

SERFF Tracking Number: NWST-128028140 State: Arkansas  
Filing Company: Northwestern Long Term Care Insurance Company State Tracking Number:  
Company Tracking Number: 90-2463 LTC (1111)  
TOI: LTC03I Individual Long Term Care Sub-TOI: LTC03I.001 Qualified  
Product Name: 90-2463 LTC (1111)  
Project Name/Number: 90-2463 LTC (1111)/90-2463 LTC (1111)

## Filing at a Glance

Company: Northwestern Long Term Care Insurance Company

Product Name: 90-2463 LTC (1111) SERFF Tr Num: NWST-128028140 State: Arkansas  
TOI: LTC03I Individual Long Term Care SERFF Status: Closed-Filed State Tr Num:  
Sub-TOI: LTC03I.001 Qualified Co Tr Num: 90-2463 LTC (1111) State Status: Filed-Closed  
Filing Type: Advertisement Reviewer(s): Donna Lambert  
Authors: Mai Xiong, Cassandra Hoefke Disposition Date: 01/27/2012  
Date Submitted: 01/27/2012 Disposition Status: Filed  
Implementation Date Requested: On Approval Implementation Date: 02/27/2012  
State Filing Description:

## General Information

Project Name: 90-2463 LTC (1111) Status of Filing in Domicile: Pending  
Project Number: 90-2463 LTC (1111) Date Approved in Domicile:  
Requested Filing Mode: Review & Approval Domicile Status Comments:  
Explanation for Combination/Other: Market Type: Individual  
Submission Type: New Submission Individual Market Type:  
Overall Rate Impact: Filing Status Changed: 01/27/2012  
State Status Changed: 01/27/2012  
Deemer Date: Created By: Cassandra Hoefke  
Submitted By: Cassandra Hoefke Corresponding Filing Tracking Number:

Filing Description:

We are submitting the attached forms for your review and approval, if necessary, as advertising material for the Long Term Care Policy and related forms which have been previously approved in your state.

The form included with this filing is intended for use by our agents to use with clients and prospects regarding long-term care insurance.

If you should have any questions regarding the enclosed forms, you may call me at (414) 665-7195 or you can e-mail me at mai-baoxiong@northwesternmutual.com. On e-mails that are sent, please copy cassandrahoefke@northwesternmutual.com.

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Sincerely,

Mai Xiong  
 Product Compliance Specialist  
 Actuarial Department

## Company and Contact

### Filing Contact Information

Mai Xiong, Product Compliance Specialist mai-baoxiong@northwesternmutual.com  
 720 E Wisconsin Ave 414-665-7195 [Phone]  
 Milwaukee, WI 53202 414-665-5006 [FAX]

### Filing Company Information

Northwestern Long Term Care Insurance CoCode: 69000 State of Domicile: Wisconsin  
 Company  
 720 East Wisconsin Avenue Group Code: 860 Company Type: Long Term Care  
 Rm S845 Group Name: State ID Number:  
 Milwaukee, WI 53202 FEIN Number: 36-2258318  
 (414) 271-1444 ext. [Phone]

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## Filing Fees

Fee Required? Yes  
 Fee Amount: \$50.00  
 Retaliatory? No  
 Fee Explanation: \$50.00 Fee Per Advertising Form  
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Northwestern Long Term Care Insurance Company	\$50.00	01/27/2012	55865508

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Filed	Donna Lambert	01/27/2012	01/27/2012





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## Form Schedule

**Lead Form Number: 90-2463 LTC (1111)**

Schedule Item Status	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
Filed 01/27/2012	90-2463 LTC (1111)	Advertising	Strategies and Options for Funding LTC Insurance	Initial		0.000	90-2463 LTC (1111).pdf

## STRATEGIES AND OPTIONS FOR Funding Northwestern Long Term Care Insurance (NLTC) Premium

- Premium** > NLTC premium payments can come from several sources.  
**Sources** Examples: **Income** (pensions, Required Minimum Distributions, etc . . .)  
**Investments** (savings, CDs, mutual funds, stocks, etc . . .)

