



# Total Living Coverage<sup>®</sup> Annuity (TLCA)

Single Premium Deferred Annuity  
with Long Term Care Benefits

February 2010

# Consumer Long Term Care (LTC) Strategy

## All Consumers Fall into One of 3 Categories

### **Long Term Care Insurance (LTCI) Purchasers - 7% Penetration\***

- Recognize need for LTCI protection and willing to purchase a traditional policy as solution
- Solution = traditional LTCI policy

### **Self-Insuring**

- Expect to use existing assets to fund LTC need
- Don't like idea of paying premiums and if die receive nothing
- Solution = Linked Benefit Product

### **Medicaid**

- No private insurance solution

**93% of Population is Not Covered by Traditional LTCI**

\*SRI Macro Monitor 2006 - 2007

# Possible High Level Sales Strategy

## Talk Upfront About Multiple Solutions

- The Genworth Financial Companies have many solutions that are available to your clients
- To determine the best strategy for your clients let's start with a Fact Find
  - Old Life Insurance product, Annuity product, CDs, Savings, etc.

## Recognize When To Pivot

- Client talks about “Use It or Lose It”
- Client balks on Value Proposition

## Total Living Coverage® (TLC) Actual Case Sold Using Above Method

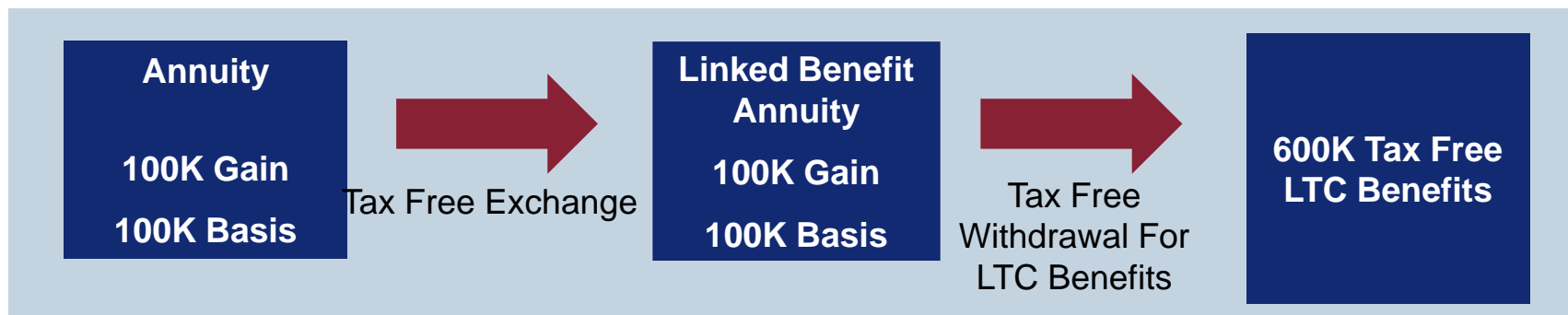
- Female Preferred 61 w/ \$37K CSV with 66K DB - TLC provided 104K DB & \$312K LTC Pool w/ \$4,333 LTC Monthly Maximum
- Male Standard 65
- Layered coverage w/ 6-Yr Privileged Choice® Shared Plan w/ 5% Compound Inflation - husband preferred more coverage on wife
- Full Couples Discount provided on both policies
- TLC pays 2nd on an LTC claim to preserve the Death Benefit

# The Pension Protection Act (PPA)

## Prior to 1/1/2010, LTC Benefits and Charges From Annuity-LTC Are Taxable

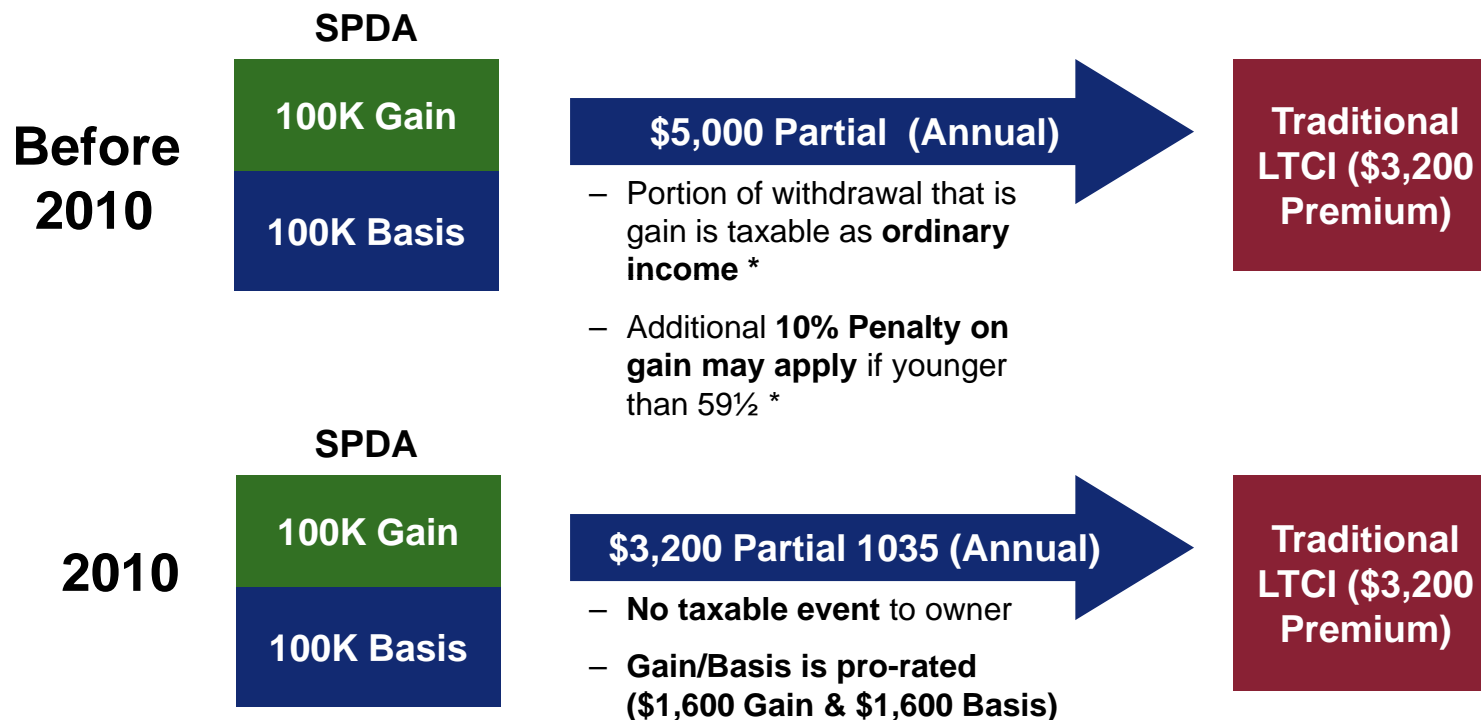
### Key Changes

- Tax Qualified LTC riders under a non-tax qualified annuity contract will be treated as a separate contract, thus withdrawals for QLTC benefits from these riders are considered tax free benefits.
- LTC rider charges against the account value are not a taxable distribution, although they reduce the client's cost basis (but not below zero).



