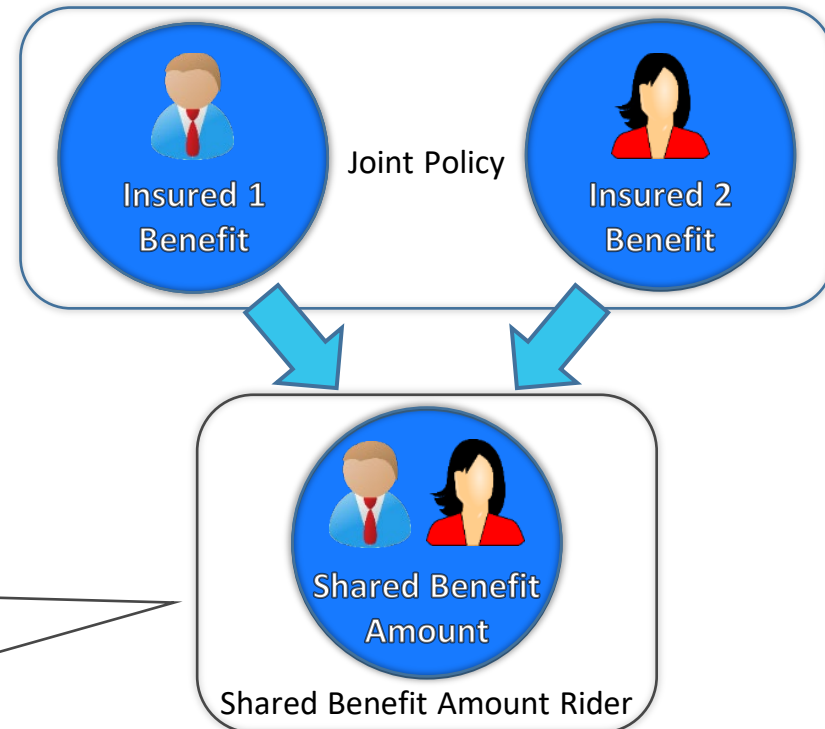


A Policy Structure with Couples in Mind

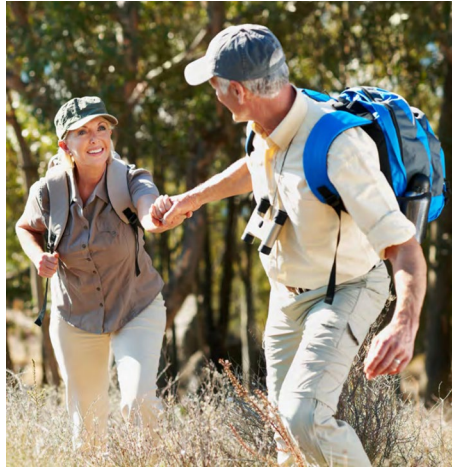
NGL EssentialLTC Features

- *Joint Coverage*
- *Shared Benefit Amount Rider*
 - *Separate 3rd benefit pool*

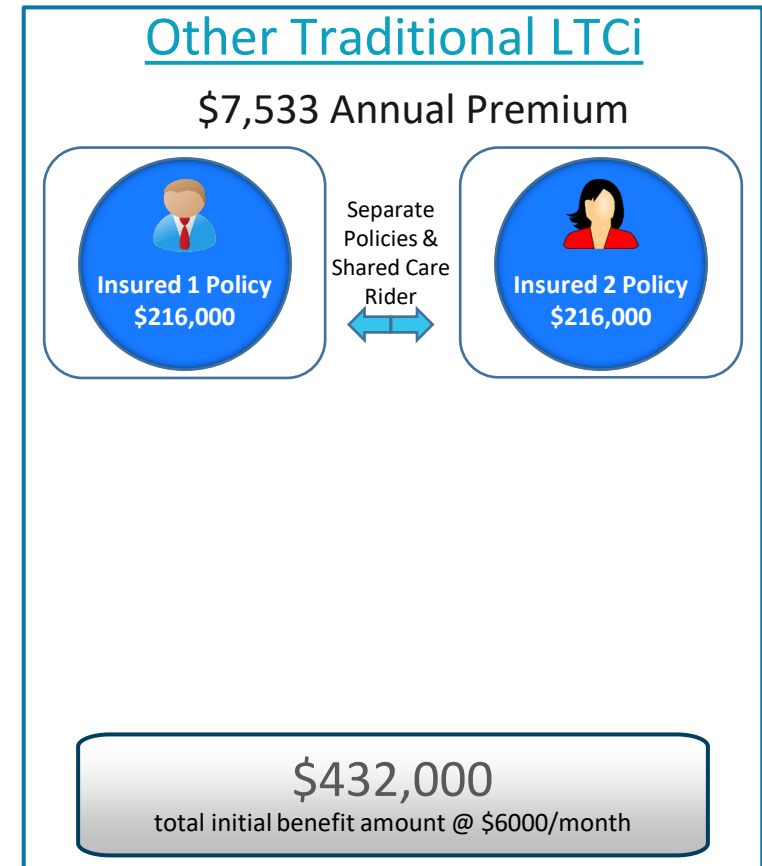
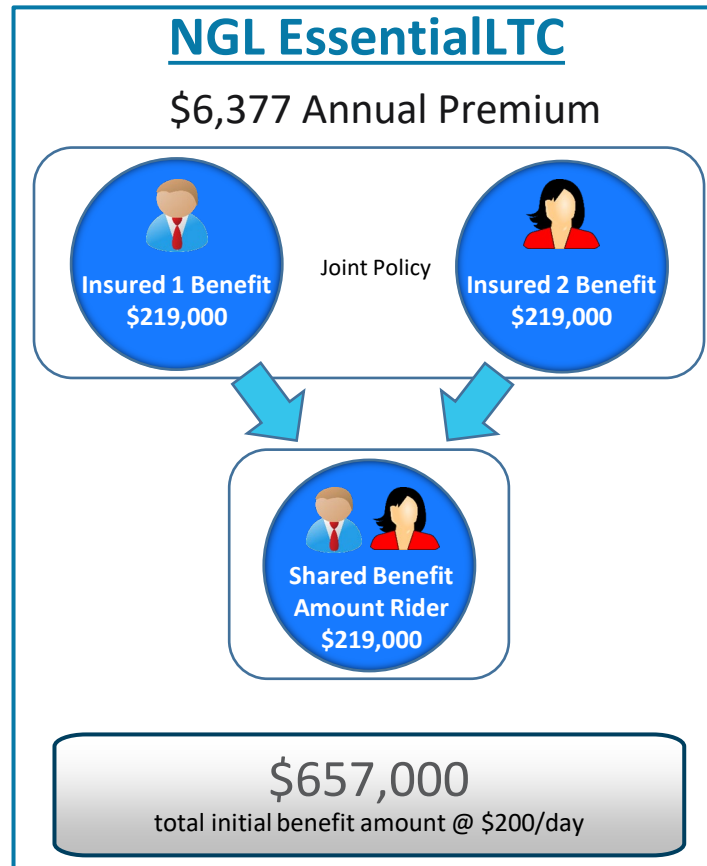
If either or both insureds exhaust their own benefits, a joint Shared Benefit Amount will become accessible to either or both of them.



