

SERFF Tracking Number: AEGJ-126348120 State: Arkansas
Filing Company: Transamerica Life Insurance Company State Tracking Number: 43817
Company Tracking Number: TLC ECO PPT 0909
TOI: LTC03I Individual Long Term Care Sub-TOI: LTC03I.001 Qualified
Product Name: TLC ECO PPT 0909
Project Name/Number: /

Filing at a Glance

Company: Transamerica Life Insurance Company

Product Name: TLC ECO PPT 0909 SERFF Tr Num: AEGJ-126348120 State: Arkansas
TOI: LTC03I Individual Long Term Care SERFF Status: Closed-Filed State Tr Num: 43817
Sub-TOI: LTC03I.001 Qualified Co Tr Num: TLC ECO PPT 0909 State Status: Closed
Filing Type: Advertisement Reviewer(s): Marie Bennett
Authors: Joan Shumaker, Laura Aleman, Patsy Holt Disposition Date: 10/28/2009
Date Submitted: 10/16/2009 Disposition Status: Filed
Implementation Date Requested: On Approval Implementation Date:

State Filing Description:

General Information

Project Name: Status of Filing in Domicile: Not Filed
Project Number: Date Approved in Domicile:
Requested Filing Mode: Review & Approval Domicile Status Comments: Advertisements are not required to be filed in the domicile state of Iowa.
Explanation for Combination/Other: Market Type: Individual
Submission Type: New Submission Group Market Size:
Overall Rate Impact: Group Market Type:
Filing Status Changed: 10/28/2009 Explanation for Other Group Market Type:
State Status Changed: 10/28/2009
Deemer Date: Created By: Laura Aleman
Submitted By: Laura Aleman Corresponding Filing Tracking Number:
Filing Description:
See Cover Letter on Supporting Documentation Tab.

Company and Contact

Filing Contact Information

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Filing Company Information

Transamerica Life Insurance Company	CoCode: 86231	State of Domicile: Iowa
P O Box 93005	Group Code: 468	Company Type:
Hurst, TX 76053-3005	Group Name:	State ID Number:
(800) 553-7600 ext. [Phone]	FEIN Number: 39-0989781	

Filing Fees

Fee Required? Yes
 Fee Amount: \$25.00
 Retaliatory? No
 Fee Explanation: \$25 per form
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Transamerica Life Insurance Company	\$0.00	10/16/2009	
Transamerica Life Insurance Company	\$25.00	10/28/2009	31610555

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Marie Bennett	10/28/2009	10/28/2009

Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Marie Bennett	10/28/2009	10/28/2009	Laura Aleman	10/28/2009	10/28/2009

SERFF Tracking Number: *AEGJ-126348120* *State:* *Arkansas*
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Disposition

Disposition Date: 10/28/2009

Implementation Date:

Status: Filed

Comment:

Rate data does NOT apply to filing.

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Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Cover Letter		Yes
Form	Presentation		Yes

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Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 10/28/2009
Submitted Date 10/28/2009
Respond By Date

Dear Laura Aleman,

This will acknowledge receipt of the captioned filing. Sorry I didn't notice this one when I wrote on state no. 43818.

Objection 1

- Presentation, TLC ECO PPT 0909 (Form)
- Cover Letter (Supporting Document)

Comment: Please attach \$25.00 filing fee.

Please feel free to contact me if you have questions.

Sincerely,

Marie Bennett

Response Letter

Response Letter Status Submitted to State
Response Letter Date 10/28/2009
Submitted Date 10/28/2009

Dear Marie Bennett,

Comments:

Thank you for your letter dated October 28, 2009.

Response 1

Comments: Pursuant to your request, I have attached the \$25 filing fee.

Related Objection 1

Applies To:

- Presentation, TLC ECO PPT 0909 (Form)
- Cover Letter (Supporting Document)

Comment:

Please attach \$25.00 filing fee.

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Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Let me know if you need anything else.