# PPA – LTCI Planning Options

## Non-Qualified Annuity Funding Of Traditional LTCI

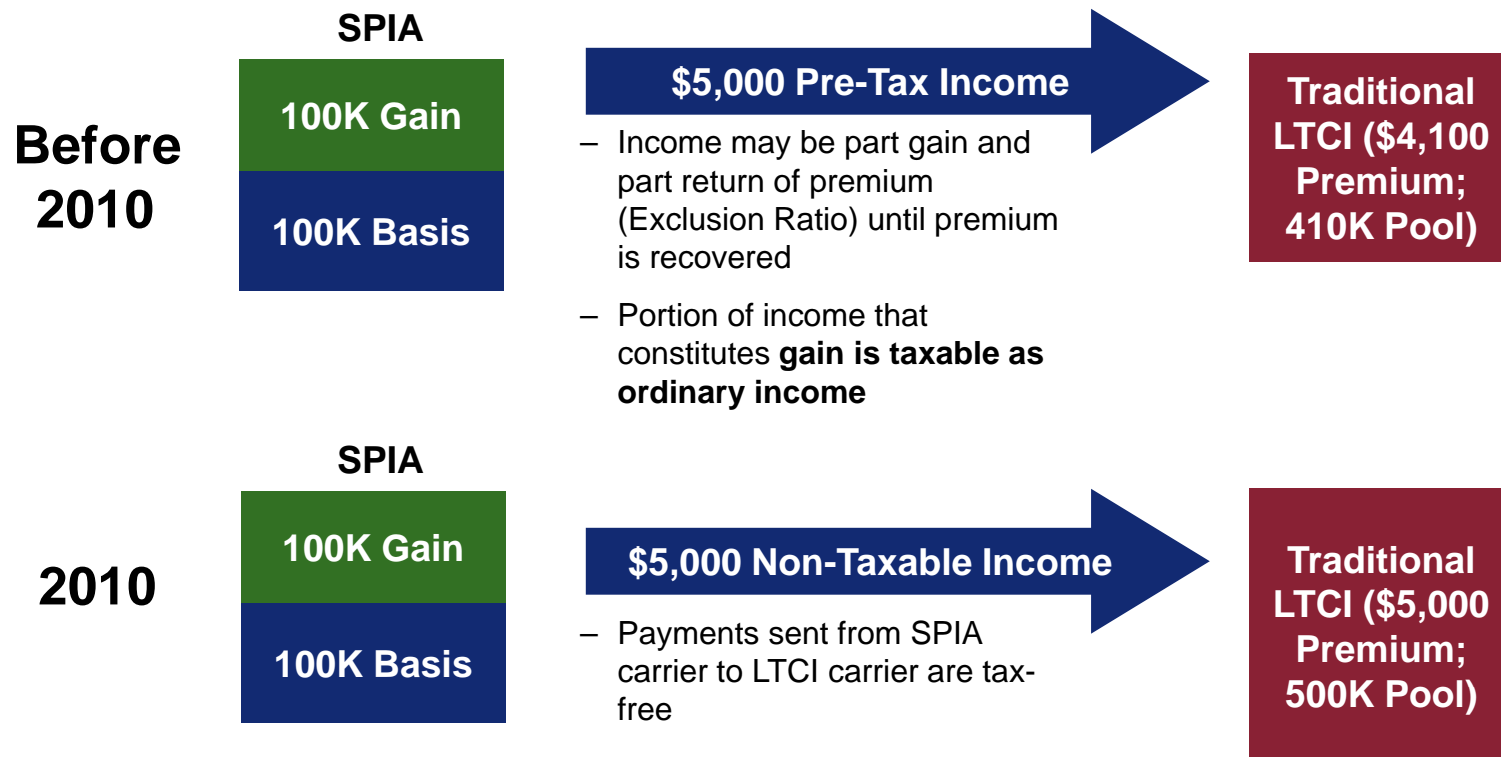


Fund LTCI Without Immediate Tax Consequences

*\*Partial withdrawals from non-qualified deferred annuities bought after August 13, 1982 are taxed as ordinary income to the extent of gain in the contract (LIFO). Partial withdrawals from contracts entered into before that date may be treated as first coming from principal (FIFO).*

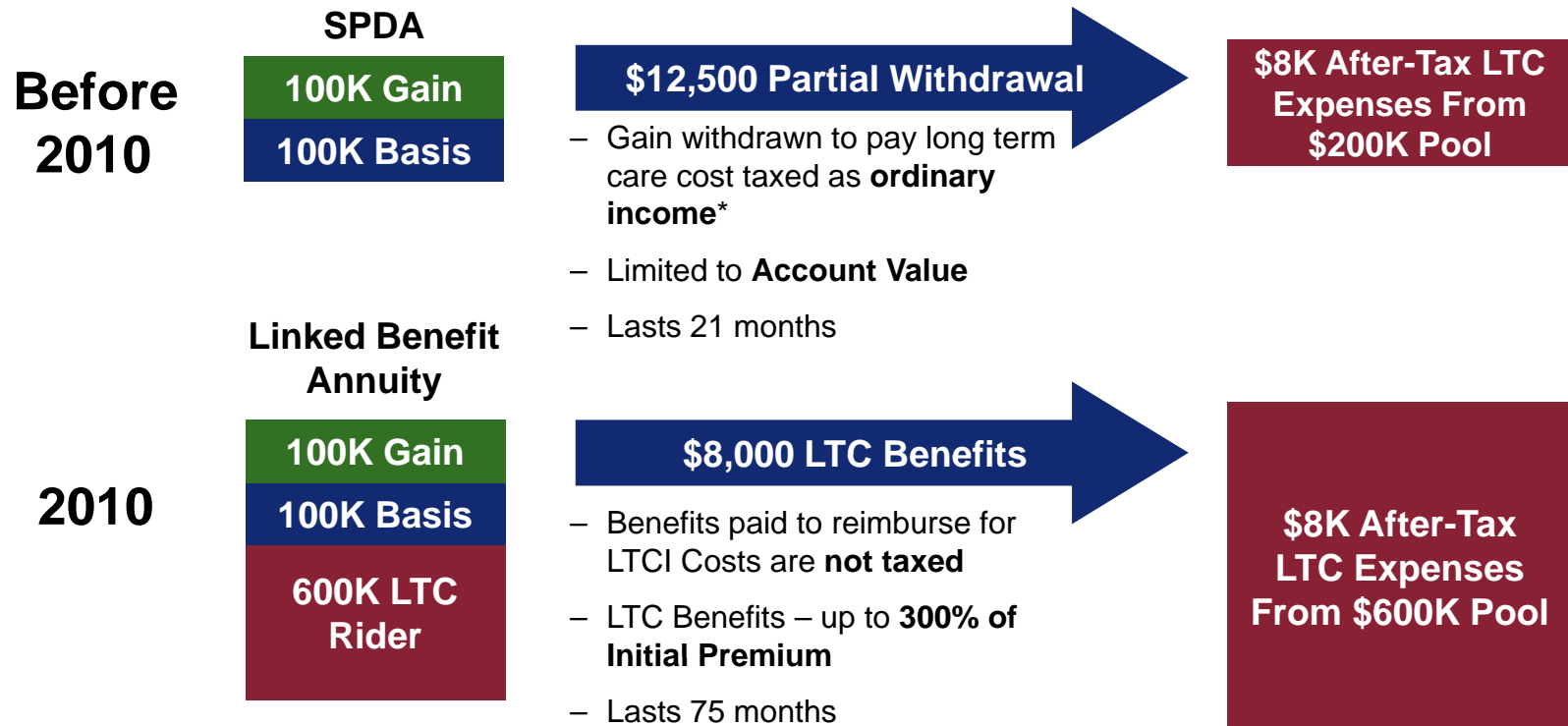
# PPA – LTCL Planning Options

## SPIA Funding Of Traditional LTCL



# PPA – Self-Insuring LTC Planning Options

## Using An Annuity To Pay For Long Term Care Expenses



Exchange A Non-Qualified Annuity With Substantial Gain For Income Tax Free LTC Benefits

