



Asset-based LTC solutions

Product overview and training guide

Products and financial services provided by
THE STATE LIFE INSURANCE COMPANY | *a ONEAMERICA® company*

Summary of asset-based LTC solutions offered by The State Life Insurance Company

Overview of the Care Solutions

Annuity Care® II

Single premium deferred annuity that combines long-term asset growth and long-term care (LTC) protection. With a built-in Continuation of Benefits provision, clients are provided with a combination of the annuity value and additional long-term care benefits should they be needed.

- No medical exams
- Qualifies for pension Protection Act advantages
- Multiple LTC benefit period options
- Reimbursement and indemnity claims options

Asset-Care®

Whole life insurance or whole life insurance and annuity combination that allows access to 100 percent of the life policy death benefit and/or annuity cash value for qualifying LTC expenses (paid monthly)

- Multiple versions allow clients to use almost any asset as a funding source
 - Asset-Care I: Single-premium version commonly funded with cash, CDs and money markets
 - Asset-Care II: Utilizes existing non-qualified annuities as its single premium
 - Asset-Care III: Utilizes qualified money such as IRAs, 401(k) and TSAs as its single premium
 - Asset-Care IV: Continuous premium and 10–20 pay versions
- Optional rider can provide lifetime protection at never-to-increase premiums
- Patented joint life insurance option provides benefits for two insureds with a single, second-to-die contract

Please review this booklet for more asset-based LTC solutions product information. If you have any questions, please feel free to contact State Life Producer Resource Center at **1-800-275-5101**.

Annuity Care®

Annuity that allows access to its cash value for qualifying LTC expenses with a higher credited interest rate for these funds

- No medical exams
- Underwriting normally completed within 72 hours of receipt of the application at the home office
- Optional benefit can provide additional protection at never-to-increase premiums

ImmediateCare®

A single-premium immediate annuity designed for individuals currently in a long-term care setting

- Designed to help manage family assets and limit losses to an estate
- Proprietary underwriting method used to provide increased annuity income payments to clients currently in a care setting

Legacy Care®

A single-premium deferred annuity designed for the senior market

- Issue ages 0 to 99
- Interest rate bailout provision provides clients protection from decreases in future credited interest rates
- A no additional premium benefit increase provision can transform Legacy Care into a funding source for ImmediateCare, should LTC become a need

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Important notice: This informational brochure is for licensed agents and brokers only. It is not advertising and should not be shown to prospective clients. For further details, the policy itself should be consulted.

The State Life Insurance Company and its representatives do not give legal or tax advice. The tax comments in this brochure simply reflect our understanding of the current tax laws as they relate to life insurance. These laws are subject to interpretation and change; therefore, it is recommended that your client seek the advice of an attorney, accountant or other qualified tax advisor regarding life insurance taxation.

