



New LTC Rider for Whole Life available in AZ and NY

Guardian's updated LTC rider that expands the benefits available to single life WL policies is now available for sale in **Arizona and New York**.

More Solutions for You and Your Clients

The new LTC rider (22-LTCR) for Whole Life provides expanded options.

Expanded Availability

- Available at additional ages: 18-75,
- Additional underwriting classes: Rated cases to Class 4.

2% or 4% Monthly Acceleration

- Provides for a choice of maximum monthly benefit – either 2% or 4% of the LTC pool not to exceed 60x the IRS Per Diem Limit.
 - **In New York**, the maximum monthly benefit cannot exceed 30x the IRS Per Diem Limit
- Electing the 4% option will result in a higher LTC rider premium.

Rider Premium Reduction Compared to the 2013 LTC rider

- **2% monthly acceleration option:** In an apples-to-apples comparison, the new 2023 rider premium is about 20% lower than the 2013 rider.
- **4% monthly acceleration option:** New 2023 LTC rider premiums are only 5% more than the 2013 rider 2% option.

Larger LTC Pool

- Maximum LTC pool now up to 95% of base policy face amount.

Improved Contract Features

- New Reduced Paid Up benefit
 - Upon a base policy RPU election, the LTC pool is preserved on a pro-rata basis.
 - LTC Additions are preserved.
 - The LTC Dividend option is no longer available once a policy goes on RPU.
- Family Care Givers – Care givers can now be an individual including immediate family members.

Key dates

Saturday, August 12, 2023

Available in GPS

Monday, August 14, 2023

Available for sale in Arizona and New York

Important Information

Prior series LTC continues to be available for sale in CA, IN, and MT where the new rider is not yet approved.

LTC Rider and WL product information can be found on the [Whole Life Page](#) on Guardian Online.



Additional LTC Additions Dividend Option

Now the LTC Dividend Option I is available at issue with two options:

(A) Monthly Benefit based on Basic LTC Pool

- Dividend option available with prior LTC rider.
- LTC Dividend Additions extend the length of time that LTC benefits are paid but do not increase the monthly benefit.

(B) New Monthly Benefit based on Total LTC Pool

- LTC Dividend Additions increase the maximum monthly benefit to be a percent of the Total LTC Pool¹.

Plus, the new rider continues many key features from the prior rider:

- **Available with the following products:** L10, 10 Pay Flex, L15, L20, L65, L95, L99, L121, SafeGuard360™.
- **Indemnity Benefit**
 - No receipts required to receive LTC benefits.
 - In contrast to reimbursement-style riders, with the indemnity-style benefit, accelerated payments are not limited to the amount of expenses incurred by the insured.²
- **Premium Credit**
 - Available while on claim and after.
- **Tax Qualified Status** - Intended to be a qualified long term care insurance contract under Internal Revenue Code (IRC) Sec. 7702B.³
 - **Florida variation**
 - The benefits provided by the Accelerated Death Benefit for Long Term Care Services Rider in Florida are intended to be excludable from federal gross income under Section 101(g) of the Internal Revenue Code.
 - This rider is not intended to be a qualified long-term care insurance contract under Section 7702B(b) of the Internal Revenue Code.
 - Premiums payable for this rider do not qualify as eligible long-term care insurance premiums under Section 213(d) of the Internal Revenue Code and are not deductible from gross income for federal income tax purposes.

State Approvals

The new LTC rider is approved for sale in 46 states and jurisdictions, except CA, IN, and MT.

- The original WL LTC rider remains available for sale in states where the new rider has not yet been approved.
- Refer to the [Whole Life Page](#) on Guardian Online for state availability.

¹ There is a higher charge for Dividend Option I(B)

² Guardian may periodically require the owner to submit documentation that the insured is receiving care.

³ Guardian, its subsidiaries, agents and employees do not provide tax, legal, or accounting advice. Consult your tax, legal, or accounting professional regarding your individual situation.



Illustrations

Illustrations for LTC 2023 in AZ and NY will be available on the Guardian Proposal Systems (GPS) on Saturday, August 12, 2023.

For states where the 2023 LTC rider is not yet approved, the 2013 version of the WL LTC rider (13-LTCR) will remain available in GPS.

Marketing

The following 2023 LTC Rider marketing materials are approved for use with clients and are available through Guardian's Fulfillment Center on Guardian Online.

PUB #	Marketing Materials
PUB5890	2023 LTC Flyer
PUB5889	2023 LTC Brochure
PUB6281	LTC Seminar (PPT)

See the [WL LTC State Availability Chart \(PUB6028\)](#) chart for the variation available in your state.

Client facing marketing materials for LTC benefits are generally required to be filed with and approved for use by the state insurance departments.

Only Home Office produced client facing material can be used during the solicitation process. The Advertising Review Unit (via Pinpoint) will not approve any client facing materials describing the rider or referring to long term care insurance that is submitted by a producer.

Compensation

Compensation for the LTC Rider is the same as for the base whole life policy. Contact your General Agent for details.

Producer Licensing and LTC Training

To sell a policy with the LTC Rider, all producers must hold both life and health licenses.

- Statutory LTC training must be completed in states that require it. The statutory LTC training requirements vary from state to state and are subject to change.
- Guardian has partnered with ClearCert to help producers maintain compliance with LTC training requirements.
- For questions about agent licensing and LTC training, contact Agent_Contracting_&_Licensing@glic.com

How to Apply for the LTC Rider

- Applications for the 2023 LTC rider in Az and NY may be submitted Monday, August 14, 2023.
- There is a new LTC application supplement that must be used with the new rider, we will not accept the current supplement when applying for the new rider. Please refer to i-Pipeline for current forms and any state variations.
- The new LTC rider is available with eApp 2.0.
- Applications for the rider must be submitted in conjunction with an application for the base policy.



