



Genworth®
Financial

LONG TERM CARE BUSINESS SOLUTIONS
IS YOUR BENEFITS
PACKAGE COMPLETE?

**A TAX-QUALIFIED GROUP LONG TERM CARE INSURANCE PROGRAM
(IN NEW YORK, NURSING HOME AND HOME CARE INSURANCE)**

Underwritten by
Genworth Life Insurance Company of New York

A NAME YOU CAN TRUST

Genworth Financial's Long Term Care Insurance Division has been an industry leader since it helped pioneer long term care insurance 35 years ago.

As a pioneer in long term care insurance, Genworth's underwriting companies (Genworth Life Insurance Company and Genworth Life Insurance Company of New York) have an unmatched depth of experience. Today, almost a third of people who own long term care insurance have Genworth Life or Genworth Life of New York coverage.²

NEXT STEPS

Your employees value your insight in the benefit options made available to them as part of your employee benefits package. Retaining your valued employees and attracting the best and brightest to your team are important to the continued success of your business. Long term care insurance (in New York, Nursing Home and Home Care insurance) is an innovative way to reward and attract key employees and new talent.

Call your insurance professional today to discuss how this valuable program can be integrated into your current employee benefit package, while making available a potential tax advantage to your business. There will never be a better time to implement a program than today.

Genworth Financial's commitment can be seen in its:

- Multi-million dollar partnership with the Alzheimer's Association to help find a cure
- Annual Cost of Care survey to help make people aware of just how much they could spend
- Leadership in shaping public policy to address the growing financial issues Americans may face in long term care situations.
- Payment of more than \$5 Billion in long term care claims to more than 124,500 claimants.³

² Genworth Life Insurance Company and Genworth Life Insurance Company of New York business operations data as of 12/31/2008.

³ Genworth Life Insurance Company and Genworth Life Insurance Company of New York, business operations data, 12/1974 to 06/30/09.

In New York there are two comprehensive categories of insurance providing coverage for long term care services, Nursing Home and Home Care Insurance and Long Term Care Insurance. The Nursing Home and Home Care Insurance category allows greater affordability to the consumer, with lower mandated limits, yet still provides tax-qualified long term care insurance designed to meet the requirements for New York state and municipal tax credits, as well as those under Section 7702B(b) of the Internal Revenue Code.

Long Term Care Business Solutions utilizes the Nursing Home and Home Care Insurance category in order to make the most flexible and affordable options available, allowing employers to design the plan options most suitable to their employees.

IS YOUR BENEFITS PACKAGE COMPLETE?

As a business owner, you value your employees. You've taken steps to help them provide for their families and their future security.

Now, help them strengthen their financial plans by offering a benefit that will help protect their savings should they need long term care. Tax-qualified long term care insurance is an innovative way to reward and retain key employees and attract new talent.

Why consider adding Tax-Qualified Long Term Care Insurance to your benefits package?

When the need for long term care arises, significant emotional, physical and financial strains usually affect the entire family. As an employer, this sometimes has implications for you. When your employees become caregivers they often have more interruptions at work, adjusted schedules, absenteeism, and less willingness to travel or relocate. As a result, employee caregivers have higher levels of stress, which may lead to health-related problems and fatigue.

How does Tax-Qualified Long Term Care Insurance help?

For your employees Essentially, if an individual needs assistance for 90 days or more with everyday activities such as eating, dressing, or moving in and out of a bed or chair, or needs supervision for a severe cognitive impairment, long term care insurance can help. It will help reimburse the costs of covered long term care, whether it is received at home, in the community, or in a facility.

For your business Including long term care insurance in your employee benefits package may give you an edge in recruiting new employees and in keeping your current employees satisfied.

Here's why Your employees work hard to create financial plans that allow them to live life on their own terms. Long term care insurance compliments your existing benefits package because it helps protect their savings and fills a gap not addressed by other types of insurance.

There may be tax benefits to your business as well. A tax-qualified long term care insurance program can offer your business a tax deduction. Specifically, up to 100% of the premiums you pay for coverage for your employees and their spouses, depending on your business structure, can be tax deductible. For example, a C Corporation, since the insurance under the Genworth Life of New York program is tax-qualified, can generally deduct all premiums it pays for coverage for its employees, their spouses and eligible dependents, including owners who are also active employees. In addition, these premiums do not create additional taxable income to your employees. In fact, when your employees need long term care, their benefits will be paid income-tax free.

