

THE STATE LIFE INSURANCE COMPANY®  
ANNUITY CARE

# OneAmerica Care Solutions

*Single-Premium Deferred Annuity*



**ONEAMERICA®**

*OneAmerica® is the marketing name for the companies of OneAmerica*

# Supplement your strategy

In retirement your assets generate your income. Reallocating an existing asset you won't need to use for income can help protect you against an unexpected a long-term care (LTC)<sup>1</sup> event. Supplement your financial strategy with a smart, stable option: Annuity Care.

## **A strategic partnership**

Annuity Care can help you convert your taxable assets to tax-free when they're used for qualifying LTC. As part of the OneAmerica® Care Solutions product suite, it uses a single premium deferred annuity to help protect your retirement income stream if the need for care arises. Your one time premium can provide a tax-efficient way to help pay for LTC. And the company may credit a higher interest rate to amounts withdrawn for qualifying LTC expenses.

By choosing to pay with a single premium, you are guaranteed that no more payments will ever be required. Also, there's no unexpected premium increases sometimes seen with traditional long-term care insurance.

*A tax-advantaged annuity used specifically for LTC can help protect your retirement income stream.*

<sup>1</sup>. In OR, convalescent care



## Did you know?

Nearly 3 in 4 non-qualified annuity owners intend to use their annuity to cover the potential expense of a critical illness or nursing home care.<sup>2</sup>

*2. 2013 Survey of Owners of Individual Annuity Contracts, conducted by The Gallup Organization and Mathew Greenwald & Associates for The Committee of Annuity Insurers, 2013; pages 6, 10.*

# How does Annuity Care work?

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Reallocating existing assets like cash, savings, certificates of deposit (CDs) or other annuities into Annuity Care can help maximize those assets if they're needed to pay for qualifying LTC expenses. And, any funds you don't use for LTC will pass on to your heirs.

Annuity-based products from OneAmerica Care Solutions feature two accounts: the accumulated cash value (AV) and the long-term care accumulated cash value (LTC AV). Your money is credited interest each month in both accounts, with a higher rate applied to your LTC AV, allowing higher growth to provide more assets to help pay qualifying LTC costs.

Withdrawals are allowed from the LTC AV to help cover qualifying LTC expenses, subject to the monthly LTC limit and a seven-day waiting period.

## Product highlights

- Provides 36 months<sup>3</sup> of LTC benefits, with the option to purchase extended protection for either an additional 36 months or for your lifetime
- Features a minimum guaranteed interest rate credited to both accounts which ensures asset growth
- Allows fund withdrawals as soon as seven days after care begins to help pay for qualifying LTC
- Access up to 10 percent of the accumulated cash value (AV) with no surrender charges for non-LTC withdrawals.<sup>4</sup>

**3.** For joint policies in AZ, NJ and OR: a minimum of 48 months of coverage.

**4.** Partial surrenders will reduce the amount available for LTC expenses

## Tax advantages

Thanks to the Pension Protection Act (PPA) of 2006, annuity-based products funded with after-tax money (non-qualified funds) receive distinct tax advantages. Qualifying LTC expenses are distributed tax-free, whether from your base contract or the extended protection option.

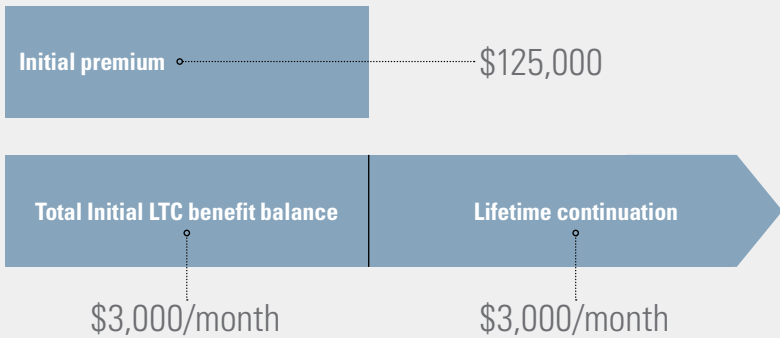
## 1035 exchanges

You can exchange an existing non-qualified annuity for one that is eligible for the PPA advantages via either full or partial 1035 exchange. Be sure to discuss any taxability implications with your trusted financial professional.