Applications for the LTC Rider include the following requirements:

1. Point of Solicitation Requirements

The LTC Rider is generally governed by long term care regulations, resulting in significant disclosure and solicitation requirements, subject to state variations.

The following materials **MUST BE PROVIDED TO THE CLIENT** prior to applying for the rider. These forms and disclosures **MUST NOT BE SUBMITTED** with the application.

- LTC Shopper's Guide
- Outline of Coverage for LTC – New version for the new LTC Rider
- Rate Increase Disclosure – New version for the new LTC Rider
- Things You Should Know Disclosure

To manage clients' expectations and underwriting experience, producers are encouraged to use the **Pre-Qualification Worksheet** before submitting an application. The worksheet is designed to help you determine if a potential applicant is a good fit for the LTC Rider. Please **do not submit** the Pre-Qualification Worksheet, or any other documents listed above, with the application.

2. Application & Form Requirements

The following materials **MUST BE SUBMITTED WITH THE APPLICATION** when applying for the LTC Rider.

1. LTC Application Supplement – New supplement must be used with the new LTC ride.

The Application Supplement provides additional information necessary to process and underwrite the LTC Rider. The supplement includes:

- A place to elect the optional features available under the rider; and
- Replacement questions related to LTC/Health coverage; and
- Additional medical questions specific to the underwriting of the LTC rider.

2. LTC Agent Certification
3. Personal Worksheet
 - i. Personal Worksheet not required in the state of NY.
4. Terminal Illness Rider Disclosure
5. Third Party Ownership Agreement (13-TPOD), if applicable
6. Any additional state specific requirements, if applicable

The above outlined materials, which are subject to state variations, can be accessed through i-Pipeline. In the Product Name drop-down, select "Whole Life with LTC 2.0" to ensure the applicable disclosures and application forms for the new rider are selected. We will keep the current forms available in i-Pipeline for the transition period.

Underwriting

- Approval for the LTC Rider is subject to additional underwriting, separate from the base policy.
- The LTC Rider is not available for insureds with substandard ratings higher than a class 4, or temporary or permanent flat extras.
 - The rider is not available with ESP (Table Shave) or facultative reinsurance.
- The LTC Rider is not available with special underwriting programs such as Rapid App, DI to Life, Simplified Issue or Guaranteed Issue.

Backdating

Backdating follows the same rules as the base policy.

30-Day Delivery Requirement for life insurance with the LTC rider

IRS Section 4980C, and state insurance law requires that LTC contracts, including life insurance policies with an LTC rider, must be delivered within 30 calendar days of the policy issue date.

- Signed and dated delivery documents, including delivery receipts, must be dated within 30 days from the date of issue and be received by the Home Office no later than 45 calendar days after the policy's issue date.
- Policies not delivered within the 30-day delivery period will be made Not Taken and require the New Business process to start over.
- Premium payments will only be accepted if the requirements for the 30-day delivery have been met.

Policy Changes

Policy changes with the new LTC rider follow Guardian's normal policy change window.

Transition Rules

1. Unpaid Change Requests to add the LTC rider

The LTC supplement package must be submitted via the new business workflow in STP.

2. Policy Re-date and Unpaid Change Requests for Policies issued with the LTC Rider

Policy re-dates and unpaid changes requested for policies issued with the LTC rider may be submitted via the normal unpaid change workflow:

- A policy re-date on an unpaid policy is allowed within 30 calendar days of policy issue.
 - The 30-day delivery rule still applies from the original policy issue date.
- Policy re-dates in conjunction with an additional policy change (such as a face decrease or plan change) are permitted and must be submitted within 45 calendar days of the original policy issue date.
- The re-dated policy must be delivered within 30 calendar days of the new policy issue date.



Term Conversions

The LTC Rider is available with no additional underwriting for conversions from GLT policies with an active CCOR rider. Otherwise, additional underwriting for the LTC rider is required.

Replacements of LTC Coverage

Internal and external replacements of existing LTC coverage are permitted within the limits announced in the August 29, 2022 circular memo that can be accessed through the [Whole Life Page](#) on Guardian Online.

Third Party Ownership Considerations

If the owner is not the insured person receiving qualified LTC services and benefit payments under the rider, many aspects of the taxation of LTC benefit payments are not clear; therefore, we suggest that the insured also be the owner.

- When the owner is not the same individual as the insured, a Third-Party Ownership disclosure (13-TPOD) is required with the application.
- The LTC Rider is not available when the policy is issued with the Exchange of Insureds Rider.

Questions?

LTC Rider and WL Product information can be found on the [Whole Life Page](#) on Guardian Online or contact:

Life Product Support (800) 871-7780, option #2

Licensing and LTC Training Agent_Contracting_&_Licensing@glic.com

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Riders may incur either an additional cost or premium. Riders may not be available in all states. Dividends are not guaranteed. They are declared annually by Guardian's Board of Directors.

Paid-up Additions (PUA) are purchases of additional insurance (death benefit) that have a cash value. These purchases are made with dividends and/or a rider that allows the policyholder to pay an additional premium over and above the base premium. This creates the growth of death benefit and cash values in a participating whole life policy. Adding large amounts of paid-up additions may create a Modified Endowment Contract (MEC). A MEC is a type of life insurance contract that is subject to last-in-first-out (LIFO) ordinary income tax treatment, similar to distributions from an annuity. The distribution may also be subject to a 10% federal tax penalty on the gain portion of the policy if the owner is under age 59 ½. The death benefit is generally income tax free.

Policy and Rider Form Numbers:

21-WL
22-LTCR
13-LTCR
13-TIR