*\*In some cases, long term care expenses paid out-of-pocket may be deductible as unreimbursed medical expenses for federal income tax purposes*

# Linked Benefit Annuity Example –Tax Benefits

Product Examples	Traditional Annuity (3%)	Linked Benefit Annuity (3%)	Linked Benefit Annuity (3%) w/ 5% Compound
Initial Premium (Age 65)	\$100,000	\$100,000	\$100,000
Account Value (Age 80) <sup>1</sup>	<u>\$155,797</u>	<u>\$128,372</u>	<u>\$122,335</u>
Taxable Gain <sup>2</sup>	\$55,797	\$50,018 <sup>5</sup>	\$48,799 <sup>5</sup>
Tax Liability (36% Marginal Rate) <sup>3</sup>	<u>(\$20,087)</u>	<u>(\$18,006)</u>	<u>(\$17,568)</u>
Amount Available To Beneficiary In The Event Of Death <sup>4</sup>	\$135,710	\$110,366	\$104,767
Amount Available For a Long Term Care Event <sup>4</sup>	\$135,710	\$300,000	\$415,786

<sup>1</sup> Assumes that no withdrawals have been taken and may or may not be available in the market

<sup>2</sup> Based on distribution of death proceeds at age 80

<sup>3</sup> Actual client tax liability may vary based on whether, for example, he or she itemizes deductions or owes state and local taxes.

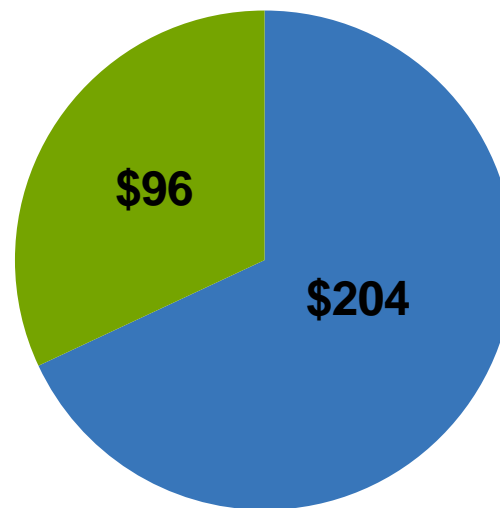
<sup>4</sup> Amount available for an LTC event or to the beneficiary in the event of death. The benefits are not cumulative.

<sup>5</sup> Larger gain due to basis reduction each year by LTC rider charges within the Linked Benefit Annuity

# Annuity Linked Benefit Market Assessment

## Nonqualified Fixed Annuities

- \$300 Billion Assets as of 2007
- \$96 Billion Outside the Surrender Charge Period



•Source – LIMRA, 2008 “The 2007 Individual Annuity Market”

•Outside of Surrender Charge figures based on Genworth Financial companies’ experience as of 09/30/2009. Actual industry may be different.

## 2 Questions Begin A New Conversation

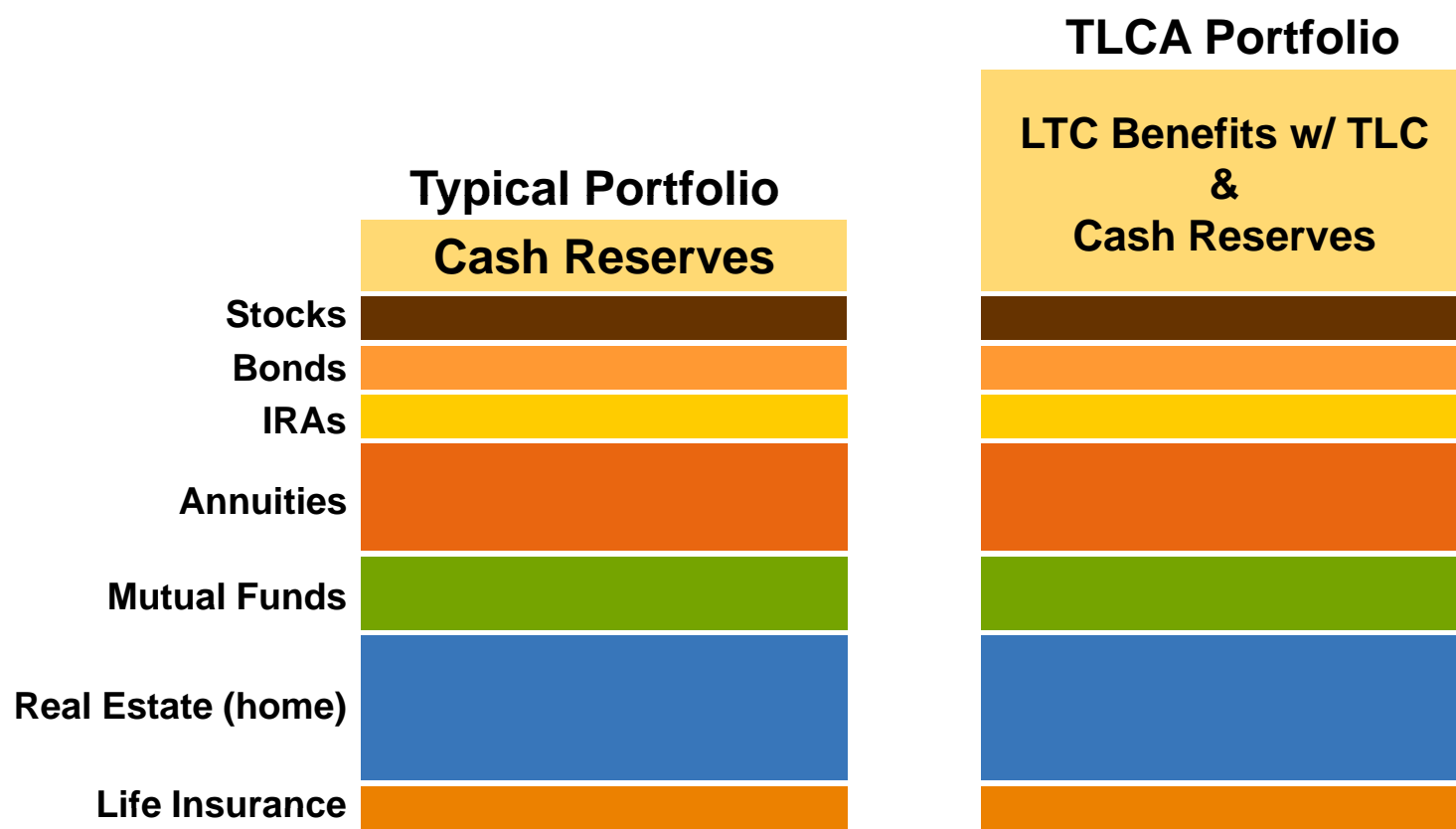
1. If you were to have an extended health care need, what is your written plan of care?
2. What is the first asset you would liquidate to pay for long term care?

