

State: Arkansas **Filing Company:** Western Reserve Life Assurance Co. of Ohio
TOI/Sub-TOI: LTC06 Long Term Care - Other/LTC06.000 Long Term Care - Other
Product Name: Long Term Care Rider
Project Name/Number: Long Term Care Rider Consumer Brochure/ICC 12 AG01460-09/12

Filing at a Glance

Company: Western Reserve Life Assurance Co. of Ohio
Product Name: Long Term Care Rider
State: Arkansas
TOI: LTC06 Long Term Care - Other
Sub-TOI: LTC06.000 Long Term Care - Other
Filing Type: Advertisement
Date Submitted: 09/25/2012
SERFF Tr Num: AESP-128700700
SERFF Status: Closed-Approved
State Tr Num:
State Status: Approved-Closed
Co Tr Num: ICC 12 AG01460-09/12

Implementation
Date Requested:
Author(s): April Hanson
Reviewer(s): Donna Lambert (primary)
Disposition Date: 09/28/2012
Disposition Status: Approved
Implementation Date:

State Filing Description:

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General Information

Project Name: Long Term Care Rider Consumer Brochure Status of Filing in Domicile: Authorized
 Project Number: ICC 12 AG01460-09/12 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: 09/28/2012
 State Status Changed: 09/28/2012
 Deemer Date: Created By: April Hanson
 Submitted By: April Hanson Corresponding Filing Tracking Number:

Filing Description:

The brochure is intended for use with individuals who are interested in purchasing a Long Term Care Rider with their life insurance policy.

Company and Contact

Filing Contact Information

April Hanson, Compliance Coordinator III ahanson@aegonusa.com
 570 Carillon Parkway 727-557-2363 [Phone]
 St. Petersburg, FL 33716-1202 866-419-4389 [FAX]

Filing Company Information

Western Reserve Life Assurance Co. of Ohio CoCode: 91413 State of Domicile: Ohio
 570 Carillon Parkway Group Code: 468 Company Type: Insurance
 St. Petersburg, FL 33716-1202 Group Name: WRL State ID Number:
 (727) 299-1800 ext. 2363[Phone] FEIN Number: 43-1162657

Filing Fees

Fee Required? Yes
 Fee Amount: \$50.00
 Retaliatory? Yes
 Fee Explanation: 1 x \$50.00 = \$50.00
 Per Company: No

Company	Amount	Date Processed	Transaction #
Western Reserve Life Assurance Co. of Ohio	\$50.00	09/25/2012	63036881

SERFF Tracking #:

AESP-128700700

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Donna Lambert	09/28/2012	09/28/2012

SERFF Tracking #:

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Disposition

Disposition Date: 09/28/2012

Implementation Date:

Status: Approved

Comment:

Rate data does NOT apply to filing.

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	ICC 12 AG01460-09/12 AR Letter	Approved	Yes
Form	Long Term Care Rider Consumer Brochure	Approved	Yes

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Form Schedule

Lead Form Number: ICC 12 AG01460-09/12

Item No.	Schedule Item Status	Form Number	Form Type	Form Name	Action/Action Specific Data	Readability Score	Attachments
1	Approved 09/28/2012	ICC 12 AG01460-09/12	ADV	Long Term Care Rider Consumer Brochure	Initial:		ICC 12 AG01460-0912 Material.pdf

Form Type Legend:

ADV	Advertising	AEF	Application/Enrollment Form
CER	Certificate	CERA	Certificate Amendment, Insert Page, Endorsement or Rider
DDP	Data/Declaration Pages	FND	Funding Agreement (Annuity, Individual and Group)
MTX	Matrix	NOC	Notice of Coverage
OTH	Other	OUT	Outline of Coverage
PJK	Policy Jacket	POL	Policy/Contract/Fraternal Certificate
POLA	Policy/Contract/Fraternal Certificate: Amendment, Insert Page, Endorsement or Rider	SCH	Schedule Pages



Long Term Care Rider

from Western Reserve Life

ICC 12 AG01460-09/12





Protect Your Family's Future

No one looks forward to spending personal savings on their health care needs. However, some may not be planning effectively to avoid it.

Improvements in medical care, longer life spans and the rising costs of health care are creating a need to rethink how we plan for long term care. A plan to cover long term care expenses is an often overlooked, but important, part of creating a solid financial foundation.

The need for long term care may be well into your future, but now is the time to plan for it. The Long Term Care Rider, available on select permanent life insurance policies from WRL, can provide funds to help cover long term care costs if you need them, and leave a legacy to your family if you don't.

The Long Term Care Rider is an acceleration of the base policy's death benefit. Benefits paid under the rider will reduce the policy's death benefit and policy value. Consideration should be given to whether your life insurance needs would still be met if rider benefits are paid out in full.



