



Long Term Care University

Long Term Care University – Question of the Month

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Q: We read the Long Term Care University article ‘Traditional Versus Hybrid Life and Long Term Care Insurance’, ‘Hybrid Annuity and Long Term Care’ and ‘1035 Tax-Free Exchange’. Can you please review the **OneAmerica State Life Annuity Care** Hybrid Annuity and Long Term Care (LTC) policy?

Overview. State Life Insurance Company Group is part of OneAmerica, an A.M. Best A+ rated, founded in 1877. The OneAmerica State Life Annuity Care policy is a Hybrid Annuity and Long Term Care Insurance (also called asset based) policy. With Traditional LTC policies, premiums can be increased and you may not receive any benefits if you do not need LTC. With Hybrid LTC policies the benefits and premiums are guaranteed. The insurance company either: 1) pays you if you need LTC, 2) pays your heirs if you do not need LTC, 3) pays you and your heirs if you need a modest amount of LTC or 4) pays you a refund if you cancel the policy.

OneAmerica State Life Annuity Care is Unique Because It Has a 7 Day Elimination Period. An elimination period is the number of days you pay for your LTC costs out of your own pocket (like a deductible on a homeowners insurance policy). Annuity Care begins paying for your care after 7 days of care.

OneAmerica State Life Annuity Care is Unique Because It Provides Lifetime Benefits. One of the largest long term care insurance companies reported that 50% of all claims dollars it has paid are due to dementia, including Alzheimer’s disease. According to the Alzheimer’s Association, 1 in 9 people ages 65 and older and about 1 in 3 people ages 85 and older have Alzheimer’s disease. The duration of Alzheimer’s disease is generally four to eight years after a diagnosis, but can last as long as 20 years.

OneAmerica State Life Annuity Care Policy Options. The policy options include: Benefit periods of 3 years or Lifetime, with a Continuation of Benefits (COB), for an individual or shared policy; Nonforfeiture and Inflation protection of none, 2%, 3%, 4% or 5%.

How OneAmerica State Life Annuity Care Compares with Other Hybrid Annuity and LTC Policies. Let’s look at a husband and wife, Bill and Sue, who are each 70 years old and reside in Florida. They each pay a \$100,000 one-time premium (or \$200,000 combined) and are expected to need LTC in 10 years at the age of 80. They are comparing Hybrid Annuity and LTC policies that offer the largest LTC benefits, with at least five years of LTC benefits.

OneAmerica State Life Annuity Care Outperforms Competitors with Lifetime Benefits and an Unlimited Dollar Amount of Total LTC Benefits. Bill and Sue will each have a \$3,086 Base and \$2,259 COB monthly for an indivial policy at age 80 or \$5,300 Base and \$3,879 COB monthly for a shared policy at age 80 – both with Lifetime total LTC benefits. **Global Atlantic Forethought ForeCare** is notable for its 0 day elimination period for home care. **OneAmerica State Life Annuity Care II** is notable for its highest non-lifetime individual and shared monthly LTC benefit. **OneAmerica State Life Indexed Annuity Care** is notable for its highest lifetime individual and shared monthly LTC benefit, and that policy values are linked to major market indices.

Insurance Company and Product Name	Policy Owner - Age	Benefit Payment Method	Elimination Period	Premium	Age 100 Death Benefit	Age 70 Monthly LTC Benefit	Age 70 Total LTC Benefits	Inflation Protection	Age 80 Monthly LTC Benefit	Age 80 Total LTC Benefits
Global Atlantic Forethought ForeCare	Bill - 70	Reimbursement	0 Days Home	\$ 100,000	\$ 103,828	\$ 4,326	\$ 311,485	None	\$ 4,326	\$ 311,485
	Sue - 70	Reimbursement	90 Days Other	\$ 100,000	\$ 103,828	\$ 4,326	\$ 311,485	None	\$ 4,326	\$ 311,485
Global Atlantic Forethought ForeCare	Bill - 70	Reimbursement	0 Days Home	\$ 200,000	\$ 207,790	\$ 6,926	\$ 623,371	None	\$ 6,926	\$ 623,371
	Sue - 70	Reimbursement	90 Days Other	Combined	Combined	\$ 6,926	Combined	None	\$ 6,926	Combined
OneAmerica State Life Annuity Care	Bill - 70	Reimbursement	7 Days	\$ 100,000	\$ 160,332	\$2,258 Base, \$2,259 COB	Unlimited	None	\$3,086 Base, \$2,259 COB	Unlimited
	Sue - 70	Reimbursement	7 Days	\$ 100,000	\$ 160,332	\$2,258 Base, \$2,259 COB	Unlimited	None	\$3,086 Base, \$2,259 COB	Unlimited
OneAmerica State Life Annuity Care	Bill - 70	Reimbursement	7 Days	\$ 200,000	\$ 275,371	\$3,879 Base, \$3,879 COB	Unlimited	None	\$5,300 Base, \$3,879 COB	Unlimited
	Sue - 70	Reimbursement	7 Days	Combined	Combined	\$3,879 Base, \$3,879 COB	Unlimited	None	\$5,300 Base, \$3,879 COB	Unlimited
OneAmerica State Life Annuity Care II	Bill - 70	Reimbursement	90 Days	\$ 100,000	\$ 117,153	\$ 4,241	\$ 254,497	None	\$ 4,657	\$ 279,460
	Sue - 70	Reimbursement	90 Days	\$ 100,000	\$ 117,153	\$ 4,241	\$ 254,497	None	\$ 4,657	\$ 279,460
OneAmerica State Life Annuity Care II	Bill - 70	Reimbursement	90 Days	\$ 200,000	\$ 226,492	\$ 6,779	\$ 447,430	None	\$ 7,369	\$ 486,374
	Sue - 70	Reimbursement	90 Days	Combined	Combined	\$ 6,779	Combined	None	\$ 7,369	Combined
OneAmerica State Life Indexed Annuity Care	Bill - 70	Reimbursement	90 Days	\$ 100,000	\$ 139,428	\$ 3,154	Unlimited	None	\$ 3,938	Unlimited
	Sue - 70	Reimbursement	90 Days	\$ 100,000	\$ 139,428	\$ 3,154	Unlimited	None	\$ 3,938	Unlimited
OneAmerica State Life Indexed Annuity Care	Bill - 70	Reimbursement	90 Days	\$ 200,000	\$ 256,781	\$ 4,647	Unlimited	None	\$ 5,802	Unlimited
	Sue - 70	Reimbursement	90 Days	Combined	Combined	\$ 4,647	Unlimited	None	\$ 5,802	Unlimited

Conclusions. OneAmerica State Life Annuity Care provides Lifetime benefits and an unlimited dollar amount of total LTC benefits. Since premiums vary greatly based on age, health and marital status, request individualized quotes.

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