Annuity Care® II

Issue ages (single life or joint life spouses only)	Minimum: 40 Maximum: 80 (Age last birthday)
LTCAV withdrawal period	<ul style="list-style-type: none"> • 24 months — Single Annuitant • 30 months — Joint Annuitant or Single Annuitant with Eligible Person
Continuation of benefits options	<ul style="list-style-type: none"> • 3 years (ages 40 to 80) • 6 years (ages 40 to 75) • 9 years (ages 40 to 70)
Single premium (nonqualified premium only)	Minimum: \$10,000 (May vary by state) Maximum: \$300,000
Surrender charges (nine years)	1 = 9% 2 = 8% 3 = 7% 4 = 6% 5 = 5% 6 = 4% 7 = 3% 8 = 2% 9 = 1% 10+ = 0%
Partial surrender	<ul style="list-style-type: none"> • After the first contract year, the owner may withdraw up to 10 percent of the accumulated value (as of the beginning of the contract year) without a surrender charge. • Full surrenders within 12 months of a partial surrender will result in a recapture of the waived surrender charges • No surrender charge will be assessed on any qualified LTC benefit withdrawal.
Tax advantages	<p>Annuity Care II provides an effective way to protect your savings from the potential expenses associated with end of life care. And, it also does so in very tax-efficient ways! (Beginning January 1, 2010 for policies funded from non-tax qualified premium sources.)</p> <ul style="list-style-type: none"> • Long-term care benefit payments from the LTCAV are income tax-free as a reduction of basis • Long-term care benefit payments from the COB balance are income tax-free • The monthly charge to pay for the COB balance is income tax-free as a reduction of basis in the LTCAV
Death of owner/annuitant (single policy)	Surrender charges will be waived upon the death of the owner or annuitant (if different).
Types of care covered	<p>Long-term care withdrawals under Annuity Care II may be taken for qualifying care of the following types:</p> <ul style="list-style-type: none"> • Nursing home facility • Home health care • Hospice care • Bed reservation • Assisted living facility • Adult day care • Respite care <p>Producers must provide applicants with the Outline of Coverage that provides detailed information on coverage, policy exclusions and limitations.</p>
LTC withdrawals	<p>Annuity Care II provides long-term care coverage when an annuitant or eligible person qualifies in one of two ways:</p> <ul style="list-style-type: none"> • Inability to perform two of six activities of daily living (bathing, continence, dressing, eating, toileting and transferring); or • Cognitive impairment (for example, Alzheimer’s disease)
LTC elimination period	Clients have a 90-day elimination period before they can withdraw funds for LTC expenses.
LTC withdrawal methods	Reimbursement — the payment amount will be based upon the amount of actual expenses incurred for qualified LTC expenses up to the Monthly Benefit Limit.
Interest rates	A minimum interest rate will be credited to both the LTCAV and the AV. Please contact State Life for current and guaranteed interest rates in your state(s). The interest rate for the LTCAV is guaranteed for five years from the contract effective date.

Asset-Care®

	Asset-Care I	Asset-Care II
Policy structure	Single-premium whole life insurance with accelerated death benefits for qualifying LTC expenses	Non-qualified annuity and 20-pay whole life insurance policy with accelerated death benefits for qualifying LTC expenses
Issue ages	Single: 40–80 Joint: 35–80 (must have joint equal age of 40–80) Maximum 25 years age difference between unrated joint insureds.	Single: 59½–80 Joint: Annuitant must be 59½–80, spouse must be 40–80 (joint equal age cannot exceed 80) Maximum 25 years age difference between unrated joint insureds.
Minimum premium	\$10,000	\$20,000
Surrender charges (as a percentage of cash value)	10 years, starting at 11% first year Clients will receive either a full return of premium or the cash value, minus surrender charges, whichever is greater. (Upon surrender of the policy, clients will receive the greater of the cash surrender value or premiums paid. The Return of Premium Benefit will not be applicable if the clients are receiving payments for Long-Term Care claims, have an outstanding loan, or make a partial withdrawal.)	9 years, starting at 9% first year Clients will receive either a full return of premium or the cash value, minus surrender charges, whichever is greater. (Upon surrender of the policy, clients will receive the greater of the cash surrender value or premiums paid. The Return of Premium Benefit will not be applicable if the clients are receiving payments for Long-Term Care claims, have an outstanding loan, or make a partial withdrawal.)
Access to cash value	Accumulated interest can be withdrawn at no surrender charge. Loans can be made at 4% net cost.	Annuity: 10% can be withdrawn without surrender charge, up to 2% per month for qualifying LTC payments. Life: Loans can be made at 4% net cost.
LTC payout (all are reimbursement contracts. Qualification is based on receiving care because of either: (1) being unable to perform two of six ADLs or (2) being cognitively impaired.)	On a monthly basis, the death benefit can be accelerated for qualifying LTC expenses.	Both the annuity cash value and the life policy death benefit can be used on a monthly basis for qualifying LTC expenses.
LTC maximum monthly payout options	2% (standard), 3% or 4% (available with additional premium)	
LTC waiting period	After 60 days of qualified long-term care received (within a 180-day period), Asset-Care will begin paying benefits. In some states the waiting period for home health care benefits is 30 days.	
LTC coverage	<ul style="list-style-type: none"> • Care in a LTC facility (all levels) • Care in an assisted living facility • Home health care, including homemaker services • Hospice care • Adult day care • International coverage (Coverage can vary by state. Benefit details can be found in the Outline of Coverage, including information on policy exclusions and limitations. Producers must provide the Outline of Coverage to applicants.)	<ul style="list-style-type: none"> • Respite care • Bed reservation • Care coordination • Caregiver training • Supportive equipment
Guarantees	<ul style="list-style-type: none"> • Return of premium (all years) • Minimum 4% credited interest rate • No additional premium will be required • Cash value growth • Death benefit 	<ul style="list-style-type: none"> • Return of premium (all years) • Minimum 4% credited interest rate (life policy) • Minimum 3% credited interest rate (annuity policy) (Varies by state. See an illustration for specific information.) • Life policy LTC benefits increase over a 20-year premium payment period • Annuity fully funds 20-pay life policy • Cash value growth
Base Policy Inflation Protection Rider (not available in all states)	This optional rider can help to protect against the rising cost of qualifying long-term care expenses by guaranteeing an increase in the base policy long-term care benefit balance and monthly maximum benefit. Options include simple and compound interest and vary by state. Premiums are guaranteed never to increase.	
Asset-Care Plus rider (not available in all states)	This optional rider can extend LTC benefits if the death benefit is totally used for qualifying LTC expenses. Premiums for the rider are guaranteed and can be paid annually or with a one-time (single) premium. Inflation protection and nonforfeiture benefits are both available for an additional premium.	