Sincerely,

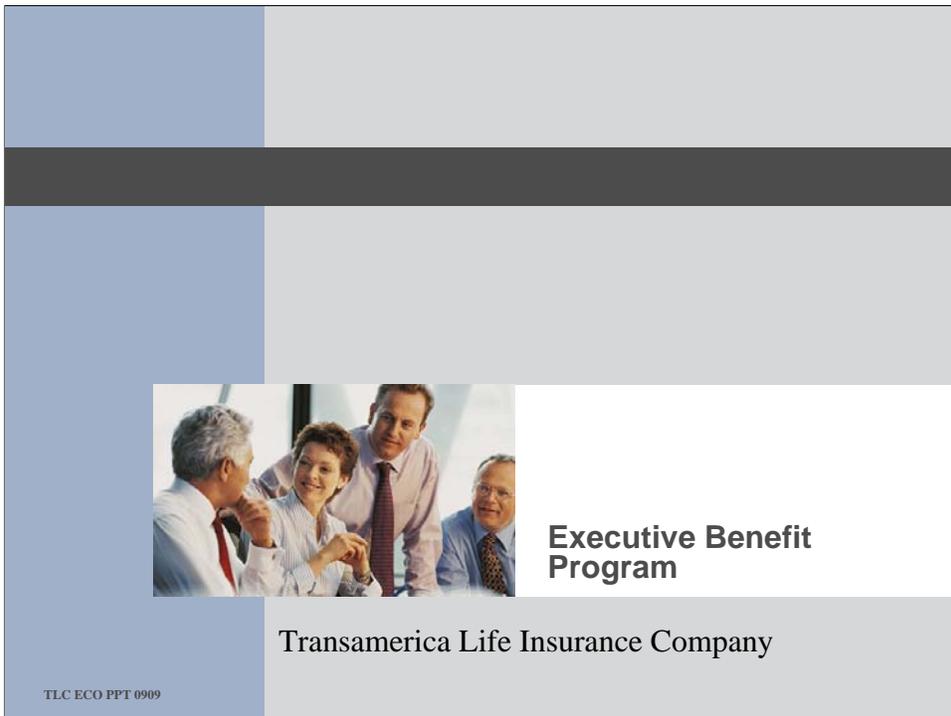
Joan Shumaker, Laura Aleman, Patsy Holt

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Form Schedule

Lead Form Number: TLC ECO PPT 0909

Schedule Item Status	Form Number	Form Type Form Name	Action	Action Specific Data	Readability	Attachment
	TLC ECO PPT 0909	Advertising Presentation	Initial		0.000	TLC ECO PPT 0909.pdf

The slide features a blue and grey background with a central photograph of four business professionals in a meeting. To the right of the photo, the text "Executive Benefit Program" is displayed in a bold, black font. Below the photo, the text "Transamerica Life Insurance Company" is centered. In the bottom left corner, the code "TLC ECO PPT 0909" is visible.

Executive Benefit Program

Transamerica Life Insurance Company

TLC ECO PPT 0909

[Good morning...]

I'd like to thank you for allowing us the opportunity to discuss the Transamerica Life Long Term Care Insurance Executive Benefit Program.

Why a Long Term Care Insurance Program for Owners and Key Employees ?

- To help owners protect their future and those of selected employees against the high cost of Long Term care services.
- To help business owners create an executive benefit plan for themselves and/or key employees.
- The inclusion of an optional, Return of Premium Benefit, which can return premium to an Insured's estate or a designated beneficiary.*
- To provide a program that has the potential to offer some favorable tax benefits to the business.

*May result in a taxable event to the estate/designated beneficiaries if premiums are returned, upon the death of the insured, The benefit amount is the sum of all premiums paid (excluding any waived premiums) less any claims paid. ROP not available in MD, PA, TN, VT

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Our executive benefit program is designed to help business owners like yourself, and/or selected key executives acquire vitally important and increasingly requested corporately-paid LTC protection. In addition, with the selection of an optional Return of Premium Rider, there are benefits available to the Insured's heirs. Upon the death of the insured, the Insured's beneficiary will receive a benefit equal to the sum of all premiums paid (excluding any waived premiums) less any claims paid.

Under current IRC regulations, this plan can be implemented on a potentially tax favored basis.

Disclaimer

Neither Transamerica Life Insurance Company nor its representatives or agents are permitted to give legal or tax advice. Any discussion of taxes included in or related to this document is for general informational purposes only. Such discussion does not purport to be complete or to cover every situation.

Current tax law is subject to interpretation and legislative change. Tax results and the appropriateness of any product for any specific taxpayer may vary depending on the particular set of facts and circumstances. You should consult with and rely on your own independent legal and tax advisors regarding your particular set of facts and circumstances.