Designing a program that is right for your business

When you're ready, we can help design a Program for your business. There are four basic choices:

- 1. Monthly Maximum** The Monthly Maximum is the maximum amount the plan will reimburse each month for covered long term care expenses.
- 2. Benefit Multiplier** The Benefit Multiplier, along with the monthly maximum, determines the total amount of benefit dollars available to reimburse covered expenses for the lifetime of the insured's coverage:

$$\text{Monthly Maximum} \times \text{Benefit Multiplier} = \text{The Coverage Maximum}$$

- 3. Elimination Period** The Elimination Period determines when the insured can begin to receive reimbursement for covered expenses under the LTCI program. It is a period of time that must elapse before benefits begin. This is a one-time elimination period for the life of the policy.

As the Employer, you decide the options for the length of the elimination period available under your Group Program. You may decide that this will not be an option to the individual and define the Elimination Period for the overall Program. Alternatively, your program can allow the individual to choose the Elimination Period from those you select for the Program.

- 4. Optional Benefits** Your knowledge of your employees provides the decision making background you need in defining the most appropriate benefit options to make available under your Group LTCI Program. The following options also affect the cost of your Program:

- *Inflation Protection* The Genworth Life of New York offering includes an array of optional riders for increasing benefits to help keep pace with the rising cost of care.
- *Paid-up feature* Allows for accelerated premium payments to pay off coverage early.¹
- *Restoration of Benefits* If the insured receives benefits, then recovers and doesn't receive benefits for at least 180 days and coverage remains in force, the insured's coverage will be restored by the amount of benefits used.
- *Return of Premium at Death* Returns premiums (less claims paid) if the insured dies while insured.



¹ Accelerated payment can affect the amount that is tax deductible in a given year. Consult your tax advisor.

Who can participate?

The business may generally define who participates and determine the level of benefits they'll receive. For example, you can:

Provide benefits to select employees

Commonly referred to as a "carve out" program, this allows you to offer the Program to a select class of employees — such as managers, tenured employees, or all employees with a certain length of service or compensation level. You may also choose to include their spouse and eligible dependents.

Offer benefits to some or all employees on a voluntary basis Open the Program to all employees and their spouses and let them choose to participate if they decide long term care insurance is right for them. The business can decide to pay all, some or none of the premiums for the Program, and may contribute different premium amounts for different eligible classes.

Of course, as with any health plan, provisions are subject to other employment regulations such as ERISA and ADEA. Be sure to review details with your tax and legal advisors.



Added value at the time of claim

Genworth Life of New York is noted for "best in class" claims servicing. This servicing includes access to negotiated discounts for long term care providers and a team of care coordinators.

Privileged Care Coordination Services assist an insured in identifying his or her long term care needs and the community resources available. Their services are automatically part of your Program and come at no additional cost. Insureds aren't required to use this team of coordinators. They can, at their own expense, choose a Licensed Health Care Practitioner to provide similar services.

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the compassion to care, the leadership to conquer

This brochure provides information on Tax-Qualified Group Long Term Care Insurance available from Genworth Life Insurance Company of New York. It is not a contract for insurance. Specific details, including benefits, limitations and exclusions are shown in the Features & Benefits brochure provided to you.

Coverage under the Group Policy is intended to be qualified long term care insurance under federal tax law (IRC 7720B).

As the Group Policyholder, the employer will receive a Group Policy (the contract of insurance) that sets forth the terms and conditions of coverage, eligible classes, and the premiums associated with the Group Program available to those persons eligible for coverage. Coverage is subject to the underwriting requirements of Genworth Life Insurance Company. Each eligible person who becomes insured will receive a Certificate of Insurance.

The Group Program is provided under policy form series 7050. State variations apply for those states that have extra-territorial authority over the coverage.

New York State Partnership for Long Term Care: This coverage does not qualify for Medicaid asset protection under the New York State Partnership for Long Term Care Program.

PLEASE NOTE: Examples provided in this brochure are hypothetical, and are used to help you understand the tax implications of tax-qualified group long term care insurance. They may not reflect your particular circumstances. What we say about legal or tax matters is Genworth Life's current understanding of current law. We are not offering legal or tax advice. Tax laws and Internal Revenue Service (IRS) administrative positions may change. We did not write this material for use by any taxpayer to avoid any IRS penalty. You should confer with your independent tax and legal advisors for advice based on your particular circumstances.

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