**A lack of tangible answers is the beginning of  
CHANGE**

# An Asset Allocation Approach...

## To solving the LTC problem

- Which assets would you allocate first?



# Total Living Coverage Annuity

**Genworth Life Insurance Company's single premium deferred annuity (SPDA)/long term care (LTC) Linked Benefit product**

**A fast, simple way a client can link the safety and tax-deferred growth of an annuity with LTCL coverage. The client chooses how much LTCL coverage is needed and how long it should last.**

**Another solution for your LTCL planning portfolio**

# TLCA Highlights

- **Easy simplified underwriting process**
- **LTCL discounts for couples**
- **Optional inflation protection**
- **Waiver of monthly charges for home and facility care**
- **Privileged Care<sup>®</sup> Coordination Services**
- **No-lapse guarantee**

# Who Buys TLCA?

## Client Profile

- Age 55-75, retired or close to retirement
- Have gains in Annuity contracts
  - Not planning to use their Annuity money for income
- May have a LTC need in the future
- Generally optimistic about the future
  - Doesn't think LTC will be needed
- Recognizes the value of planning for LTC
  - Because the risk of needing LTC is great and the cost is too high to ignore
  - Because Medicare and Medicaid may not be suitable options for LTC
- Looking for a tax-advantaged way to plan for the potential costs of LTC

# Who Buys TLCA? (continued)

## Client Assets

- Invested assets  $\geq$  \$200,000
  - Not including home and qualified plan assets
- Currently self-insuring the risk of LTC
- May currently have emergency funds in annuities, CDs or low-risk mutual funds
- Asset-based LTC solution is attractive alternative
  - Covers the need for LTC benefits
  - Assets are protected and can grow tax deferred
- Low to moderate risk tolerance

# TLCA Funding Sources

**Clients who have set aside money for financial emergencies may find TLCA an attractive alternative. Suitable sources to purchase a TLCA policy include:**

- Savings
- CDs
- Money markets
- Cash equivalents
- Deferred annuities\*
- Under-performing investments

\* The tax-free exchange of an existing annuity for TLCA is suitable if it is being used as an emergency fund rather than to provide retirement income. You can determine this by asking the client which asset would be liquidated first to pay for long term care. If the answer is, “my annuity” then TLCA may be appropriate.

# TLCA Core Components

## **SPDA Policy**

- The single premium provides an Annuity Value (AV) that helps fund LTC benefits

## **Long Term Care Rider (LTCR)**

- Draws down the AV to pay covered long term care expenses
- LTC benefits can begin after two years (deferral period) and 90 days (elimination period); LTC charges begin on the policy effective date

## **LTCR Coverage Maximum (leverage factor)**

- 2x or 3x the single premium payment ... this is how much is initially available for covered LTC expenses

## **LTC Period**

- Four or six years
- Determines monthly maximum

# TLCA Core Components

## **LTCR Monthly Maximum**

- Amount available on a monthly basis for covered LTC expenses

## **Optional Inflation Protection Benefit (IPB)**

- Increases the LTCR monthly maximum and the LTCR coverage maximum by either 3% or 5% per year (compound)
- Initial leverage factor options available with inflation protection are 1.5x or 2.0x

## **No-lapse guarantee**

- Policy will not lapse even if the AV isn't sufficient to cover LTC charges
- LTC coverage can continue until both the AV and the LTCR coverage maximum are depleted (unless the client surrenders the policy or chooses an income benefit)

# Product Overview

A SPDA with LTC benefits provided by rider.\*

The annuity value (AV) funds a LTC coverage maximum benefit that is available if covered LTC is needed.

LTC coverage begins 2 years after the start of the annuity policy and is subject to a 90-day elimination period.

The AV grows with interest.

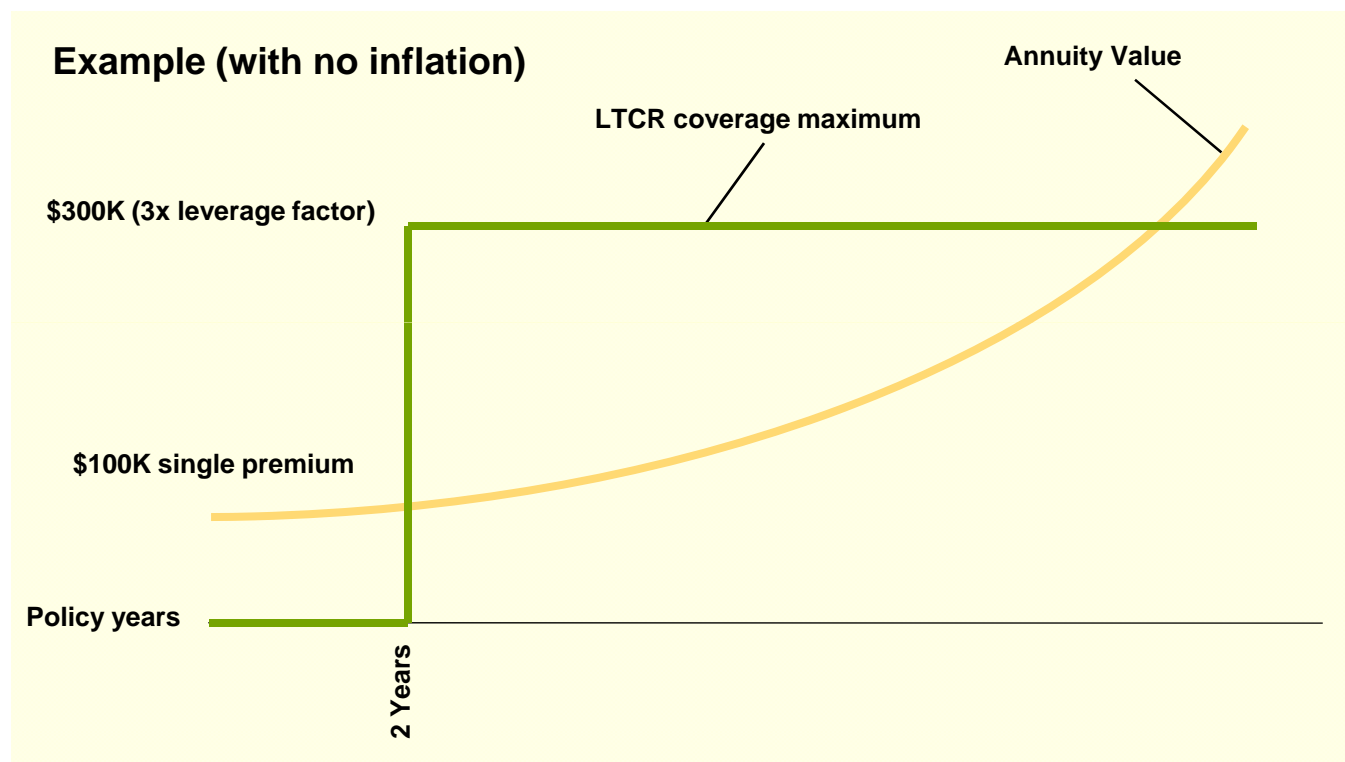
Monthly rider charges, reduced for any couples discount, are deducted from the AV to cover the cost of LTC benefits.

There are no surrender charges for covered LTC withdrawals. Surrender charges may apply for other withdrawals and these withdrawals also reduce LTC benefits.