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Now before we go any further we do need to make it very clear that the following information regarding tax issues is meant for general informational purposes only. We are not offering tax advice and encourage you to review the following with a qualified independent tax advisor.

Circular 230 Notice:

Pursuant to IRS Circular 230, Transamerica Life is providing you with the following notification: The information contained in this document is not intended to (and cannot) be used by anyone to avoid IRS penalties. This document supports the promotion and marketing of insurance products. You should seek advice based on your particular circumstances from an independent tax advisor – Neither Transamerica Life nor its representatives provide tax or legal advice.

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Again, your tax advisor should review any of the information we are discussing today. In fact, we would welcome the opportunity to review this same information with that advisor. Although, please remember none of what we are providing should be considered tax advice and cannot be relied on to avoid IRS penalties. You need to consult and rely on your own independent tax counselors.

Health Insurance Portability and Accountability Act of 1996

“To amend the Internal Revenue Code of 1986 to improve portability and continuity of health insurance in the group and individual markets, to combat waste, fraud and abuse in health insurance and health care delivery, to promote the use of medical savings accounts, to improve access to long term care services and coverage, to simplify the administration of health insurance, and for other purposes.”

Source: Health Insurance Portability and Accountability Act of 1996
Public Law 104-920- August 21, 1996

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You may be wondering right now **“Is providing this coverage really that necessary”?** In 1996, Congress passed a bill which encouraged individuals and businesses to plan for the potentiality of needing long term care. Most business owners and many CPA’s are not even aware of these LTC-focused provisions in the bill.

The primary purpose of The Health Insurance Portability and Accountability Act of 1996, or HIPAA, is to ensure that all people have access to major medical insurance. During the 104th Congress, Senators Kennedy and Kassebaum sponsored this bill; it became law on 8/21/96, and was effective as of 1/1/97. In addition to addressing major medical insurance, HIPAA specifically addressed issues involving Long Term Care Insurance.

The Law:

- Created tax-qualified (TQ) Long Term Care Insurance (LTCI)
- Defined and required certain policy provisions and standards for plan to be considered TQ
- Provided a clear statement of tax treatment of certain LTCI policies
- Established the treatment of taxation of benefits and premiums

The interesting part of the legislation for you is that it specifically gave some favorable treatment to LTC insurance. That ‘s what we want to focus on here today.

Tax Considerations

Qualified Long Term Care Insurance and expenses:

- Qualified Long Term Care Insurance contracts are generally treated as accident and health insurance contracts. Individuals can include unreimbursed qualified Long Term care expenses as medical expenses, and within certain limits, premiums they pay for qualified Long Term care insurance.

Employers should consult their own tax and legal advisors.



Publication 535
For 2008

Business Expenses

For use in preparing
2008 Returns

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April 2008

Introduction

This publication describes qualified long-term care insurance contracts and explains what is new in 2008. The general rules for deducting business expenses are discussed in the opening section. The chapter that covers special expenses and other publications and forms you may need.

Comments and suggestions for website and publication changes are invited and your suggestions will be considered.

You can write to us at the following address:
Internal Revenue Service
Business Forms and Publications Branch
111 Constitution Ave., NW, Suite 3300
Washington, DC 20548

We respond to many letters by telephone. However, it will be longer if we need to check your taxpayer's records, including the availability of your correspondence.

Information on the www.irs.gov website about the www.irs.gov site, Personal Financial Statement, and the fact that you may request a printed publication to which you wish to be subscribed, please see the instructions on the back cover of this publication.

General forms and publications. Visit www.irs.gov to determine forms and publications and to determine what you need to do after your request is received.

All of Transamerica Life's Long Term Care Insurance (LTCI) contracts are tax qualified as defined under HIPAA and are therefore treated as accident and health insurance contracts. As such, the premiums paid for the LTCI policy with corporate funds are able to be deducted similar to major medical policy premiums. There are various deductions allowed for different types of businesses, which we will review shortly. While most astute business owners/advisors would not normally make a business decision solely on it being a tax deductible event, it is good to know when putting in place a much needed LTCI benefit, and paying premium with corporate funds, there are potential tax deductions.

Two key planning topics explored

- Within limitations, the owner can determine who will receive a company paid benefit. The Internal Revenue Code appears to allow Executive Carve-out Long Term Care insurance coverage.
- The use of an optional Return of Premium* benefit which allows any premiums (excluding waived premiums) not paid out in benefits be returned to heirs upon the insured's death. These dollars could create a taxable event to the recipient under current rules.