Do I need Long Term Care Insurance?

✓ There is a good chance you do.

70% of people over age 65 will require some services.¹

Long term care is not just for the elderly.

40% of those receiving long term care are between the ages of 18 and 64.¹

Long Term Care Need Factors²

You should carefully consider the factors that can increase your individual need for long term care coverage today, and long term care in the future, including:

- Age:** As you get older you may become more dependent on family or others for your daily support.
- Living Alone:** The chance you will need long term care is greater if you are living alone than if you are living with a spouse.
- Gender:** Women generally live longer than men and therefore are more likely to need long term care long after their spouse has passed away.
- Lifestyle:** Today's sedentary lifestyle, along with poor diet and exercise can often lead to a greater need for long term care.
- Family History:** Genetics and family history can play a significant role in one's long term health and may lead to additional needs later in life.

National Clearinghouse for Long-Term Care Information, U.S. Department of Health and Human Services:

¹http://www.longtermcare.gov/LTC/Main_Site/index.aspx (June 2012)

²http://www.longtermcare.gov/LTC/Main_Site/Understanding/Definition/Know.aspx (June 2012)



Long Term Care Can Be Costly

Care facilities, cost of caregivers and other expenses can add up fast.

Health insurance or Medicare can help pay for the cost of immediate medical expenses. But if you become chronically ill and need ongoing care you may need something more.

Family members may be able to provide some care, but as your needs increase, you may need to pay for additional services and care. Paying for these services may be manageable in the short run, but the costs associated with a chronic illness can quickly deplete the resources you worked your entire life to build.



Average Cost For One Year of Care

The cost of long-term care will depend on the type and amount of care you need and the provider you use. It can also depend on where the care is received. For example:

In a Nursing Home:

\$83,580

(private room)³

At Home:

\$19,656

(home health aide,
18 hours per week)⁴

National Clearinghouse for Long-Term Care Information, U.S. Department of Health and Human Services:

³http://www.longtermcare.gov/LTC/Main_Site/Paying/Costs/Index.aspx (June 2012)

⁴http://www.longtermcare.gov/LTC/Main_Site/Understanding/Cost/Index.aspx (June 2012)



A Long Term Care Rider May Be Right for You

Traditional long term care (LTC) policies, also known as stand-alone LTC policies, can provide important benefits and options. However, they may not be right for everyone.

Life Insurance With LTC

WRL's approach to LTC coverage is life insurance combined with an optional long term care rider. The LTC Rider can provide monthly benefits to help pay for long term care. You also have added peace of mind knowing the life insurance policy will provide a death benefit whether you need long term care or not.

Not only does life insurance with the LTC Rider provide these important benefits, the Rider frequently costs less than similar coverage amounts under a stand-alone long term care policy.

 *Helps you pay for long term care if you need it and provides a federal income tax-free death benefit if you don't.*



Why LTC Coverage from WRL?

WRL has been helping people achieve and protect their financial dreams for over 50 years. When you purchase the LTC Rider from WRL, your claims will be administered by the company's LTC operations, which has over 25 years of experience handling long term care claims.

WRL offers more than just innovative products and exceptional service, we offer a commitment to help you protect your family and protect your dreams.



If you are between the ages of 18 and 75, need life insurance protection and a way to plan for long term care expenses, the LTC Rider can provide up to \$1,000,000 of benefits to help with future expenses.



The Protection You Need

WRL's Long Term Care Rider is designed to accelerate your policy's death benefit and provide benefits to the policy owner that help offset LTC expenses.

How the LTC Rider works:

The Long Term Care Rider must be elected at issue when purchasing an eligible permanent life insurance policy from Western Reserve Life.

If the insured becomes Chronically Ill, his or her condition is then assessed by a Licensed Health Care Practitioner, who helps determine an appropriate Plan of Care*.

A 90-day elimination period is satisfied when the following conditions are met:

- » The insured is certified as Chronically Ill
- » A Plan of Care is established
- » Expenses for qualifying LTC services in accordance with the Plan of Care have been incurred on each of 90 separate days.

Elimination Period Days:

- » Do not need to be consecutive
- » Do not need to be met within a specified period of days
- » Need to be satisfied one time only

After eligibility for benefits under the rider are met and the elimination period has been met, the rider monthly benefits are paid directly to the policy owner. These benefits are generally income tax free** in accordance with the terms of the rider.

*All care and services must be consistent with the Insured's current Plan of Care and must be in accordance with accepted medical and nursing standards of practice. A Plan of Care and Proof of Loss documentation must be submitted.