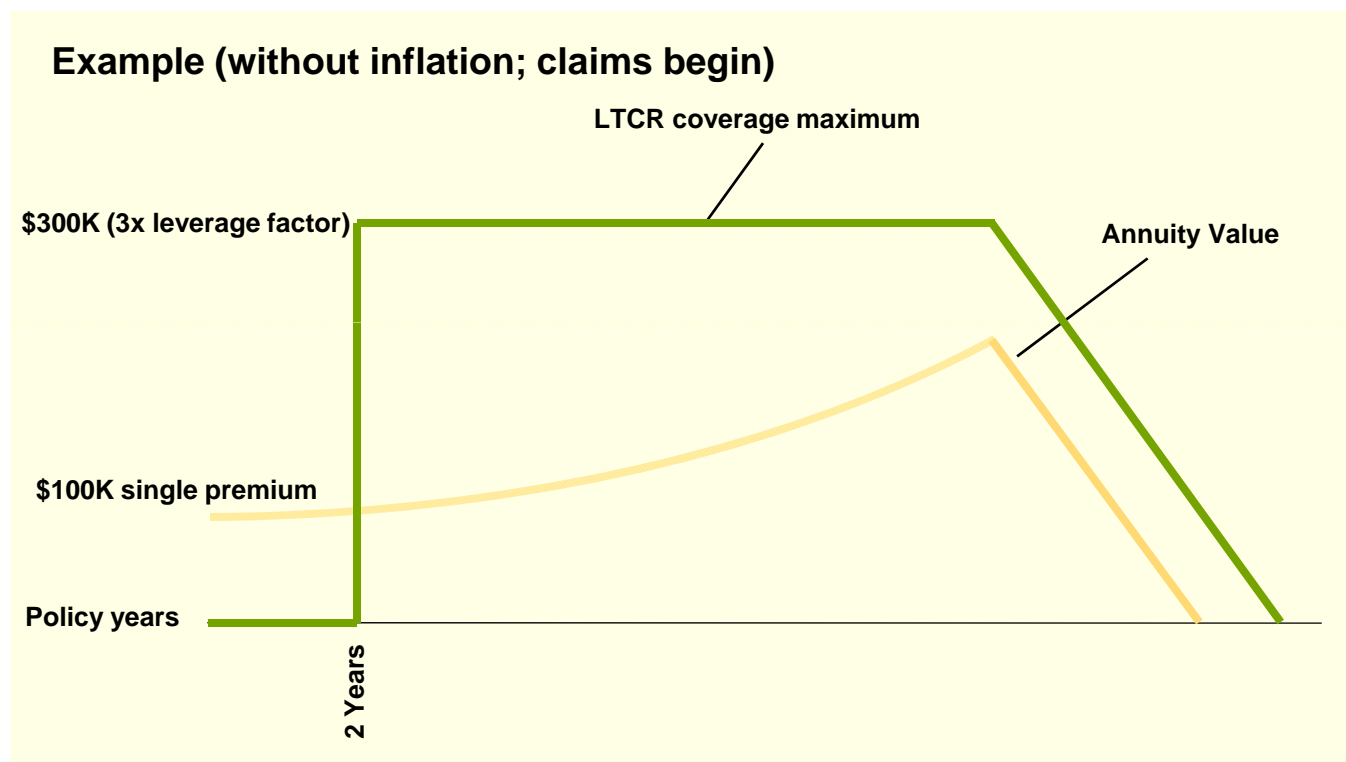
Income options are available; however, they terminate the LTC rider (LTCR).

\* Non-qualified monies only

# How TLCA Works



# How TLCA Works (continued)



# TLCA: Easy Choices for the Client

**How much premium to deposit?**

**What about inflation protection?**

- None
- 3% compound
- 5% compound

Note: Inflation protection increases LTCR values each year by the chosen percentage

**How much leverage is needed?**

- If inflation protection selected – 1.5X or 2X the single premium
- If no inflation protection selected – 2X or 3X the single premium

**How long should benefits last?**

- 4 years (with 1.5X or 2X leverage factor)
- 6 years (with 1.5X, 2X or 3X leverage factor)

Note: If the long term care expenses actually incurred each month are less than the LTCR monthly maximum, benefits may last for a longer period of time

# TLCA: Allowed Benefit Combinations\*

## Without Inflation Protection Benefit (IPB)

LTCR Period (Minimum Payout Period**)	LTC Leverage (Multiple of Premium)	Single Premium Range Without Inflation	Initial LTCR Coverage Maximum Range
4 years (48 Months)	2x	\$36,000 - \$288,000	\$72,000 - \$576,000
6 years (72 Months)	3x	\$36,000 - \$288,000	\$108,000 - \$864,000
6 years (72 Months)	2x	\$54,000 - \$432,000	\$108,000 - \$864,000

*Monthly reimbursement model designed to provide LTCR monthly maximum benefit in range of \$1,500 to \$12,000*

*\* Not all benefit combinations may be available for all ages.*

*\*\*Period extends if full LTCR monthly maximum is not utilized*

# TLCA: Allowed Benefit Combinations\*

## With IPB

LTCR Period**	LTC Leverage (Multiple of Premium)	Single Premium Range	Initial LTCR Coverage Maximum Range
4 Years (48 Months)	1.5x	\$48,000 - \$384,000	\$72,000 - \$576,000
6 Years (72 Months)	2x	\$54,000 - \$432,000	\$108,000 - \$864,000
6 Years (72 Months)	1.5x	\$72,000 - \$576,000	\$108,000 - \$864,000

*Monthly reimbursement model designed to provide LTCR monthly maximum benefit in range of \$1,500 to \$12,000*

*\* Not all benefit combinations may be available for all ages.*

*\*\*Period extends if full LTCR monthly maximum is not utilized*

# Here's an example

**Single premium – \$100,000**

## **LTC coverage choices**

Combination	Without IPB		With IPB	
	LTCR Coverage Maximum	LTCR Monthly Maximum	LTCR Coverage Maximum	LTCR Monthly Maximum
2x Leverage w/ 4 Year Period * (1.5x w/ IPB)	\$200,000	\$4,167	\$150,000	\$3,125
3x Leverage w/ 6 Year Period * (2.0x w/ IPB)	\$300,000	\$4,167	\$200,000	\$2,778
2x Leverage w/ 6 Year Period * (1.5x w/ IPB)	\$200,000	\$2,778	\$150,000	\$2,083

*\* Actual LTC period can be longer if LTC claims are less than the LTCR monthly maximum*

# Discounts on LTC Charges

## Couples discounts

- 10% discount if one person applies alone for TLCA
- 20% discount if both persons apply together for TLCA
  - for one person if the other is already covered by an individual LTC, Total Living Coverage® (TLC) or TLCA policy previously issued by us

**Discounts are applicable only if the proposed annuitant(s) passes the phone interview**

# Waiver of Monthly LTCR Charges

**Starts with first monthly charge after first claim payment is made:**

- Home care, facility care and bed reservation benefit

**If annuitant is receiving the above covered LTC, the policy waives:**

- All rider charges

**If annuitant recovers, charges resume**

# Basic Information

## Policy Effective Date

- When the single premium has been received and all underwriting and delivery requirements have been met.

## Issue Ages

- 18 - 79
- Age nearest birthday
  - Backdating the policy effective date is not permitted.