*ROP not available in MD, PA, TN, VT

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Part of my objective today is to show how Congress created provisions in the laws that allows you to put in place valuable protection against the impact Long Term care can have on your family and potentially, your hard-earned business assets. The decision on whom to offer corporate-purchased TQ LTCI can be made on a very selective basis. You can include a few key members of your firm and their spouses, as long as the employees selected belong to a like class or category, based on job grade, salary level, years of service, etc.

The law also allows you to include an optional Return of Premium Benefit that could potentially return up to all of the premiums paid to your estate or designated beneficiary, upon your death. The Return of Premium Benefit is the sum of all premiums paid (excluding any waived premiums) minus any claims paid.

Policy Benefits – Taxation Rules

- Rules for Self-Employed
- Rules for Partnerships, S-Corporations, Limited Liability Companies
- Rules for C-Corporations

Source: IRC Sec. 7702B(a)(2), 104(a)(3) and 105(b)

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Tax incentives are available to individuals and business owners who take personal responsibility for their future long term care needs.

Let's review some of the tax rules. Remember, we are providing a general overview of the subject. We are not providing tax advice. Changes in the law may effect your situation. Please see your tax advisor.

Rules for Individuals

- Long term care insurance premiums may be paid from a Health Savings Account (HSA)
- Long term care insurance premiums (for individuals, spouse, other dependents) can be treated as a personal medical expense (within limits) by those who itemize their tax deductions. The 2009 limitations on premiums* are:

Age	Individual/Couple (same age)
- Attained age 40 or less	\$320/ \$ 640
- 41 – 50	\$600/ \$1,200
- 51 – 60	\$1,190/ \$2,380
- 61 – 70	\$3,180/ \$6,360
- More than 70	\$3,980/ \$7,960

- Premium amounts above the age-based limit combined with other medical expenses are subject to the 7.5% threshold based on the individual's adjusted gross income for the year.

Source: IRS Revenue Procedure 2008 -66

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[Read slide as is]

Rules for Self-Employed

- Tax Qualified Long term care insurance premiums can be deducted as a trade or business expense
- The amount of deduction allowed for the self-employed individual, for his or her spouse, and other tax dependents, is the same as the individual limits.

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[Read slide as is]

Rules for Partnerships, S-Corporations, Limited Liability Companies

- Premiums paid for long term care insurance for employees, their spouses and eligible dependents can be deducted
- Partners and more-than-2% shareholders of S-Corporations are considered to be self-employed owners
- Premiums paid for owners are included in each individual's gross income for the year.
 - The individual can then take a self-employed health insurance deduction up to the age-based limits

*This is subject to certain limitations under IRC §162(f). Employers should consult their own independent tax and legal advisors.

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As a non C-Corporation, the owners don't have the same deduction as C-Corporation. But they still retain, the full deduction for LTCI plans they purchase for key executives **with < 2% stock ownership**. The important point is that LTCI coverage, that meets the vitally important need of Long Term care planning, can be put in place using corporate dollars.

Tax Deductions for Non C-Corporations Owners/Spouses Premium

Age of Policyholder at Close of Tax Year	2009 Eligible Premium
40 or less	\$320
41-50	\$600
51-60	\$1,190
61-70	\$3,180
71 and over	\$3,980

Employers should consult their own independent tax and legal advisors .

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What exactly, then, is the deductibility for non C-Corporations?

As we just mentioned, in a non C-Corporation, owners are able to take a partial deduction of the premiums paid on themselves and their spouses policies. Since they are considered self-employed individuals, even if they have employees, they are entitled to take a 100% deduction of the premium as self-employed health insurance. However, as individuals, their deductions are limited to the age weighted premiums paid in the chart.

For example: Let's say you are the owner of a non C-Corporation and you paid \$3,000 for you and your spouse's LTC policies. Let's assume you are both between ages 51 and 60. That means of the \$3,000 premium paid, \$2,380 (\$1,190 per person x 2) is considered a "self employed health insurance premium" and is 100% tax deductible **without** regard to the 7.5% AGI (adjusted gross income) test individuals must meet. The remaining balance (\$620) would carry over to your personal itemized Schedule A and if you meet the normal test of having more than 7.5% of your AGI in un-reimbursed medical expenses, you could take the balance of the premium. This is one of the advantages of being self employed. And again, if you are providing this as a benefit to a key executive owning less than 2% of your stock, you can deduct 100% of that premium, without regard to this table.

