

Annuity Care[®] II overview for producers

Annuity Care II is a single-premium fixed interest, 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.

The single premium grows as the Accumulated Value (AV) with a guaranteed minimum interest rate. It is this value that passes to named heirs at death if LTC is never needed or not fully depleted. At the same time, the premium grows at a second, higher interest rate for the Long-Term Care Accumulated Value (LTC AV), the amount used for qualified LTC expenses.

Once the LTC AV has been exhausted for qualified LTC expenses, Annuity Care II allows clients to extend their protection by automatically including a Continuation of Benefits (COB) balance. This additional protection is purchased through an insurance charge deducted monthly from the annuity values.

Annuity Care II is medically underwritten, but more concise than on other traditional LTC insurance products:

- There are minimal questions for clients to answer
- No exams to take
- A modest telephone interview takes the place of Attending Physician's Statements

Contact the Sales Desk for case design and illustration assistance at **1-800-275-5101**.

Annuity Care[®] II

Issue ages (Single life or joint life spouses only)	Minimum: 40 Maximum: 80 (Age last birthday)
LTC AV withdrawal period	<ul style="list-style-type: none"> • 24 months — Single Annuitant • 30 months — Joint Annuitant or Single Annuitant with Eligible Person

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Annuity Care[®] II (continued)

Continuation of benefits options (Availability based upon the age of the oldest applicant)	<ul style="list-style-type: none"> • 3 years (ages 40 to 80) • 6 years (ages 40 to 75)¹ • 9 years (ages 40 to 70)² 										
Single premium (Nonqualified premium only)	<p>Minimum: \$10,000 (May vary by state)</p> <p>Maximum: \$300,000 if inflation protection selected, \$500,000 if inflation protection not selected</p>										
Surrender charges (Nine years)	<table border="1"> <tr> <td>1=9%</td> <td>2=8%</td> <td>3=7%</td> <td>4=6%</td> <td>5=5%</td> <td>6=4%</td> <td>7=3%</td> <td>8=2%</td> <td>9=1%</td> <td>10=0%</td> </tr> </table>	1=9%	2=8%	3=7%	4=6%	5=5%	6=4%	7=3%	8=2%	9=1%	10=0%
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Partial surrender	<ul style="list-style-type: none"> • After the first contract year, the owner may withdraw up to 10 percent of the accumulated cash 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!</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.										
Types of care covered	<p>Long-term care withdrawals under Annuity Care II may be taken for qualifying care of the following types:</p> <table border="0"> <tr> <td> <ul style="list-style-type: none"> • Nursing home facility • Assisted living facility • Home health care • Adult day care </td> <td> <ul style="list-style-type: none"> • Hospice care • Respite care • Bed reservation </td> </tr> </table>	<ul style="list-style-type: none"> • Nursing home facility • Assisted living facility • Home health care • Adult day care 	<ul style="list-style-type: none"> • Hospice care • Respite care • Bed reservation 								
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	Producers must provide applicants with the Outline of Coverage that provides detailed information on coverage, policy exclusions and limitations.										
LTC withdrawals	<p>Annuity Care II provides long-term care coverage when an annuitant or eligible person qualifies and has been certified by a licensed health care practitioner 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 • Severe cognitive impairment (for example, Alzheimer's disease) qualifies and has been certified by a licensed health care practitioner. 										
LTC elimination period	Clients have a 90-day elimination period before they can withdraw funds for LTC expenses.										
LTC withdrawal method	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 your State Life representative 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.										

Note: Form # SA35 may not be available in all states and may vary by state. **1.** 40-70 in CA, SD, and WA **2.** 40-65 in CA, SD, and WA

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