# Basic Information (continued)

## **Maturity Age**

- Attained age 95 unless extended (maturity cannot be extended beyond life expectancy)
- If the policyowner elects not to annuitize, interest continues to be credited to the AV, LTC charges continue to be deducted from the AV and LTC coverage can remain available
- If income payments begin at any time, the LTC rider terminates and LTC charges cease

## **Interest Rate**

- Guaranteed never to be less than 3.0%
- Interest rates (initial & renewal) will be guaranteed for at least one year
- Credited from the policy effective date

# Policy Charges

## LTC Rider Charges

- Deducted from the AV each month beginning on the policy effective date

## Surrender Charges

- None on withdrawals due to covered care or LTCR charges
- For other withdrawals or cash surrender:

<u>Policy Year</u>	<u>% of Policy Value</u>
1	7%
2	7%
3	7%
4	6%
5	5%
6	4%
7	3%
8+	0%

**Note:** There is a 10% annual free withdrawal amount

Up to 10% of the prior anniversary's AV (or single premium in the first policy year) can be withdrawn without a surrender charge

# Liquidity

## Withdrawals

- Withdrawals reduce LTC benefits in the same proportion as the withdrawal to AV
- These reductions may be significantly larger than the amount of the withdrawal

## Annuitization (income payments begin)

- Allowed at any time starting 13 months after the policy effective date, but causes LTC benefits to be terminated

## Transfers

- LTCR terminates when the owner's interest transfers except due to divorce or legal separation

# Death Benefit (DB)

**Equal to the annuity value**

**Will not be less than the single premium less LTC claims and withdrawals paid prior to death**

**LTC coverage terminates upon the first DB choice made by any beneficiary**

**When the owner dies, a DB is payable**

- If the owner and annuitant are different individuals, LTC coverage will end if the owner dies and a DB choice is made by any beneficiary.
- LTC coverage for the annuitant will end when the first DB choice is made.
- If the owner is not an individual, the death of the annuitant is treated as if it were the death of the owner, and a DB is payable.

# Long Term Care Benefits

## Benefit Triggers:

- Cannot perform two of the ADLs (activities of daily living):
  - Bathing
  - Dressing
  - Eating
  - Continence
  - Toileting
  - Transferring
- Or has a severe cognitive impairment
  - Dementia, Alzheimer's disease
- After the two-year coverage commencement date and the elimination period is satisfied
  - 90 days for Facility and Home Care benefits
  - Only has to be met one time

# Long Term Care Benefits

## **Privileged Care<sup>®</sup> Coordination Services:**

- Available at no cost to policyowner
- Assess needs for care and services
- Help develop plans of care (initial and subsequent)
- Assist with initial claims paperwork
- Identify options
- Help locate services available in the community
- Available to those who qualify even in the first two years after the policy becomes effective

# LTC Benefits: Types of Covered Care

## Home Care

- Home health aides
- Personal care services
- Homemaker and chore services
- Adult day care
- Hospice care
- Care from nurses and physical, occupational, respiratory, and speech therapists
- May be received from providers not affiliated with a home health care agency
- Home care, although usually less expensive, still adds up. A well-designed TLCA policy may go a long way toward covering all or some of these costs.

## Facility Care

- Nursing homes
- Assisted living facilities
- Reserves bed in a nursing home or an assisted living facility for up to 60 days per year during temporary absences

**Policyowner may  
direct the benefit  
payments  
to the service provider**

# LTC: Additional Covered Care and Services

## **Respite Care**

- Gives an unpaid caregiver a care break by paying the cost of a temporary facility stay. Also available at home.
- Not subject to and does not satisfy the elimination period
- Up to 30 days per policy year

## **Supportive Equipment**

- Examples: grab bars, ramps
- Lifetime maximum of 2x the LTCR monthly maximum
- Not subject to and does not satisfy the elimination period
- Does not qualify for waiver of monthly charges

## **Caregiver Training**

- For an unpaid caregiver, either friend or relative
- Lifetime maximum of 20% of the LTCR monthly maximum
- Not subject to and does not satisfy the elimination period
- Does not qualify for waiver of monthly charges

# LTC: Additional Covered Care and Services

## **Alternative Care**

- May cover other types of care not specifically cited in policy
- Insured, Insured's Doctor and Company must agree

## **International Coverage**

- Pays for nursing home stays outside the United States
- Reimburses up to 75% of the Maximum Monthly Benefit for up to 48 months
  - Home care, assisted living facility care and Privileged Care Coordination Services not available

# Deferral Period – LTC Benefits

## **2 years from policy effective date**

- LTC expenses are not covered and the elimination period cannot be satisfied during this period
- LTC charges are deducted from the AV each month, including during the deferral period

# TLCA Does Not Cover:

**Medicare deductibles and coinsurance expenses. TLCA reimburses only covered expenses that exceed what Medicare or other government health care programs or laws pay, except for Medicaid.**

**Benefits are not paid for the following services:**

- Provided by family members. An exception is made if the family member is a regular employee of the organization providing the service, the organization receives payment for the service and the family member receives compensation normally provided to employees in that job
- Provided without charge whether by a provider, Veteran's Administration or other government facility
- Provided outside the United States, its territories and possessions, except as noted in 'International Coverage'
- Resulting from alcoholism, drug or narcotic addiction, unless they occur as a result of their administration under the written instruction of a doctor
- Resulting from war or any act of war, intentionally self-inflicted injury or attempted suicide

# New Business Process

**Producer Step 1: Complete the Application and all applicable forms (based on the delivery state) and send to:  
Genworth Life Ins Co 3100 Albert Lankford Dr Lynchburg VA 24501**

## Internal Process

- Application received and data entered into GENIUS®
- New Application message forwarded to Touch Team.

Touch Team then:

- Reviews application/forms
- Emails BGA/producer of receipt and any incomplete forms
- Orders Part II, Prescription Search and Cognitive Exam (CE = if age 65 or older only\*) from Life Plans

Same day of receipt – Life Plans contacts applicant via phone to complete above. Once completed, forms are imaged and Touch Team is notified requirements have been received

GENIUS underwrites – If approved and premium was sent w/the application, proceed to issue or initiate 1035.

If declined, GENIUS processes the declination/ the underwriter does not need to review.

Once decision is made, Touch Team notifies BGA/producer.

### **If 1035:**

- Verifies with BGA that it's ok to begin 1035 processing
- Send paperwork by FedEx to other company
- Follow up with other company at 5 days and every 7 days thereafter
- Once money received, notify BGA, confirm amount and apply premium/issue contract

### **If NOT 1035:**

- If premium sent w/app, policy is issued & BGA is notified of approval & any delivery requirements needed
- If premium not received with application, notify BGA of the approval and wait for the premium
- Once premium is received, policy is issued & BGA is advised of any delivery requirements needed
- Once delivery requirements are received, file is placed in force

**Producer Step 2: Deliver the policy and complete any delivery requirements**

**Producer Step 3: Celebrate helping another client!**

\*Generally this is over the telephone; A face-to-face cognitive exam will be completed on “inconclusive” cases ordered by the underwriter. A cognitive failure disqualifies the applicant.