Rules for C-Corporations

- 100% deductibility of tax-qualified long term care insurance premium as a business expense (similar to traditional health insurance premiums)
- 100% deductibility for spouse long term care insurance premium when paid by company
- Employer paid premiums are not included as part of employee's gross income (not reported on W-2 statement; no payroll tax on premiums paid)
- Premiums paid are generally tax-free to the individual

*Accident and health insurance premiums paid by an employer for employees and certain dependents are generally currently deductible. Limitations on the amount of the deduction may be imposed under the tax law. Employers should consult their own independent tax and legal advisors.

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The first bullet point covers how regular C-Corporations deduct premiums dollars paid for coverage for owners and/or key executives. In short, those premiums are fully deductible as normal business expense to the extent that they meet the normal test for “reasonable compensation” as outlined in IRC Section 162.

What the Code Says*:

IRC §7702B(a)(1)

"A qualified long term care insurance contract shall be treated as an accident and health insurance contract."

* Employers should consult their own independent tax and legal advisors.

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Let's recap and reference the actual language of the code:

As you can see, The Internal Revenue Code allows tax-qualified plans to be treated like accident and health insurance plans. Therefore, under the applicable IRS code, as a business you can deduct some portion of the premium you pay for LTC insurance, just as you do for your major medical plan.

“Return of Premium”*

§7702B(b)(2)(C)

“(2) SPECIAL RULES.-

“(C) REFUNDS OF PREMIUM.- Paragraph (1)(E) shall not apply to any refund on the death of the insured, or on a complete surrender or cancellation of the contract, which cannot exceed the aggregate premiums paid under the contract. Any refund on a complete surrender or cancellation of the contract shall be included in gross income to the extent that any deduction or exclusion was allowable with respect to the premiums.”

* Employers should consult their own independent tax and legal advisors. ROP not available in MD, PA, TN, VT

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We talked earlier about adding an optional return of premium benefit. Here you can see that the Internal Revenue Code allows individuals to include a return of premium benefit so that upon their death a benefit can be passed along if the benefit is not more than the premiums paid on the long term care policy (the “aggregate premium”). The Transamerica Life Return of Premium Benefit provides a benefit equal to the premiums paid (excluding any waived premiums) and minus any benefits paid.

Again, this benefit would most likely cause a taxable event to the recipient, so tax considerations should be reviewed before including this benefit and naming a beneficiary. While the likelihood of utilizing long term care services increases as we age, the inclusion of this benefit is still attractive to many individuals who want to cover all the bases.

“Tax Free Daily Benefits”

IRC §7702B(d)(4)&(5)

“(4) DOLLAR AMOUNT - The dollar amount in effect under this subsection shall be \$175 per day (or the equivalent amount in the case of payments on another periodic basis.)”

“(5) INFLATION ADJUSTMENT - In the case of a calendar year after 1997, the dollar amount contained in paragraph (4) shall be increased at the same time and in the same manner as amounts are increased pursuant to section 213(d)(10).”

(NOTE: Year 2009 per diem limitations is \$280 per day)

Employers should consult their own independent tax and legal advisors .

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This is the Code section that explains that benefits paid from a TQ LTCI policy are considered income tax-free up to the annual limits (\$280/day in 2009).

This is unlike disability income plans which require the insured to pay taxes on income benefits for DI policies paid for with corporate funds. If daily benefits are issued within the annual limits just covered, TQ LTCI allows for an income tax- free benefit.

Again, while taxation should not be the driving issue in this planning process, it ‘s nice to know that with a properly constructed policy you and your family have one less thing to worry about when receiving long term care services paid for by corporately purchased Transamerica Life LTCI policy.

“Executive Carve-outs and Tax Qualification”

IRC §105(h)

- IRC §105(h) requires that **self-insured** plans comply with rigorous discrimination testing.
- **Fully insured** plans do not fall within IRC §105(h), therefore:
 - the employer is not subject to these discrimination rules under the Code, and
 - the employer can provide an executive carve-out plan.

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Finally, as you can see, these benefits can help to recruit, retain and reward key staff. LTCI can be offered only to key employees, which ultimately can help protect the business from the loss of a key team member becoming a full-time caregiver. Transamerica Life’s LTCI policy also allow a variety of family members (e.g. spouses) to access LTCI through our Multi-Life Discount program.