**Rider benefits may be income tax free when received. Since the maximum income tax free LTC benefits are based on benefits paid from all sources, benefit payments from the rider could be taxable if LTC benefit payments are received from other sources. Benefits paid to owners of certain business related policies may be taxable. Please consult a qualified advisor.



Protection When You Need It

Whether you have used some, none or all of the LTC benefits, there is potential to receive life insurance benefits under the policy.

What if you never receive LTC benefits?

Your beneficiaries will receive the full death benefit, minus any outstanding loans.

What if you are currently receiving LTC benefits?

Your beneficiaries will receive the death benefit, minus any paid LTC benefits and outstanding loans. Also, while receiving benefits, the LTC Rider charges will be waived (other policy charges will continue to be assessed), the policy will not lapse and you are not required to pay the Minimum No Lapse Premium.

What if you have exhausted the LTC benefits?

The LTC Rider can provide your beneficiaries with a Residual Death Benefit. The Residual Death Benefit is equal to the lesser of: (a) 10% of the lowest face amount of the base policy since inception, less any outstanding policy loans or (b) \$10,000.



Flexibility and Control

You decide how little or how much of your benefit you want to receive.

The LTC Rider can provide control. The control to choose a benefit amount that can help you cover expenses, stretch out your benefits as long as possible or leave as much, or as little, of your death benefit to your beneficiaries as you choose.

We know needs change. If they do, the LTC Rider allows you the flexibility to adjust the amount of your monthly benefit once each year.



The Choice Is Yours

The LTC Rider benefits will be paid monthly in the amount you choose, between the minimum of \$500 and the maximum benefit. The maximum benefit allowed per month is the lesser of 2% of the Long Term Care specified amount, or the daily amount allowed under the Health Insurance

Portability and Accountability Act of 1996 (HIPAA), times the number of days in the month. In 2012, the maximum daily amount allowed under HIPAA is \$310. In most states, the minimum benefit amount we allow per month is \$500.



**Minimum
Monthly Benefit**

\$500

**Maximum
Monthly Benefit**

the lesser of:
2% of the LTC
specified amount **OR**
the daily amount allowed
under HIPAA times the
number of days in the month



Qualifying For Benefits

Eligibility Requirements

To be eligible for monthly long term care benefits, the following conditions must be satisfied by the insured:

- » Be certified as a Chronically Ill individual
- » Have an approved Plan of Care in place
- » Satisfy the 90-day elimination period

Generally, an on-site assessment will be conducted to obtain additional information about the insured's condition. WRL will arrange the assessment at no cost to the policy owner.

Chronically Ill Defined

In order to be deemed as Chronically Ill, a Licensed Health Care Practitioner must certify that 1) the insured has a Severe Cognitive Impairment that requires Substantial Supervision to protect the insured from threats to health and safety or 2) the insured is unable to perform, without Substantial Assistance, at least two or more of these activities of daily living for an expected period of at least 90 days:

- » Bathing
- » Eating
- » Continence
- » Toileting
- » Dressing
- » Transferring



Your Needs, Your Way

If you are like most people, you would rather stay in your home and receive care than receive care in a facility.

The LTC Rider from WRL can provide for care in either. It gives you the flexibility to make that decision on your own and the confidence in knowing that your benefit will not vary depending on the type of care you elect.

Whichever you choose, the monthly benefit from the Long Term Care Rider can help pay for services in the following qualified facilities:

- » Home Care Services
- » Nursing Home Facilities
- » Skilled Nursing Facilities
- » Assisted Living Facilities
- » Hospice Care Facilities
- » Adult Day Care Centers, or
- » Any qualified Long Term Care Facility

Long term care needs will vary in each situation. There is no guarantee that the rider benefits will cover all long term care costs.



What is Not Covered?

Long Term Care services will not be covered if the care, confinement or services are performed by a member of the owner's or insured's immediate family. Qualified Long Term Care services also do not include care, confinement or services required:

- » For the treatment of alcoholism or drug addiction
- » For attempted suicide or intentionally self-inflicted injury
- » As a result of participation in a felony, riot or insurrection

Qualified Long Term Care services do not include care, confinement or services:

- » Provided in a government facility (unless otherwise required by law) or under any governmental programs (except Medicaid, called Medi-Cal in the state of California).
- » Paid or payable under Medicare or under any state or federal workers' compensation, employer's liability or occupational disease law, or any motor vehicle no fault law, for which no charge is normally made in the absence of insurance.

This Rider may not cover all the expenses associated with your long term care needs.



What Else Do I Need to Know?

How Much Long Term Care Coverage Can I Purchase?

The LTC Rider specified amount is equal to the base policy's face amount elected at the time of application. The maximum LTC Rider specified amount cannot exceed \$1,000,000. Any reductions in the policy face amount will result in a decrease of the LTC Rider specified amount as well. No increases to the base policy's face amount will be allowed.