# Underwriting

- **2 Steps**
  - Application
  - Phone interview
- **Quick turnaround for the underwriting decision once the telephone interview has been completed**

# Underwriting Overview

## All ages

- Part 2 of the application is a medical questionnaire completed with a phone interview
- Contains yes/no questions
- Same conditions referenced as for Total Living Coverage® (TLC)
- If proposed annuitant has been previously declined for LTCI, TLC or TLCA, he or she is not eligible for TLCA
- If the applicant's height/weight is outside limits, the case is declined
- Applicant must validate with a voice signature

## Additional requirements for ages 65+

- Phone interview includes cognitive test
- A face-to-face cognitive exam for inconclusive cases

# Pre-Qualifying Questions

## PRE-QUALIFYING QUESTIONS

The following 10 questions will help you determine if your client is a good candidate for TLCA. If your client answers "yes" to any of the questions, he or she is not a candidate for TLCA.

*(These questions represent the more common impairments, and are not all-inclusive. If you have questions regarding your client's medical history, we encourage you to contact the underwriting department at 866 446.9852 (option 2) prior to submitting the application.)*

1. Has your client ever been diagnosed as having Alzheimer's disease or dementia, Parkinson's disease or multiple sclerosis?	<input type="radio"/> Yes <input type="radio"/> No
2. Has your client ever been diagnosed as having a stroke or had a transient ischemic attack (TIA) within the last five years?	<input type="radio"/> Yes <input type="radio"/> No
3. Does your client take insulin for diabetes?	<input type="radio"/> Yes <input type="radio"/> No
4. Does your client require any assistance with activities of daily living or use any mechanical devices, such as a walker, wheelchair, quad cane or oxygen?	<input type="radio"/> Yes <input type="radio"/> No
5. In the last 12 months has your client had congestive heart failure, a heart attack or any heart or carotid artery surgery?	<input type="radio"/> Yes <input type="radio"/> No
6. Has your client been treated or diagnosed for cancer of the bone, brain, lung, ovary, pancreas, stomach, liver, esophagus or any metastatic cancer in the past five years, or any other cancer, except basal cell cancer of the skin, in the last three years?	<input type="radio"/> Yes <input type="radio"/> No
7. Has your client had any surgery in the last six months that required an overnight stay in the hospital?	<input type="radio"/> Yes <input type="radio"/> No
8. In the last six months, has your client been hospitalized for any reason for more than one consecutive day?	<input type="radio"/> Yes <input type="radio"/> No
9. Does your client have diabetes in combination with heart disease, circulatory/vascular disease or kidney disease?	<input type="radio"/> Yes <input type="radio"/> No
10. In the last three years, has your client been declined for long term care coverage or a long term care rider?	<input type="radio"/> Yes <input type="radio"/> No

*Note: If your client has suffered a minor injury or illness recently that required an overnight stay at a hospital (e.g., overnight observation for a broken bone or concussion), consider waiting six months before submitting the application.*

Total Living Coverage Annuity single premium deferred annuity with long term care benefits is subject to Policy Form No. SPDARLTC 806 et al. and Rider Form No. SPDARLTC 806 et al. Product may not be available in all states. Terms and conditions may vary by state.

All guarantees are based on the claims-paying ability of the issuing insurance company.

# Comparison Of TLCA With Total Living Coverage<sup>®</sup> (TLC)

	TLCA	TLC
<b>Client Suitability</b>	<p>Prefers insurance products with relatively safe features, but doesn't want additional life insurance</p> <p>Wants financial independence in retirement, but is not as concerned with tax-efficient asset transfer to heirs.</p>	<p>Could benefit from additional life insurance</p> <p>Tax-efficient asset transfer to heirs is a financial goal.</p>
<b>Underwriting Classes</b>	1 (Standard LTC)	12 (M/F; Life PNN, SNN, SNU; LTC Pref., Std.)
<b>Substandard Classes</b>	No	Yes
<b>Underwriting Methodology</b>	Simplified	Full
<b>Underwriting Decision</b>	1 day (after phone interview is complete)	Depends on receipt of all requirements
<b>Deferral Period</b>	2 years	None
<b>Minimum Payout Periods</b>	4 or 6 years	(2, 3, 4 years)+(2, 4 years, lifetime)
<b>LTC Leverage (multiple of premium)</b>	2x or 3x	Varies by issue age and underwriting class

# Comparison Of TLCA With TLC (continued)

	TLCA	TLC
<b>LTC Couples Discounts</b>	Yes, on LTC charges	Yes, on LTC charges
<b>Inflation Options</b>	Compound inflation: 3%, 5%	Simple and compound inflation: 3%, 5%
<b>First-Year Premium Loads</b>	None	9%
<b>Interest Guarantee</b>	3%	3.5%
<b>Guaranteed Minimum Benefit Rider</b>	NA	Yes
<b>Return of Premium</b>	No, but the annuity death benefit is always at least the single premium (less any LTC and other withdrawals)	Yes (15 years)

# TLCA - Competitive Analysis

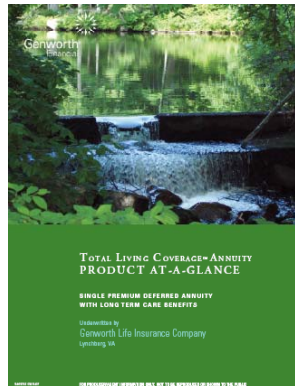
## Current Major Players

Competitor Advantage

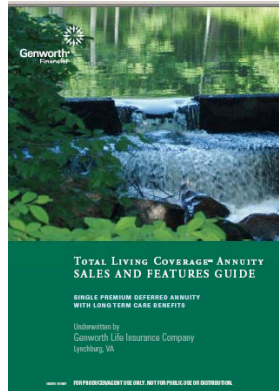
Genworth Advantage

	One America® Annuity Care®	John Hancock Care Solutions Plus	Guaranty Income Life AnnuiCare®	United of Omaha
<b>Sales</b>	Estimated 2005 Sales:\$100-200 MM	Estimated 2005 Sales: \$200 MM	Low Sales	No Data (New to Market)
<b>Distribution</b>	Strong in small banks	Independent distribution	Independent distribution	BGAs
<b>Product</b>	Dual Fund: AV - 3% Int. Crediting Rate LTC- 5.15% Int Crediting Rate - Int. on LTC Fund Guar. 5 years - Allows inflation on extension only	"CAREsolutions Plus" Rider No Acceleration of Benefits Rider	Annual Premium Inflation Rider	Informal Provider not allowed Mimic of TLC Annuity with Daily LTC Benefits; Annual Premium Inflation Rider Optional Non-Forfeiture Rider for 10 bps
<b>Issue Age</b>	50-85	Up to age 75	Up to age 85	Only offers 2+4 version Ages 40-79
<b>UW</b>	Simplified Issue Allow LTCI declines (Diabetes, Build, Heart, Stroke)	Guaranteed Issue	Simplified Issue	Simplified Issue
<b>LTC Benefits</b>	Modest LTC Benefits Lifetime Benefits	Benefits Pay @ 1% for 36 months (1/3 and 1/6 rider) Modest LTC Benefits (Extension Rider)	Meaningful LTC Benefits	Waive Charges for Life if 8 days of care in month; Alt Care & Training approved by Coordinator
<b>Deferral Period/EP</b>	No Deferral Period 7 day EP	6 Year Deferral Period 100 Day EP	No Deferral Period	2 Year Deferral Period; 90 Day EP (Satisfied during DP)
<b>Pricing</b>	Single pay, 10 pay or Annual Ded.; Non-can rates	LTC Rider cost is low at 40 bps Of initial deposit per year for all issue ages		
<b>Couples Disc</b>	No	No	No	No
<b>Internat'l Cov</b>	No	No	No	No
<b>Genworth Life Advantage</b>	Superior LTC Features and Account Value	Superior LTC Features	Superior Company Profile	Superior Company Profile

# Producer Materials



5445762 Products-at-a-Glance  
A snapshot of the product features and benefits.

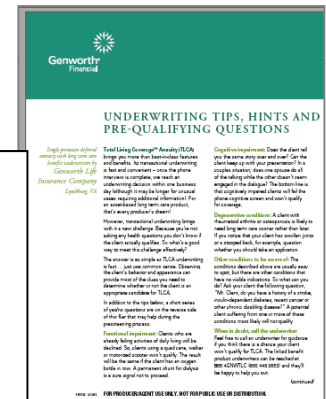


5445760 – Producer Sales and Features Guide

A comprehensive guide which includes hypothetical examples of how the product works and how you can identify clients who may be suitable to approach to purchase Total Living Coverage Annuity.