Let's sum it all up:

- The need to plan for Long Term care is a critical one for individuals and business owners
- Businesses can be impacted by Long Term Care by depleting assets and/or losing key team members.
- Current law can make the purchase of LTCI, paid with corporate funds, attractive.
- Corporate-purchased LTCI is a valuable business tool for multiple reasons.
- By its actions including legislation and tax code, the government is encouraging individuals and businesses to plan now for a possible eventual LTC event.

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Read notes verbatim.

The Transamerica Life Multi-Life Discount Program

- By expanding your corporate-paid plan to key executives you can help yourself in several ways
- Transamerica Life gives discounts for ten or more employer sponsored individuals
- Transamerica Life offers modified underwriting on ten or more covered lives
- There are other reasons why covering key executives will help your business.....

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As we have said throughout this presentation, you have the ability to include selected employees in this plan (again, employees must be grouped according to similar classes). With Transamerica Life you can receive some significant advantages to expanding the installation of the plan to more employees.

We all like to save money. Under Transamerica Life's Multi-Life Discount program you can receive additional permanent policy discounts by including a total of 10 employees (including yourself) in the plan. These discounts in addition to many of the normal discounts for which you may be eligible (Preferred Health, Spousal, Married rates).

Also, by including at least 10 employees (including yourself), Transamerica Life will reduce the amount of medical underwriting you will undergo (10 insurability questions for Simplified Underwriting or less restrictive requirements for Modified Guaranteed Issue Underwriting). This will make the underwriting process much quicker and less intrusive, something we all like.

There are many other reasons why, as a smart business owner, you should consider including more of your valuable employees in this type of plan. Let's see what they are.

Is Maximizing Productivity Important?

- Why extend Long Term Care Insurance coverage to your key executives and their spouses?
 - the total cost of lost productivity for all caregiving employees: \$33.6 billion.

	Avg. Daily Cost	Total
• Absenteeism	\$320	\$5,096,925,912
• Partial Absenteeism	\$121	\$1,923,730,754
• Workday Interruptions	\$394	\$6,282,281,750
• Eldercare Crisis	\$238	\$3,799,217,477
• Supervisor Time	\$113	\$1,796,385,842
• Unpaid Leave	\$212	\$3,377,082,202
• Full-Time to Part-Time	\$299	\$4,758,135,522

*MetLife Mature Market Institute, July 2006, *The MetLife Caregiving Cost Study: Productivity Losses to U S Business*

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Key executives are looking for LTCI, not only for themselves, but for their spouses and adult dependents, as well. They realize the strong potential for either needing care themselves or having to provide care to an aging spouse or loved one. Offering LTCI to spouses and other eligible participants does not just benefit the executive and their family, but it can also greatly benefit the company/employer. Let's take a look as to why...

The Recruiting and Retention Solution

- Executive Benefit Packages are a Valuable Way to Recruit and Retain Key Employees
 - Long Term Care Insurance
 - A key essential benefit
 - A requested component of a compensation package
 - Augments your existing benefits for executives and spouses

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Offering Long Term care insurance (LTCI) is a great way to recruit and retain key employees. LTCI is becoming a highly requested component of the employee's compensation package. In other words, when executives are looking for their next position, they probably want this benefit. If businesses are not already offering this to their existing key executives, chances are their competition is, or soon will be!

Employees - Adversely Affected When Providing Care for a Loved One*

- At least 6 out of 10 employed caregivers reported that they had made some work-related adjustments as a result of their care-giving responsibilities.
- An estimated 9% of the caregivers who were employed left the workplace as a result of their caregiving responsibilities;
 - 3% took early retirement and
 - 6% left work entirely.
- An additional 10% of the employed caregivers reduced their hours from fulltime to part-time.

*MetLife Mature Market Institute® National Alliance for Caregiving July 2006. The MetLife Caregiving Cost Study: Productivity Losses to U.S. Business MetLife Mature Market Institute®

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It's not easy for an employee or anyone when a spouse or other loved one becomes ill or incapacitated and needs special care. But, if that loved one has LTCI coverage, the employee may be comforted knowing the loved one is being cared for and their role is more supervisory in nature. They may then be able to focus more time and energy on their job responsibilities.