Asset-Care®

	Asset-Care III	Asset-Care IV
Policy structure	Individual retirement annuity (IRA) and 20-pay whole life insurance policy with accelerated death benefits for qualifying LTC expenses.	Continuous-premium whole life insurance with accelerated death benefits for qualifying LTC expenses. Two options: limited (10-20) pay or whole life.
Issue ages	Single: 59½–80 Joint: Annuitant must be 59½–80, spouse must be 40–80 (joint equal age cannot exceed 80) Maximum 25 years age difference between unrated joint insureds.	Single and joint: 20–80 Maximum 25 years age difference between unrated joint insureds.
Minimum premium	\$20,000	Amount necessary to support the following face amounts: Ages 20–50: \$100,000 Ages 51–80: \$50,000
Surrender charges	9 years, starting at 9% first year Clients will receive either a full return of premium or the cash value, minus surrender charges, whichever is greater. (Upon surrender of the policy, clients will receive the greater of the cash surrender value or premiums paid. The Return of Premium Benefit will not be applicable if the clients are receiving payments for Long-Term Care claims, have an outstanding loan, or make a partial withdrawal.)	10–20 pay: 12 years, starting at 75% of first-year premium Whole life: 14 years, starting at 100% of first-year premium
Access to cash value	Annuity: 10% can be withdrawn without surrender charge, up to 2% per month for qualifying LTC payments. Life: Loans can be made at 4% net cost.	Loans can be made at 4% net cost.
LTC payout (all are reimbursement contracts. Qualification is based on receiving care because of either: (1) being unable to perform two of six ADLs or (2) being cognitively impaired.)	Both the annuity cash value and the life policy death benefit can be used on a monthly basis for qualifying LTC expenses.	On a monthly basis, the death benefit can be accelerated for qualifying LTC expenses.
LTC maximum monthly payout options	2% (standard), 3% or 4% (available with additional premium)	
LTC waiting period	After 60 days of qualified long-term care received (within a 180-day period), Asset-Care will begin paying benefits. In some states the waiting period for home health care benefits is 30 days.	
LTC coverage	<ul style="list-style-type: none"> • Care in a LTC facility (all levels) • Care in an assisted living facility • Home health care, including homemaker services • Hospice care • Adult day care • International coverage (Coverage can vary by state. Benefit details can be found in the Outline of Coverage, including information on policy exclusions and limitations. Producers must provide the Outline of Coverage to applicants.)	<ul style="list-style-type: none"> • Respite care • Bed reservation • Care coordination • Caregiver training • Supportive equipment
Guarantees	<ul style="list-style-type: none"> • Return of premium (all years) • Minimum 4% credited interest rate (life policy) • Minimum 3% credited interest rate (annuity policy) (Varies by state. See an illustration for specific information.) • Life policy LTC benefits increase over a 20-year premium payment period • Annuity policy guaranteed to fund 20-pay life policy • Cash value growth 	<ul style="list-style-type: none"> • Minimum 4% credited interest rate • Premiums never increase • Values support the policy for life (The guarantee in values requires that clients make all scheduled premium payments.) • Death benefit
Base Policy Inflation Protection Rider (not available in all states)	This optional rider can help to protect against the rising cost of qualifying long-term care expenses by guaranteeing an increase in the base policy long-term care benefit balance and monthly maximum benefit. Options include simple and compound interest and vary by state. Premiums are guaranteed never to increase.	
Asset-Care Plus rider (not available in all states)	This optional rider can extend LTC benefits if the death benefit is totally used for qualifying LTC expenses. Premiums for the rider are guaranteed and can be paid annually or with a one-time (single) premium. Inflation protection and nonforfeiture benefits are both available for an additional premium.	