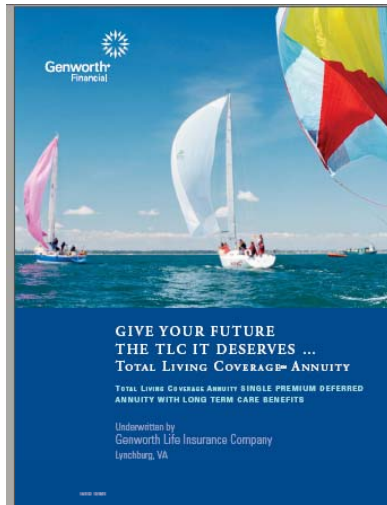
5455726 Underwriting Tips and Hints

Use this piece to help you better understand the TLCA underwriting process. Get helpful hints and pre-underwriting questions you can ask your client before completing the application.



5445761 Agent Training  
Created to train the agent on the intricacies of the product in addition to highlighting key target client groups.

# Consumer Materials



Consumer Guide 5445823 – To be given to clients interested in reviewing information about Total Living Coverage Annuity.



What to Expect During Your Telephone Interview 5483472 – To be given to clients who are completing an application for TLCA. This lets the client know what information they should have on hand to complete the telephone interview.

## Support to Help your Efforts:

- **Your Wholesaler**
- **Internal Sales Team (866-446-9852)**

# In Summary

## **Easy, effective way to plan for LTC costs**

- Non-medical underwriting
- Series of yes/no medical questions screen applicants quickly
- After two years and the 90-day elimination period is satisfied, funds are available for long term care expenses; long term care charges are deducted as of the policy effective date.

## **Maximizes the total amount available for LTC expenses**

- Leverages the client's single premium
- Coverage amount is double or triple the single premium amount

## **Customizable and guaranteed**

- Optional inflation protection is available
- Premium can be leveraged 2x or 3x
- Payout periods can be four or six years
- No-lapse guarantee

**Contact your support team today for more information about Total Living Coverage Annuity!**

# Pension Protection Act of 2006

**Effective 1/1/2010 for policies sold after 1996**

**Prior to 1/1/2010, LTC Benefits and Charges From Annuity-LTC Are Taxable**

- Life-LTC products were previously given non-taxable status on QLTC benefits

## **Key Changes**

- Tax Qualified LTC riders under a non-tax qualified annuity contract will be treated as a separate contract, thus withdrawals for QLTC benefits from these riders are considered tax free benefits.
- LTC rider charges against the account value will be tax-free, although they reduce the client's cost basis (but not below zero).
- Tax-free exchanges will be permitted from a life insurance policy or annuity contract into a traditional LTCI policy.
- Eligible retired public safety officer may use up to \$3,000 of tax-free distributions from qualified plans to pay for QLTC coverage.

# TLCA Enhancements

- 1 Year Deferral Period
- Reduce LTC Charges By ~25% Ages 70+
- Jumbo Bonus (extra 40bp for \$150K - \$299K; extra 80 bp for \$300K+ Premium)
- 0 Day EP For Home Health Care
- Age Nearest Birthday To Age Last Birthday

# Tax Information

The death benefit is included in the gross income of the beneficiary to the extent that the death benefit exceeds the amount paid for the policy.

Long term care benefit payments are not taxable. Monthly charges for long term care insurance are not included in the gross income of the policyowner, but they reduce income-tax basis (not below zero). No medical-expense income-tax deduction is available.

Withdrawals from the annuity policy and the annuity policy value upon termination of the annuity policy are taxable to the policyowner to the extent the annuity policy value exceeds the amount paid for the annuity policy. If under the age of 59 1/2, the policyowner may be subject to an additional tax of 10% of the amount included in gross income unless an available exception applies.

**The only way to get tax-deferred gain from an annuity policy tax free is via the purchase and use of a long term care rider, if long term care is needed.**

# Important Information

Total Living Coverage Annuity single premium deferred annuity with long term care benefits is subject to Policy Form No. SPDAPLTC 806 et al. and Rider Form No. SPDARLTC 806 et al. Product may not be available in all states. Terms and conditions may vary by state.

Total Living Coverage universal life insurance with long term care benefits is subject to the terms, issue limitations and conditions of Policy Form No. ULPLTCIPGLI (11/05) et al. and Rider Form Nos. ULRABRIPGLI (11/05) et al., ULREBRIPGLI (11/05) et al., ULRROPIGLI (11/05) et al. and ULRGMBRIPGLI (11/05) et al. or ULRGMBRIPGLI (0709) et al. Policy, benefits and riders may not all be available in all states. Terms and conditions may vary by state.

All guarantees are based on the claims-paying ability of the issuing insurance company.

Genworth Life is a member of the Insurance Marketplace Standards Association (IMSA). Membership promotes ethical standards in the sale and service of individually-sold life insurance, annuity, and long term care insurance products.

Insurance and annuity products:

- Are not deposits
- Are not insured by the FDIC or any other federal government agency
- Are not guaranteed by a bank or its affiliates
- May decrease in value

# Important Information (continued)

Generally, an annuity death benefit payable to your beneficiary is subject to federal income tax to the extent that the benefit exceeds the amount paid for the annuity policy. Policy value that accumulates within the annuity policy grows on an income-tax deferred basis and is not subject to income tax until it is withdrawn or if the annuity policy terminates. If the policyowner is under age 59 1/2 when a withdrawal or termination occurs, the policyowner may be subject to an additional tax of 10% of the amount included in gross income unless an available exception applies.

Benefit payments made for qualified long term care services are income-tax free. Monthly charges to pay for long term care insurance are not included in the gross income of the policyowner, but reduce the policyowner's income-tax basis (not below zero) in the annuity policy. No medical-expense income-tax deduction is available for these monthly charges.

## Training Disclaimer

The company has provided this information to help producers understand the ideas discussed. Any examples are hypothetical and are used only to help producers understand the concepts of the policy. What the company says about legal or tax matters is its understanding of current law, but the company is not offering legal or tax advice. Tax laws and IRS administrative positions may change. This material is not intended to be used by any taxpayer to avoid any IRS penalty. Your clients should consult independent tax and legal professionals for advice based on their particular circumstances.

Genworth Life Insurance Company, Richmond, VA

Genworth, Genworth Financial and the Genworth logo are registered service marks of Genworth Financial, Inc.