Competitive Scenario



55-year-old couple



Flexibility of Traditional LTCi

NGL Essential LTC Features

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



Flexibility of Traditional LTCi

NGL Essential LTC Features

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



Flexibility of Traditional LTCi

NGL EssentialLTC Features

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



Flexibility of Traditional LTCi

NGL Essential LTC Features

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



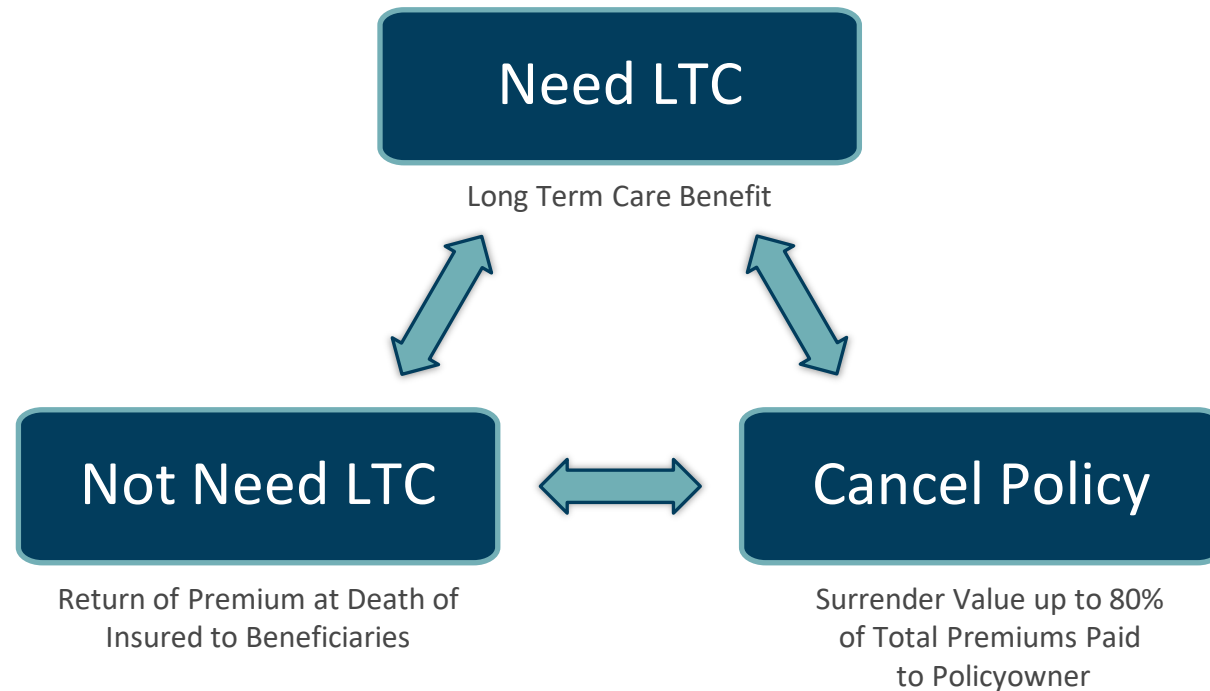
Sales Ideas

- *Asset-Based LTCi Planning*

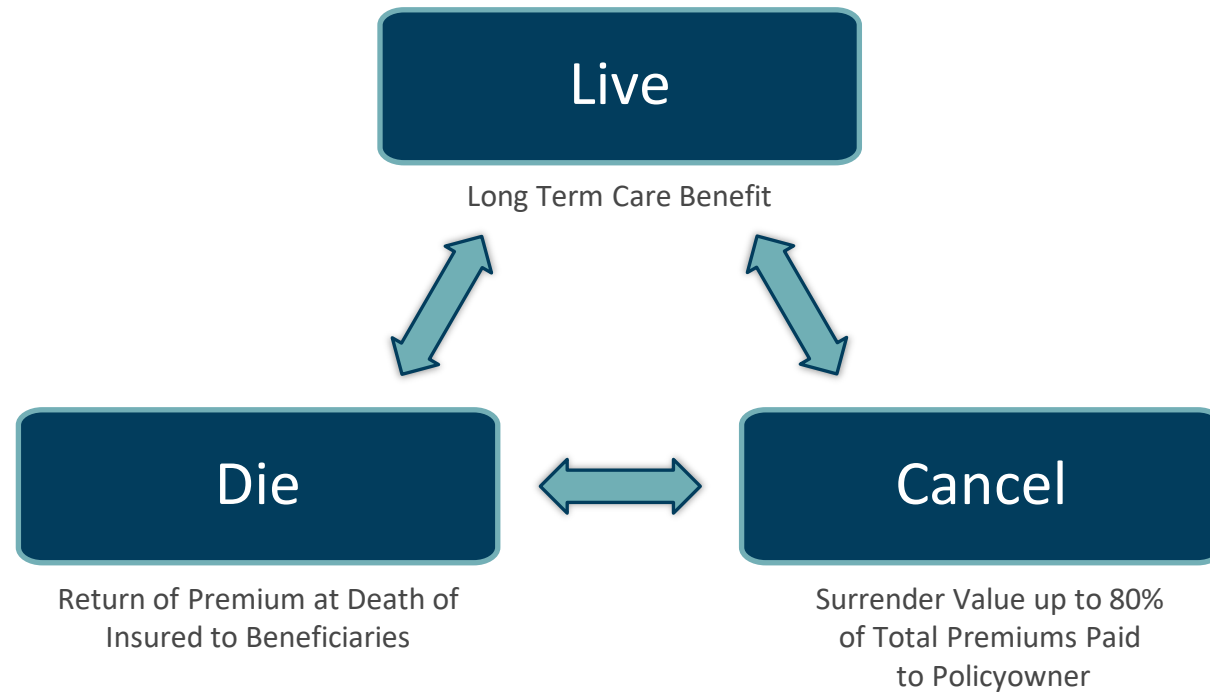


Live, Die or Cancel on a Traditional LTCi Policy

EssentialLTC



EssentialLTC



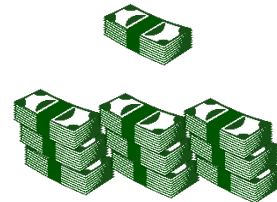
Return of Premium Riders

Limited Return of Premium Rider (LROP)

Premium



LTC Claim



Beneficiary



At death of the insured(s), total premiums paid reduced by claims will be paid to the beneficiary

Full Return of Premium Rider (FROP)*

Premium



Regardless of LTC Claims



Beneficiary



At death of the insured(s), total premiums paid will be paid to the beneficiary

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.

Flexibility of Traditional LTCi

NGL EssentialLTC Features

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

Sales Ideas



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




Employer Group Rate Class (unisex premium rates)

- **Employer Group Rate Class**

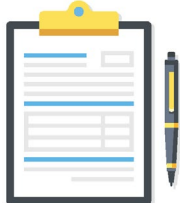
- *Issue ages 40-79 (age nearest) including joint applicants*
- *One rate class - Unisex pricing*