Annuity Care®

Policy structure	Single-premium deferred annuity							
Issue ages (single life or joint life spouses only)	50–85							
Single premium¹	Minimum: \$10,000 (higher in CA, MA, MN, OR and WI) Maximum: \$300,000							
Surrender charges (policy years) May vary by state. Please review an illustration or Outline of Coverage for state specific information.	1–3 = 8%	4 = 7%	5 = 6%	6 = 5%	7 = 4%	8 = 3%	9 = 2%	10+ = 0 (nine years)
Free partial surrenders	At any time after the first policy year, clients can access 10% of the accumulated value with no surrender charges. Partial surrenders will reduce the amount available for LTC expenses. Withdrawals for LTC expenses from the LTC fund are not subject to surrender charges.							
Death of owner/annuitant (single policy)	Surrender charges will be waived upon the death of the owner/annuitant (if same person).							
Death of annuitant (joint policy)	Surrender charges will be waived upon the death of the surviving annuitant (second annuitant to die).							
LTC fund withdrawals	<p>Clients can access the LTC fund of their annuity by qualifying in one of two ways:</p> <ul style="list-style-type: none"> • Inability to perform two of six activities of daily living (bathing, continence, dressing, eating, toileting and transferring) • Cognitive impairment (for example, Alzheimer’s disease) 							
LTC fund waiting period	There is a 7-day waiting period before LTC fund withdrawals can begin.							
Types of care covered	<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"> • Nursing home facility • Assisted living facility • Home health care • Hospice care • Respite care • Bed reservation • Adult day care <p>(Producers must provide applicants with the Outline of Coverage, providing detailed information on coverage, policy exclusions and limitations.)</p>							
LTC expenses paid (reimbursement)	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.)							
Interest rates	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.							
Annuity Care Plus Continuation of Benefits for Long-Term Care Option (36-month extension of LTC benefits. Not available in all states.)	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.							

ImmediateCare®

Policy structure	Medically underwritten single-premium immediate annuity (SPIA) designed to help fund LTC costs. For clients already receiving care, medical underwriting has the effect of providing a higher monthly benefit or a lower single premium than typical, non-underwritten SPIAs.
Issue ages	Normally 75–99
Policy term	Monthly payments are guaranteed for the life of the annuitant.
Minimum premium	\$25,000 or the premium required to produce \$1,000 in monthly income payments.
Annuity Payment Increase option	At time of application, the owner may select an annual increase percentage from 1 percent to 10 percent. The annual increase percentage is compounded annually.
Refund options	<ul style="list-style-type: none"> • No refund • 100% of premium refunded for six months from the policy date • 100% of premium refunded for one year from the policy date • 100% of premium refunded for one year from the policy date and 50% thereafter • 75% of premium refunded for one year and 50% thereafter