(Read Slide)

Estimated Cost to Employers*

Total Estimated Cost to Employers of Full Time Employed Intense Caregivers		
	Cost per Employee	Total Employer Cost
Replacing Employees	\$403	\$2,822,461,694
Absenteeism	\$489	\$3,430,263,991
Partial Absenteeism	\$118	\$824,512,465
Workday Interruptions	\$404	\$2,832,971,162
Eldercare Crisis	\$232	\$1,628,347,501
Supervisor Time	\$111	\$780,268,472
Unpaid Leave	\$206	\$1,447,420,001
Full-Time to Part-Time	\$478	\$3,349,727,407
Total	\$2,441	\$17,115,972,695

*MetLife Mature Market Institute® National Alliance for Caregiving July 2006. The MetLife Caregiving Cost Study: Productivity Losses to U.S. Business MetLife Mature Market Institute®

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From the study, Intense caregivers (Levels 3 – 5) are defined as doing personal care tasks (such as bathing, dressing, feeding as well as other tasks) for an average of 12 to 87 hours per week; levels 1 and 2 are caregivers providing, on average, fewer than 10 hours of care per week of less intense tasks, such as taking someone to a doctor’s appointment or doing housework for them.

So, not only are there many factors that determine the cost to employers when an employee becomes a caregiver, but the cost is significant.

Estimated Cost to Employers

Total Estimated Cost to Employers of All Full Time Employed Caregivers		
	Cost per Employee	Total Employer Cost
Replacing Employees	\$413	\$6,585,310,888
Absenteeism	\$320	\$5,096,925,912
Partial Absenteeism	\$121	\$1,923,730,754
Workday Interruptions	\$394	\$6,282,281,750
Eldercare Crisis	\$238	\$3,799,217,477
Supervisor Time	\$113	\$1,796,385,842
Unpaid Leave	\$212	\$3,377,082,202
Full-Time to Part-Time	\$299	\$4,758,135,522
Total	\$2,110	\$33,619,070,346

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This slide includes the Employer cost of all employees who are caregivers – those who must provide care 12 hours or more per week and those who provide less than 10 hours of care per week.

Lost Productivity = Lost \$\$

\$33.6 Billion
in productivity costs lost per year



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So what is the result of employees splitting time?

How about \$33 Billion dollars in lost revenue. I think you'd agree...those numbers speak for themselves.

Employees and Long Term Care Insurance

- 90% of Americans believe that it is important for employers to continue to offer benefits even if the employee must pay most or all of the cost. *
- 40% of employees say benefits play an important role in their decisions about whether to remain with their employer**
- 43% percent of employees said they were concerned about caring for aging parents and the majority of employees (54%) see the need to provide for their own Long Term care needs.**
- 61% of employees are concerned about being able to provide for a spouse/partner's long term care needs.
 - Longer retirements (because of increased life expectancy) and greater likelihood of need for medical insurance, prescription drug, and Long Term care have increased the cost of retirement significantly. Affording healthcare in retirement is the biggest concern of employees.**

*Source: MetLife, Study of Employee Benefits Trends, 2009. **The 2008 MetLife Study of the American Dream, MetLife 2008

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What employees think about the benefits their employers make available to them, may surprise you.

[Read slide as is]

Long Term Care Insurance, Benefits to Insureds

- May help protect hard-earned assets and retirement savings.
- May help reduce stress and time off or absenteeism due to care-giving responsibilities.
- May help allow employee to concentrate on work and work efficiently.
- May help minimize trade-offs between care-giving and work responsibilities.
- May have a lower initial premium because coverage is issued at a younger age

Long Term Care and Your Firm's Productivity

The presence of Long Term Care Insurance can result in

Greater Productivity

from your key executives when their loved ones need LTC services and have a long term care insurance policy



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Simply put, the presence of Long Term Care Insurance can result in greater productivity from employees.

Benefits for the...

Employee	Employer
Provides One of the Most Desired Benefits	Flexibility to Select Classes of Executives
Premiums Paid by Business Do Not Count as Income to Employee	Can Include Owner-employees, Spouses and Certain Other Family Members
Benefits are Generally Tax Free	100% Tax Deduction on Premiums Paid by Business for employees and their spouses

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So, in one snapshot what have we got?

Benefits for the Employee...

Happy employees/happy executives equals higher productivity in the work place.