 - Same premium rate for same age male, female
 - Competitive joint premium for couples
- *Streamlined group approval process*
- *Available to almost any business with 5+ employees*
- *Low minimum participation, 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 information 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 guaranteed renewable insurance contract that provides benefits for long term care expenses, does not pay or reimburse for expenses that would be covered by Medicare, does not provide a cash surrender value that can be borrowed, assigned, or pledged, and must meet certain specified consumer protection requirements. For income tax purposes, TQ LTCi is generally treated as accident and health insurance.^{1, 2, 3, 4}

EssentialLTC

NLTC-0031 Tax Summary 01/21 NGL | www.ngl-essentialltc.com | 888.505.2332

Individual Taxpayer

Individual Who Does Not Itemize Deductions

- Premium is not deductible

Individual Who Itemizes Deductions (Schedule A)

- Premium is deductible as a medical expense, if medical expenses (including Eligible Long Term Care Premiums) exceed 7.5% of adjusted gross income (AGI).¹¹
- Limited to the lesser of the actual premium paid or Eligible Long Term Care Premiums in **Table 1**.¹⁰

Eligible Long Term Care Premiums^{10, 10, 20}

Attained age before the close of the taxable year 2021:	The limitation is:
Age 40 or less	\$450
Age 41-50	\$850
Age 51-60	\$1,690
Age 61-70	\$4,520
Age 71 and older	\$5,640

C-Corporation Owners & Employees

(including Limited Liability Company (LLC) and Professional Corporation (PC) taxed as a C-Corporation)