Legacy Care®

Policy structure	Single-premium deferred annuity that features an interest rate bailout provision and a benefit increase provision, should a long-term care need arise.
Issue ages (available to single annuitants only)	0–99
Single premium	Minimum: \$10,000 Maximum: \$300,000
Funds accepted	Non-qualified or qualified IRA
Surrender charges (May vary by state. Please review an illustration for state specific information.)	7, 7, 7, 7, 7, 0 in most states
Free withdrawals	Clients can receive interest, free of surrender charges, after the first contract year. Withdrawals reduce the amount of benefit available under the Benefit Increase rider.
Death of annuitant/owner	At death of annuitant, the owner may elect a new annuitant. At death of owner, the beneficiary receives the greater of the premium paid (less partial surrenders) or the cash surrender value. If the beneficiary is the surviving spouse, the surviving spouse will become the new owner and assume all rights in the contract. (May vary by state. Please review an illustration for state specific information.)
Bailout provision (May vary by state. Please review an illustration for state specific information.)	The first-year interest rate is also the bailout interest rate, so that Legacy Care protects clients from downside interest rate risk. If the renewal rate ever drops below the first-year rate, the policyowner may surrender the annuity without surrender charges as long as the request is made within 60 days of the policy anniversary. Legacy Care's future credited interest rates cannot be predicted but are designed to retain the possibility of later increases in credited interest rates.
Benefit Increase rider (May vary by state. Please review an illustration for state specific information.)	<p>Should the annuitant become chronically ill, the owner may exchange all, or a portion of the annuity cash value into a medically underwritten State Life single-premium immediate annuity such as ImmediateCare. (Contact your State Life Wholesaler to learn more about the ImmediateCare single-premium immediate annuity.)</p> <p>This exchange will be free of any surrender charges and will be increased by 5% of the transfer that represents net single premium (less partial surrenders).</p> <p>Legacy Care must be in force at least six months and not yet matured or annuitized for the Benefit Increase rider to be available. Any exchange under this rider is also subject to the minimum premium, underwriting, and age limitations of the single-premium immediate annuity.</p>



Ask your State Life wholesaler team or
Producer Resource Center representative
about product details and state availability.
1-800-275-5101

Note: The products highlighted in this brochure are subject to state availability. Asset-Care: L301, SA31, R501, 518 and 519 (or state variation). Annuity Care: SA34 (or state variation) Annuity Care II: SA35 (or state variation) ImmediateCare: SA33 (or state variation) Legacy Care: SA32, R502 and R503 (or state variation).

A fixed annuity is a long-term, tax-deferred insurance contract designed for retirement. It allows an individual to create a fixed stream of income through a process called annuitization and also provides a fixed rate

of return based on the terms of the contract. Fixed annuities have limitations. If your client decides to take money out early, they may face fees called surrender charges. Plus, if your client is not yet 59½, they may also have to pay an additional 10% tax penalty on top of ordinary income taxes. Your client should also know that a fixed annuity contains guarantees and protections that are subject to the issuing insurance company's ability to pay for them.

Key aspects of the joint life Asset-Care have been awarded a patent by the U.S. Patent and Trademark Office.

About State Life

The State Life Insurance Company, a OneAmerica® company, is focused on providing asset-based long-term care solutions. State Life is a recognized leader in providing these solutions, which utilize life insurance, fixed-interest deferred and immediate annuities. The company's extensive Care Solutions portfolio of products helps consumers prepare for future long-term care needs by helping to protect their assets.

About OneAmerica

OneAmerica Financial Partners, Inc., is headquartered in Indianapolis, IN. The companies of OneAmerica® can trace their solid foundations back more than 130 years in the insurance and financial services marketplace.

OneAmerica's nationwide network of companies offers a variety of products to serve the financial needs of their policyholders and other clients. These products include retirement plan products and services; individual life insurance, annuities, long-term care solutions and employee benefit plan products. The goal of OneAmerica is to blend the strengths of each company to achieve greater collective results.

The products of the OneAmerica companies are distributed through a network of employees, agents, brokers and other distribution sources that are committed to increasing value to our policyholders by helping them prepare to meet their financial goals.

We deliver on our promises when customers need us most.



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