Offering LTCI to key executives rewards and recognizes them by providing them with one of the most desired benefits. The premiums paid by the company do not count toward income to the employee and any benefits used are generally tax free.

Benefits for the Employer...

LTCI helps employers recruit and retain top talent and gives them flexibility to select classes of executives. Plans can include owner-employees, spouses and certain other family members. And of course, companies can potentially benefit from the favorable tax treatment that we talked about.

All of this, as well as the added peace of mind of knowing that when you and your family, your key players and their families are faced with the problems of long term care, they will have a plan in place ahead of time to make it all go much smoother. It truly is a “win-win” for everyone.

Note: Depending upon the state there may be state income tax deductions/credits available as well.

How the Transamerica Life Executive Benefit Program Works

- Employer Selects Key Class of Executives
 - Agrees to pay premiums
 - Employees own the policies
- Employer Pays Premiums Directly to Insurance Company
- Employee is Responsible for Premium if Employer Ceases Payment

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Companies may get more out of their top employees and executives by offering them LTCI. Having a LTCI plan can give the employee and employer advantages including the opportunity to work to their fullest potential and reach new career heights – free from distractions should a loved one need LTC. So how does the plan work?

-The employer selects key executives to participate in the program. LTCI can be offered to as many or as few employees as the employer wants. So long as it is offered to everyone at the same employee class or job level, example – all employees at Senior Vice President level or higher.

-The employer agrees to pay the premiums directly to Transamerica Life, but the employee is the actual owner of the policy.

-The corporation may potentially deduct the premiums as a business expense and self-employed owners may deduct a portion of the premiums paid on their behalf.

This advertisement describes coverage offered by Transamerica Life Insurance Company. Transamerica Life Long Term Care Insurance policies are guaranteed renewable. This means that once a policy is issued, it cannot be cancelled due to an increase in age or a change in health. Premium rates can only be raised as the result of a rate increase made on a class-wide basis in the state where the policy is issued and approved by the Department of Insurance.

Like most Long Term Care Insurance policies, Transamerica Life's policies contain certain exclusions, limitations, elimination periods, reductions of benefits and terms for keeping them in-force. Premiums and benefits vary by plan selected. For complete costs and details, please contact your Transamerica Life Insurance Agent/Producer.

Long Term Care Insurance is issued and distributed by Transamerica Life Insurance Company. Policy series TLC 1-FP 1001 or TLC 1-FP 402; in ID: TLC 1-P (ID) 408; in LA: TLC 1-P (LA) 504; in OK: TLC 1-FP (OK) 709.

That concludes this presentation. Does anyone have any questions regarding Transamerica Life's Executive Benefit Program?

Thank you.

SERFF Tracking Number: AEGJ-126348120 State: Arkansas
Filing Company: Transamerica Life Insurance Company State Tracking Number: 43817
Company Tracking Number: TLC ECO PPT 0909
TOI: LTC03I Individual Long Term Care Sub-TOI: LTC03I.001 Qualified
Product Name: TLC ECO PPT 0909
Project Name/Number: /

Supporting Document Schedules

Item Status:

Status

Date:

Satisfied - Item: Cover Letter

Comments:

Attachment:

AR filing ltr single form.pdf



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October 16, 2009

Commissioner Jay Bradford
Arkansas Department of Insurance
1200 West Third Street
Little Rock, AR 72201

RE: **Long Term Care Advertising**
NAIC #: 86231
FEIN #: 39-0989781
Form # / Description: TLC ECO PPT 0909 – Invitation to Inquire

Dear Commissioner Bradford:

Enclosed is the referenced form submitted for your review and approval. This form is not intended to replace any previously approved form.

This form will be used to solicit policy form TLC 1-FP (AR) 206, et al., which was approved by your department on May 30, 2006.

This form is used when our company is negotiating with Employers regarding Executive Carve-Outs. It is not given to the general public.

It is our intention to use this form in both Classroom Presentation and Electronic (Webinar) settings.

The only variable bracketed information is on the Notes page to Slide #1: The presenter will say “Good Morning”, “Good Afternoon,” or “Good Evening.” The presenter will always be a licensed insurance agent/producer.

We trust that this form will meet with your approval. If you have any questions, please let me know.

Sincerely,

A handwritten signature in cursive script that reads "Patsy B. Holt".

Patsy B. Holt
Advertising Analyst
Transamerica Long Term Care Division