Employer-provided LTCi is treated as an accident and health plan¹

- Employer paid premiums deductible by employer subject to reasonable compensation rules.²¹
- Not limited to Eligible Long Term Care Premiums in **Table 1**.^{10, 21}
- Employer paid premium is not included in employee's income.^{2, 21}
- Employer may also pay premium for spouses, retirees, and eligible tax dependents.^{22, 28}

NLTC-0031 Tax Summary 01/21 NGL | www.ngl-essentialltc.com | 888.505.2332

Self-Employed Taxpayer

Sole Proprietor, Partner in a Partnership (or LLC taxed as Partnership), 2% plus Shareholder of S-Corp (or LLC or PC taxed as S-Corp)

Tax Treatment of Premium for Self-Employed Taxpayer

- Is eligible for the Self-Employed Health Insurance Deduction,⁷ which is taken on the appropriate schedule on IRS Form 1040
- Deduction is limited to the lesser of actual premium paid or Eligible Long Term Care Premiums in **Table 1**.¹⁰

IRS Publication 535
Details on the Self-Employed Health Insurance Deduction (pages 20-24)
www.irs.gov/pub/irs-soi/15pub535.pdf

Tax Treatment if S-Corp, LLC, or Partnership Pays Premium

- Employer-paid premium for owners & their spouses deductible by employer.^{6, 14}
- Deducted premium is included in gross income of owners, partners, their spouses, and eligible tax dependents.¹⁴
- Employer paid premium for non-owner employees, their spouses, and retirees follow the same rules as a C-Corporation

Tax Treatment of LTCi Benefits

Benefits Paid for Qualified Long Term Care Expenses

- TQ LTCi reimbursement benefits for qualified long term care expenses are not included as income.²⁹
- LTCi benefits paid on a reimbursement basis are payments based on actual charges of eligible long term care expenses incurred, up to the daily or monthly benefit maximum selected under the TQ LTCi policy.

Refund of Premium Benefits

- Available only upon total surrender or death of insured (second to die if joint policy)³⁴
- May not be borrowed, assigned, or pledged.³¹
- Included in gross income to the extent that any deduction or exclusion was allowed with respect to the premiums paid.³⁴

¹ In NJ second insured referred to as "Additional Insured" - no references should be made to "joint" coverage.

NLTC-0031 Tax Summary 01/21 NGL | www.ngl-essentialltc.com | 888.505.2332

1035 Exchange & The Pension Protection Act

The Pension Protection Act of 2006 (effective 1/1/2010) amended the IRC § 1035 rules to allow the surrender value of non-qualified, tax-deferred annuities or the cash surrender value of life insurance policies to be exchanged, on a tax-free basis, for a TQ LTCi policy. Both principal (basis) and tax-deferred gains can be exchanged to fund the TQ LTCi premiums.

Contracts that can be exchanged under §1035

EXCHANGED FROM	EXCHANGED TO		
	Life Insurance	Non-Qualified Tax-Deferred Annuity	LTCi
Life Insurance	Yes	Yes	Yes
Non-Qualified Tax-Deferred Annuity	No	Yes	Yes

Premium Payment Sources

Health Saving Accounts and Archer Medical Savings Accounts

Individuals may pay TQ LTCi premiums from a Health Savings Account³⁵ or an Archer MSA³⁶ as a medical expense. The pre-tax amount that can be used from these accounts is limited to the lesser of actual premium paid or Eligible Long Term Care Premiums in **Table 1**.³

Premium payment sources that may not be tax free

Withdrawing funds from the following types of accounts to pay for TQ LTCi premium may trigger a taxable event:

- 401(k) retirement account³⁷
- IRA account³⁸
- Cash-on-hand³⁹
- Flexible spending or similar arrangement⁴⁰

EssentialLTC

888.505.2332
statutory@essentialltc.com
www.ngl-essentialltc.com

Product underwritten by National Guardian Life Insurance Company (NGL). National Guardian Life Insurance Company is not affiliated with The Guardian Life Insurance Company of America & Co. The Guardian or Guardian Life. For agent and broker use only. Not for distribution to the public. Refer to [State Variation Listing](#) for product availability.

Source	Source	Source	Source
1. IRC § 41	9. IRC § 213(b)(1)(C)	17. IRC § 3131(a)	25. IRC § 7202(b)(8)
2. IRC § 104(a)(2)	10. IRC § 213(d)(1)	18. IRC § 1330(b)	26. IRC § 7202(b)(9)
3. IRC § 104(b)	11. IRC § 213(d)	19. IRC § 7202(b)(1)	27. Treas. Reg. § 1.104-1
4. IRC § 106(d)	12. IRC § 223(d)(2)(B)(iii)	20. IRC § 7702(b)(2)	28. Rev. Rul. 80-199, 1980-2 CB 32
5. IRC § 1250	13. IRC § 223(d)(2)(C)	21. IRC § 7702(b)(3)	Rev. Rul. 80-196, 1980-2 CB 53
6. IRC § 1402(a)	14. Rev. Rul. 91-26, 1991-1 CB 184	22. IRC § 7702(b)(4)	29. IRC § 403(a)
7. IRC § 1423	15. IRC § 408	23. IRC § 7702(b)(7)(C)	30. Rev. Proc. 2000-45
8. IRC § 213(a)	16. IRC § 707(b)	24. IRC § 7702(b)(2)(C)	