### How Annuity Care could work for you

**Ellen, 78, non-smoker, in good health**

With a single premium of \$125,000 Ellen is guaranteed \$3,000 per month to help pay for qualifying LTC expenses she may incur. And, by selecting the lifetime COB option, Ellen can receive \$3,000 per month for her entire lifetime.



## Your steps to get the care to meet your needs

Underwriting for Annuity Care is slightly more flexible when compared to traditional LTC insurance. It consists of several health questions on the application and a brief telephone interview. No medical exams are necessary.

### Benefit triggers<sup>5</sup>

Benefit payments are triggered in one of two ways:



You cannot perform at least two of six Activities of Daily Living (ADLs), which include bathing, maintaining continence, dressing yourself, eating/feeding yourself, toileting (including getting on and off a toilet) and transferring (like from a bed to a chair).



You require care as a result of a severe cognitive impairment (such as Alzheimer's disease).

### LTC Withdrawals

Actual LTC expenses will be paid from the LTCAV, up to the stated monthly LTC benefit limit.

The client will receive the lesser of the monthly LTC limit, or the actual charge for care.

### Additional benefits

**Bed reservations** can “hold your spot” in a facility if you require more specialized care in a hospital for a period of time.

**Respite care** allows a primary caregiver to take a short break to travel or just have a few days off from providing care.

*5. To be eligible for benefits, the annuitant or eligible person (covered person) must be a chronically ill individual with qualified long-term care services provided pursuant to a plan of care prescribed by a licensed health care practitioner.*

## Cover your spouse

If you own an individual annuity, adding your spouse as an owner can involve a lot of paperwork. But there's a way to ensure your spouse can also enjoy the protection of your LTC annuity. Transfer your existing non-qualified annuity with a single annuitant/owner via 1035 exchange into Annuity Care and designate your spouse as an Eligible Person. This makes your spouse eligible to receive payments for qualifying LTC expenses. This is a simple way of securing access to LTC protection for your spouse who might not be listed as an owner or annuitant on your current annuity.

# Annuity Care provides more than LTC protection

Experience guaranteed cash value growth

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Add your spouse to an individually owned annuity

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Access up to 10% of your funds with no surrender charges for non-LTC withdrawals <sup>6</sup>

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Claims Concierge to support you through the claims process

<sup>6</sup>. Partial surrenders will reduce the amount available for LTC expenses.

# Looking to the future

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Americans are living longer than ever with average life expectancy nearing 80 years in 2015.<sup>7</sup> Annuity Care provides options to help extend and maximize your protection for as long as you need it.

## **Long-Term Care Continuation of Benefits option (COB)**

Long-term care needs are unpredictable, so we offer a Long-Term Care Continuation of Benefits option to ensure you and your family remain covered after your initial LTC benefits are exhausted.

Some diagnoses can require many years of care. OneAmerica Care Solutions is the only product to offer protection for the extent of a lifelong condition like Alzheimer's or dementia, instead of for just a few years.

The COB protection option can be paid for with either a single premium, or continuous premiums for your lifetime. Premiums are guaranteed to never increase, even on a joint policy if the first client dies. Availability may vary by state.

*Let us prove our commitment to helping you craft a sound financial strategy. Experience for yourself what it means to be our customer.*

<sup>7</sup> The World Bank, <http://data.worldbank.org/indicator/SP.DYN.LE00.IN?locations=US>, accessed 6/5/17





Did you  
know?