What If I No Longer Need the LTC Rider?

If at any time you feel you no longer need the LTC Rider, you may cancel the LTC Rider while keeping your life insurance protection in force. If you have not received benefits under the LTC Rider, cancellation does not affect your policy's death benefit or surrender value.

Important Information

Questions

If you have any questions about the Long Term Care Rider, please ask your agent/producer or call our Customer Service Center at 1-800-851-9777. This is a toll-free number. This brochure is not intended to be a full description of the Long Term Care Rider.

This rider is intended to be a federally tax-qualified long term care insurance contract under section 7702B(b) of the Internal Revenue Code of 1986, as amended. Since the maximum income tax free LTC benefits are based on benefits paid from all sources, benefit payments from the rider could be taxable if LTC benefit payments are received from other sources.

This rider is guaranteed renewable. This means we may not, on our own, cancel or reduce the coverage it provides. This rider will remain in force subject to this rider's provisions, as long as the policy to which it is attached remains in force and the required charges for this rider are paid. Rider charges are subject to change as described in the Rider Charges provision of this rider.

This rider should not be the sole basis to purchase any life insurance policy. **The life insurance policy and the rider are subject to separate underwriting.**

The name of the rider may not actually be Long Term Care Rider in certain states.

This is a solicitation for long term care and an agent/insurance producer will contact you.

Rider charges are deducted from the policy value each month. Charges are based on the insured's age, gender, risk class and face amount band and will vary each month.

Please see the rider for complete details regarding exclusions and limitations.

Western Reserve Life and its representatives do not give tax or legal advice. This material and the concepts presented here are for informational purposes only and should not be construed as tax or legal advice.

To comply with IRS Regulations, we are informing you of the following: Any discussion or advice regarding tax issues contained in this document was not intended or written to be used, and cannot be used, to avoid taxpayer penalties. Such discussion or advice was written to support the promotion or marketing of the transaction(s) or matter(s) contained in this document. Anyone reading this document or contemplating a transaction discussed in this material should seek advice based on the client's particular circumstances from an independent tax advisor.

The Grace Period for this rider is 65 days. If any amount due is not paid within 30 days from the date that it was due, we will send a notice to you, the Insured and the person or persons designated by you to receive such notice at the addresses provided to us. You will have an additional 35 days to pay the amounts due after we have mailed the Notice. During the Grace Period this rider will stay in effect.

Rider Form ICC12 LTCR03 or LTCR03 is underwritten by Western Reserve Life Assurance Co. of Ohio. Rider form number, availability, provisions and benefits may vary by state.



Insurance offered by:
Western Reserve Life Assurance Co. of Ohio • Home Office: Columbus, Ohio
Marketing Office Address: P.O. Box 5068 • Clearwater, Florida 33758-5068
www.westernreserve.com • Customer Service: 1-800-851-9777

SERFF Tracking #:

AESP-128700700

State Tracking #:

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Supporting Document Schedules

		Item Status:	Status Date:
Satisfied - Item:	ICC 12 AG01460-09/12 AR Letter	Approved	09/28/2012
Comments:			
Attachment(s):			
ICC 12 AG01460-0912 AR Letter.pdf			



Western Reserve Life Assurance Co. of Ohio
Administrative Office:
P.O. Box 5068
Clearwater, FL 33758
Home Office: Columbus, OH
Distributor: Transamerica Capital, Inc.
www.westernreserve.com

September 25, 2012

Jay Bradford, Commissioner
Arkansas Insurance Department
1200 West 3rd Street
Little Rock, AR 72201-1904

**RE: WESTERN RESERVE LIFE ASSURANCE CO. OF OHIO
NAIC #91413, FEIN #43-1162657**

Long Term Care Rider Advertising

Form No. ICC 12 AG01460-09/12 – Long Term Care Rider Consumer Brochure – Invitation to Contract

To Whom It May Concern:

Enclosed for review and approval is the above referenced long term care rider advertising form intended for use with the:

- Long Term Care Rider Form ICC12 LTCR 03 approved on August 13, 2012 (SERFF Tracking # AEGB-128452303)
- Index Universal Life Insurance Policy Form ICC12 IUL06 approved on May 22, 2012 (SERFF Tracking #AEGB-128352071)

This consumer brochure will not replace any consumer brochure previously approved by the State of Arkansas. The brochure is intended for use with individuals who are interested in purchasing a Long Term Care Rider with their life insurance policy.

We trust that this filing will meet with your approval. If you should have any questions regarding this submission, please feel free to call me at (727) 557-3281, or contact me at my email address below. Thank you in advance for your consideration.

Sincerely,

Tracey Evans
Assistant Manager
Advertising Compliance
tracey.evans@transamerica.com