NLTC-0031 Tax Summary 01/21 NGL | www.ngl-essentialltc.com | 888.505.2332

Flexibility of Traditional LTCi

NGL EssentialLTC Features

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

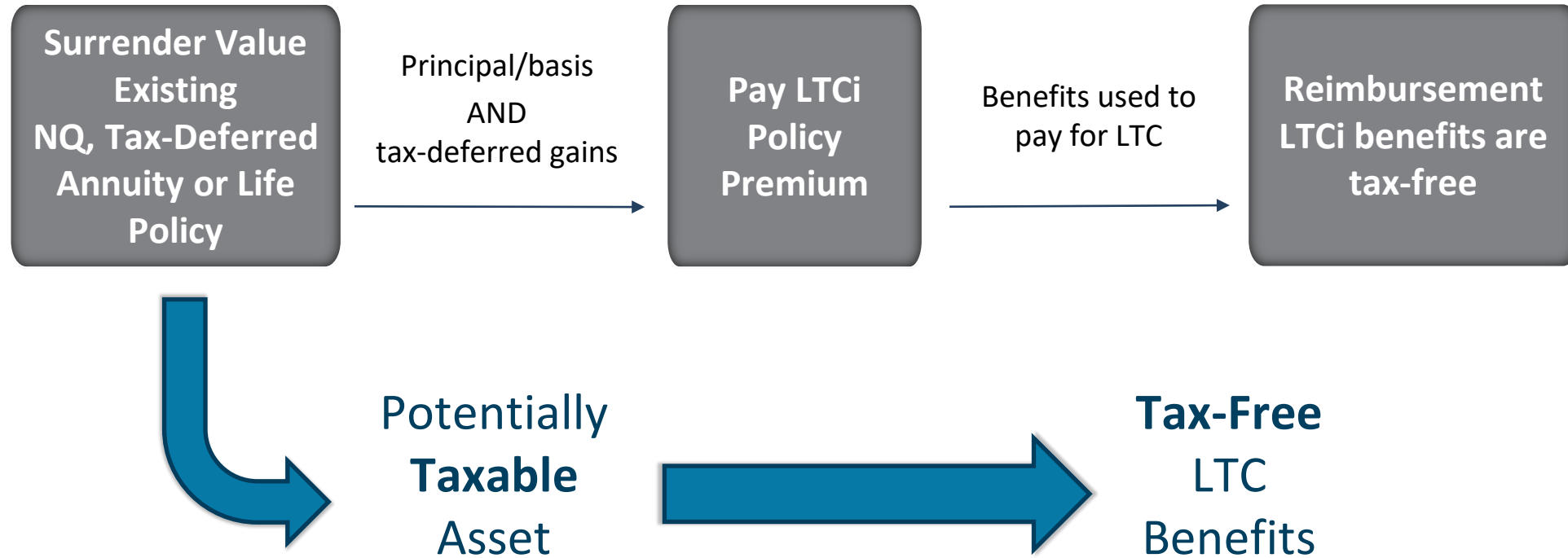
Sales Ideas



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



Pension Protection Act (PPA) – 1035 Exchanges



Pension Protection Act (PPA) – 1035 Exchanges



Annuity/Life policy must be non-qualified