76 & 81

Average lifespan in the U.S.  
today for males & females<sup>8</sup>

8. "Mortality in the United States, 2015." NCHS Data Brief No. 267. December 2016.  
<https://www.cdc.gov/nchs/data/databriefs/db267.pdf>

## Annuity Care®

<b>Policy structure</b>	Single-premium deferred annuity							
<b>Issue ages (single life or joint life spouses only)</b>	50–85							
<b>Single premium</b>	Minimum: \$10,000 may vary by state Maximum: \$500,000							
<b>Surrender charges (policy years)</b> May vary by state. Please review an illustration for state specific information.	1–3 = 8%	4 = 7%	5 = 6%	6 = 5%	7 = 4%	8 = 3%	9 = 2%	10+ = 0 (nine years)
<b>Free partial surrenders</b>	At any time after the first policy year, clients can access 10% of the accumulated value with no surrender charges (may vary by state). Partial surrenders will reduce the amount available for LTC expenses. Withdrawals for LTC expenses from the LTC fund are not subject to surrender charges.							
<b>Death of owner/annuitant (single policy)</b>	Surrender charges will be waived upon the death of the owner/annuitant (if same person).							
<b>Death of annuitant (joint policy)</b>	Surrender charges will be waived upon the death of the surviving annuitant (second annuitant to die).							
<b>LTC fund withdrawals</b>	Clients can access the LTC fund of their annuity by qualifying in one of two ways: <ul style="list-style-type: none"> <li>• Inability to perform two of six activities of daily living (bathing, continence, dressing, eating, toileting and transferring)</li> <li>• Severe cognitive impairment (for example, Alzheimer’s disease)</li> </ul>							
<b>LTC fund waiting period</b>	There is a 7-day waiting period before LTC fund withdrawals can begin.							

## **Annuity Care®**

<b>Types of care covered</b>	<p>Long-term care withdrawals under Annuity Care may be taken for qualifying care of the following types:</p> <ul style="list-style-type: none"><li>• Nursing home facility</li><li>• Assisted living facility</li><li>• Home health care</li><li>• Adult day care</li><li>• Hospice care</li><li>• Respite care</li><li>• Bed reservation</li></ul> <p>(Producers must provide applicants with the Outline of Coverage, providing detailed information on coverage, policy exclusions and limitations.)</p>
<b>LTC expenses paid (reimbursement)</b>	<p>Actual LTC expenses will be paid from the LTC fund, up to the amount of the monthly benefit limit. The monthly benefit limit is calculated by dividing the LTC fund balance at time of claim by 34.5. A minimum of 36 months of protection is available. (May vary by state.)</p>
<b>Interest rates</b>	<p>A minimum interest rate will be credited to both the accumulated and LTC funds. Please contact State Life for current and guaranteed interest rates for your state(s). The interest rate for the LTC fund is guaranteed for 5 years from the policy's effective date.</p>
<b>Continuation of Benefits for Long-Term Care Option (36-month or lifetime extension of LTC benefits. Not available in all states.)</b>	<p>This option can extend LTC benefits if the annuity LTC benefits are exhausted. Premiums for the option are guaranteed and can be paid annually or with a one-time (single) premium. Inflation protection and nonforfeiture benefits are both available.</p>

**Note:** Products issued and underwritten by **The State Life Insurance Company**<sup>®</sup> (State Life), Indianapolis, IN, a OneAmerica company that offers the Care Solutions product suite. Annuity Care Form Number series: SA34; R508; OR Form numbers SA34 (OR); R508 (OR). Not available in all states or may vary by state. All guarantees are subject to the claims paying ability of State Life. All individuals in the scenarios presented are fictitious and all numerical examples are hypothetical and are used for analytical purposes only. Provided content is for overview and informational purposes only and is not intended and should not be relied upon as individualized tax, legal, fiduciary, or investment advice. • **NOT A DEPOSIT • NOT FDIC OR NCUA INSURED • NOT BANK OR CREDIT UNION GUARANTEED • NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY • MAY LOSE VALUE**

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### **About OneAmerica**<sup>®</sup>

A national leader in the insurance and financial services marketplace for 140 years, the companies of OneAmerica help customers build and protect their financial futures. OneAmerica products include retirement plans, individual life insurance, annuities, long-term care solutions and employee benefit plan products. For more information, visit **OneAmerica.com**.

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