- Tax-deductible<sup>1</sup>** > NLTC premium payments, or some portion of the NLTC premium payment, may be tax-deductible. For some situations, the deduction is limited to eligible dollar amounts based on the insured's age and for [2012] are as follows:

Attained Age	Eligible LTCi Premium <sup>2</sup>
40 or less	\$ [350]
41 to 50	\$ [660]
51 to 60	\$(1,310)
61 to 70	\$(3,500)
71 or more	\$(4,370)

- > **Individuals** - Individuals are able to include the eligible NLTC premium for themselves, their spouse and/or dependents with their unreimbursed medical expenses on Schedule A of their personal Form 1040 tax filing. This amount is deductible once it exceeds 7.5%<sup>3</sup> of adjusted gross income.
- > **Self-employed** – The self-employed, which includes sole proprietors, partners, and more than 2% shareholders of an S corporation<sup>4</sup>, are able to deduct the eligible NLTC premium as a trade or business expense for themselves, their spouse and/or dependents.
- > **Employees<sup>5</sup>** – Employees include non-owners, 2% or less shareholders of an S corporation, and shareholders of C corporations who are also employees of that C corporation. The full NLTC premiums paid by the employer can be deducted as an expense as long as it is reasonable compensation and those premiums are excludable from the employee's income.
- > For those with a **high deductible savings plan and a Health Savings Account (HSA)**, NLTC premiums are generally considered a qualified expense withdrawal from the HSA. Withdrawals up to the eligible NLTC premium are tax-free.
- > Withdrawals utilizing a **1035 exchange** from a non-qualified annuity or permanent life insurance policy (source policy) to pay NLTC premium are tax-free. The tax-free 1035 exchange proceeds come from the source policy as a proportionate amount of basis (generally the amount of premium paid into the source contract), and gain. There is an impact to the source policy if performing a 1035 exchange. Please talk to your financial representative.

**Tax-free  
Withdrawals<sup>4</sup>**

*Continued on next page...*

<sup>1</sup>Federal tax treatment. State tax treatment may vary. There is currently no IRS guidance regarding the allocation of basis and gain in a partial exchange to a long-term care insurance policy. Absent guidance, we presume the general rule for partial exchanges to life insurance and annuity contracts applies.

<sup>2</sup>For 2011, Revenue Procedure 2010-40.

<sup>3</sup>I.R.C. § 213(a).

<sup>4</sup>I.R.C. § 1372(a)

<sup>5</sup>I.R.C. §§ 7702B(a)(3), 106(a) and 162(a)

Although the information contained in this document is believed to be accurate, this document is not intended as a primary or substitute resource for evaluating the relevant legal, tax or accounting principles related to the topic(s) addressed. Judicial and administrative interpretations of existing laws and regulations, and the actual tax and accounting laws, rules and regulations are subject to change, and Northwestern Long Term Care Insurance Company (NLTC) cannot predict whether, how and when such changes might occur. NLTC's publication of this document is not intended to provide legal, accounting or tax services or advice, and should not be relied on as such. Individuals must rely upon their own legal, accounting or tax advisors to consider and apply these principles to specific situations and transactions. The purpose of this material is for the marketing and solicitation of insurance. A financial representative (a licensed insurance agent/producer) will contact you. This Long Term Care insurance policy contains exclusions and limitations.

Long-term Care Insurance Policy form TT.LTC.(1010).

Long-term Care Insurance Policy form TT.LTC.ML.(1010) is available only in New Jersey, New York, Ohio and Pennsylvania.

Long-term Care Insurance Policy form TT.LTC.LP(1010) is available only in Texas.

Northwestern Long Term Care Insurance Company, a subsidiary of  
The Northwestern Mutual Life Insurance Company, Milwaukee, WI.  
[www.northwesternmutual.com](http://www.northwesternmutual.com)  
90-2463 LTC (1111)



**Northwestern Long Term Care  
Insurance Company™**

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A Northwestern Mutual Company

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## Supporting Document Schedules

	Item Status:	Status
<b>Satisfied - Item:</b> Statement of Variability	Filed	<b>Date:</b> 01/27/2012
<b>Comments:</b>		
<b>Attachment:</b>		
SOV 90-2463 LTC 1111.pdf		

# Statement of Variability

For LTC Advertising Form

90-2463 LTC (1111)

Bracketed Item	Reference	Explanation of Variability
Eligible LTCi Premium	1	Issued by the IRS, the premium limits change each year in each age group