**Amounts must be assigned directly from an Annuity/Life policy to the LTCi policy
(same owners, same insureds)**

Single premium exchange guarantees no LTCi rate increase

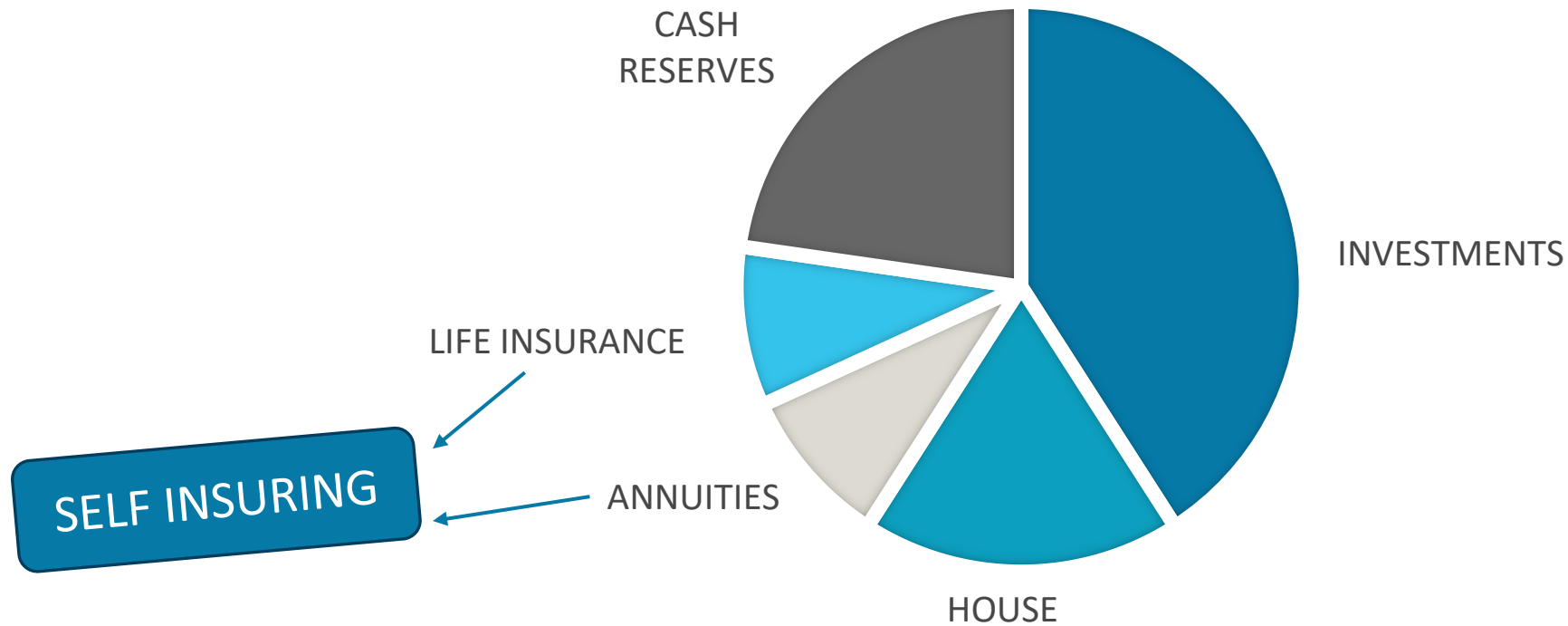
Top Producer Approach

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

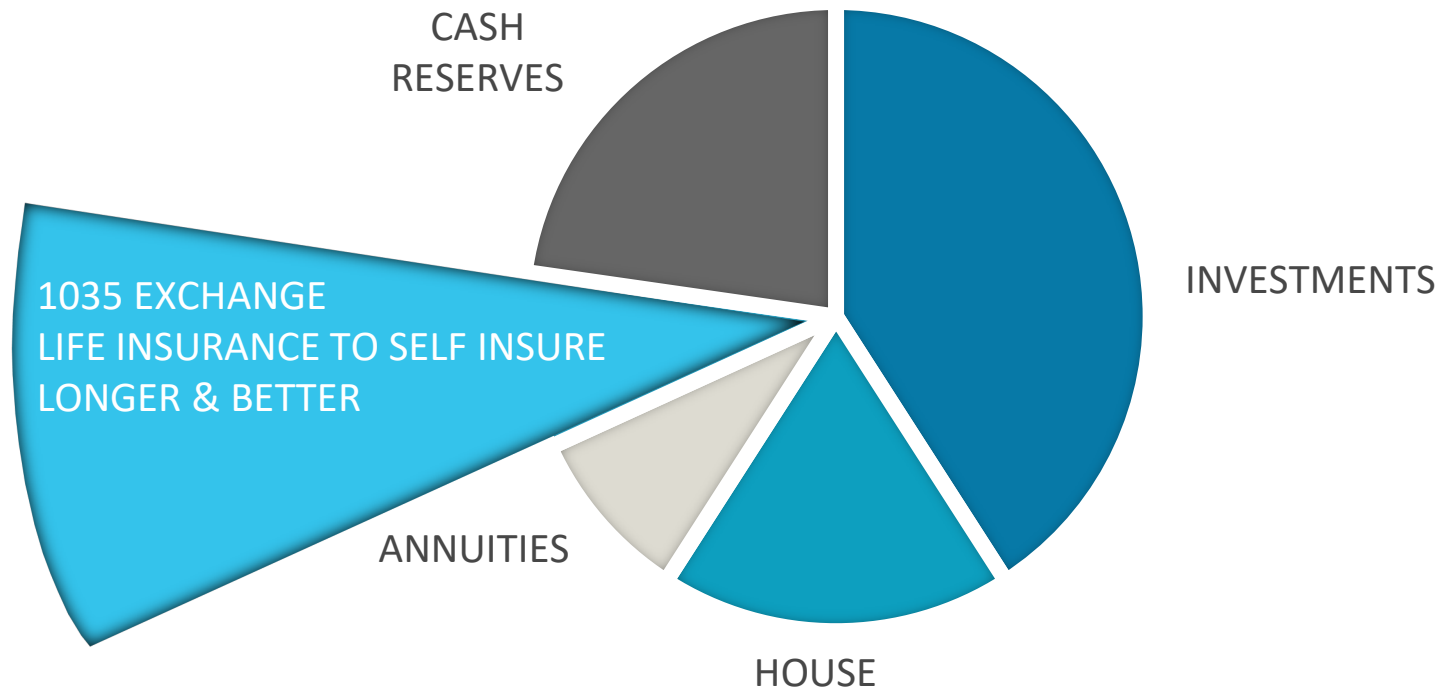
1. Transfer the LTC risk - “Traditional” - Using available income or assets
2. Self-Insure the LTC risk - “Hybrid” - Longer and better than you are doing now

Would you mind if I showed you both?!

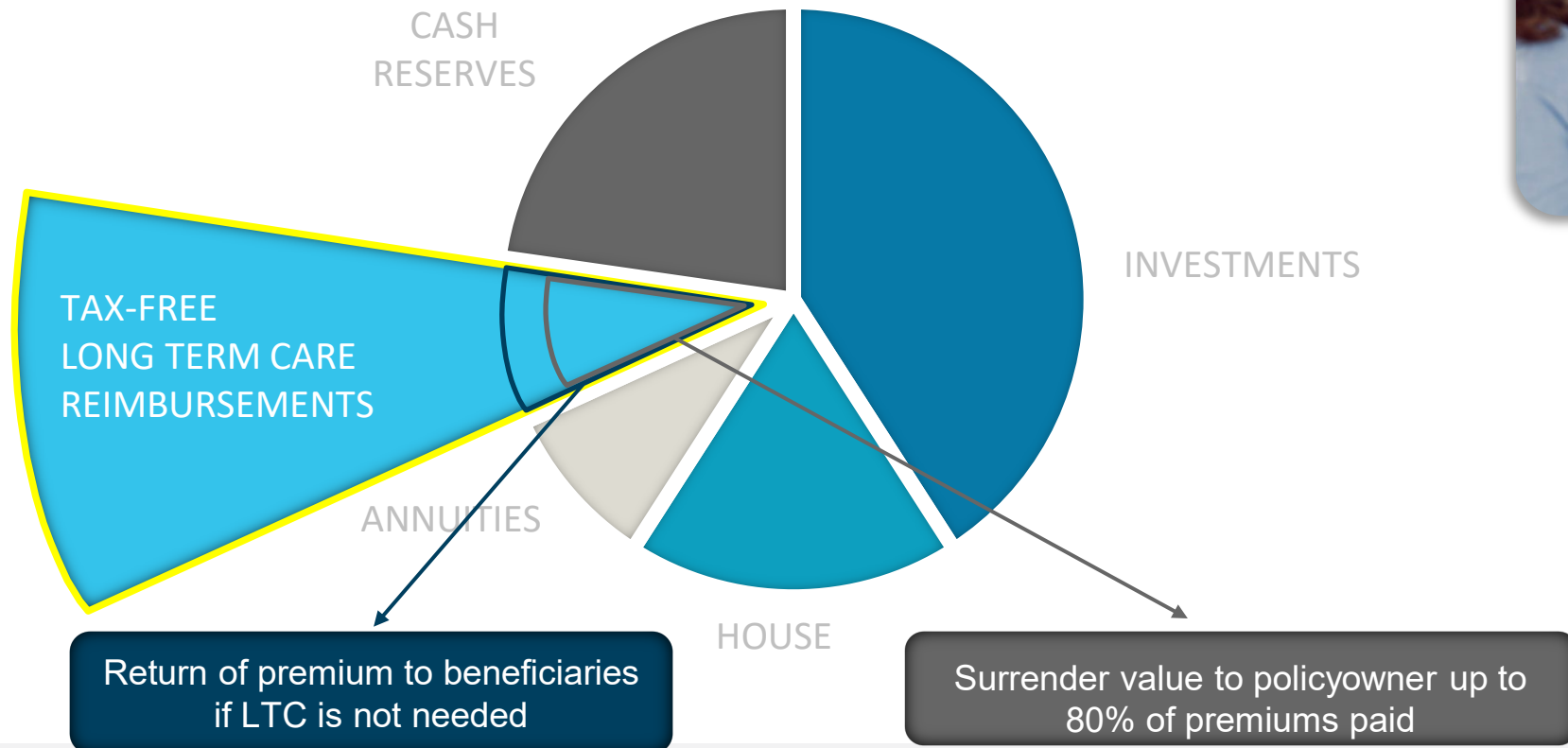
Susan & John's Advisor Suggests to Self-Insure



Susan & John's Advisor Suggests to Self-Insure



Susan & John's Advisor Suggests to Self-Insure

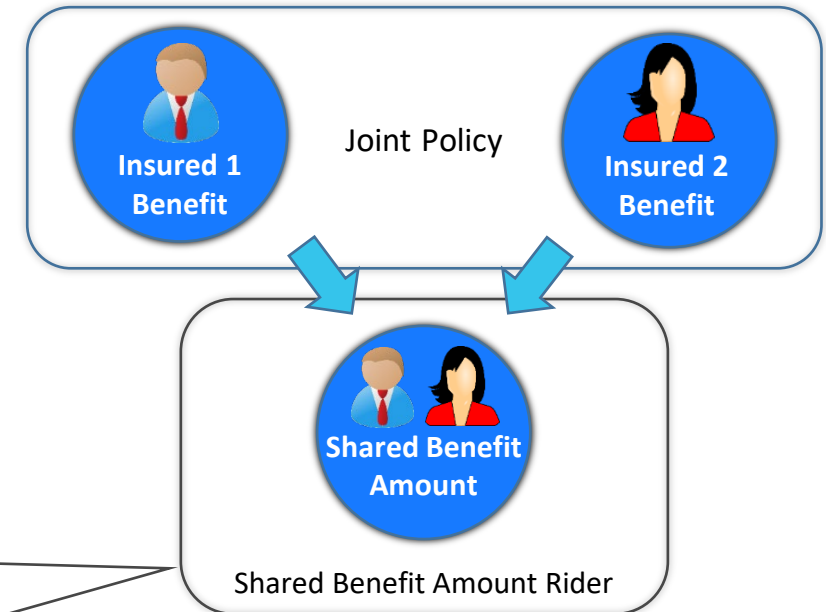


1035 Exchange LTCi Planning

LIVE / DIE / CANCEL

- *Lifetime Benefits*
- *2, 3, 4, 5, 6-Year Benefit Periods*
- *Shared Benefit Amount Rider (3rd Pool)*

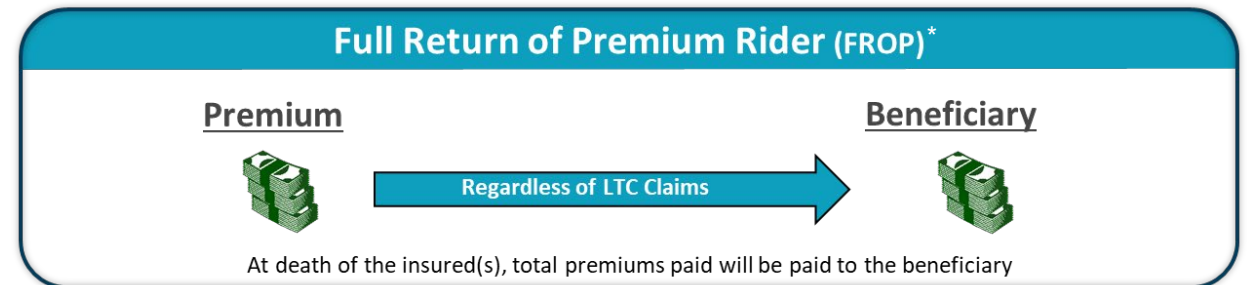
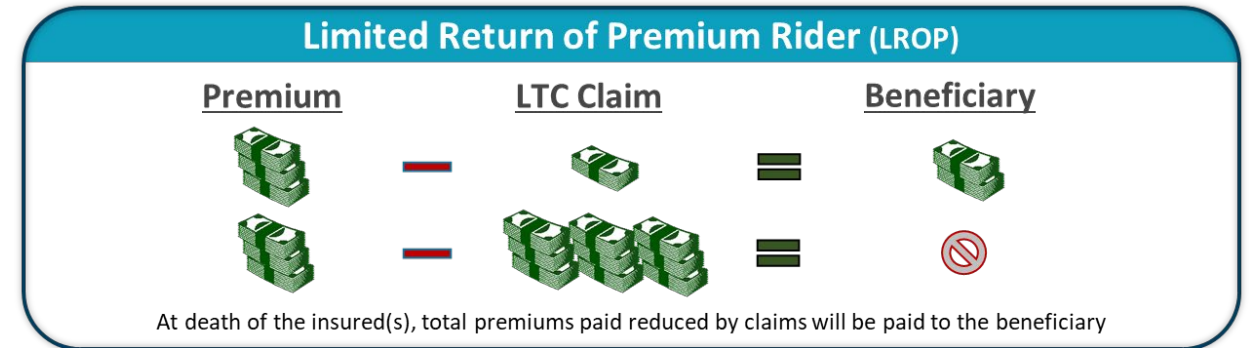
If either or both insureds exhaust their own benefits, a joint Shared Benefit Amount will become accessible to either or both of them.



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**

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

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

Traditional LTCi can be what you want it to be

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

Sales Ideas

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


→ Consumer
+ Price +

→ Agent
+ Value +

→ LTC Specialist
+ Flexibility +

EssentialLTC

NGL LTC Rate Calculator



Joint Policy | AL | Joint Issue Age 62 | Both Preferred PlusChange

BASE PLAN OPTIONS

Solve For: Daily Benefit Premium Daily Benefit Amount:

Benefit Period: Inflation Protection:

Shared Benefit Amount: Yes No Elimination Period:

ROP AT DEATH / OPTIONAL SURRENDER

Return of Premium:

PREMIUM OPTIONS


Premium Duration: Premium Mode:

OTHER OPTIONS


Waiver of Premium Rider: Yes No First Day HCCS Benefit: Yes No

Coverage Type: Comprehensive Facility Care Only Shortened Benefit Period Nonforfeiture: Yes No

Calculate Your Premiums



Primary Insured
Benefit Amount:
\$164,250



Secondary Insured
Benefit Amount:
\$164,250

Shared Benefit Amount:
\$164,250

Premium Amount:
\$3,521 Annual Lifetime Premium

AT POLICY ISSUE

Premium Paid LTC Benefits
Benefits at policy issue payable up to \$150 per day.

AT AGE 85*

Premium Paid LTC Benefits
Benefits at age 85 payable up to \$296 per day.

[Generate Report](#)

Traditional LTCi can be what you want it to be

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

Sales Ideas

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

→ Consumer
+ Price +

→ Agent
+ Value +


→ LTC Specialist
+ Flexibility +

EssentialLTC

EssentialLTC Agent Resource Center

agent login

EssentialLTC




agents

Learn more about the benefits of selling EssentialLTC

Agent Information

Contact Us

or contact us by phone at (888) 505-2332



consumers

Learn more about EssentialLTC long term care benefits

please select your resident state

Consumer Benefits

or contact us by phone at (888) 505-2332



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.

For agent and broker use only. Not for distribution to the public.

See State Variation Listing for availability. Product underwritten by National Guardian Life Insurance Company (NGL).

National Guardian Life Insurance Company is not affiliated with The Guardian Life Insurance Company of America a.k.a. The Guardian or Guardian Life. LTCMaster 03/21