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 II** 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 Annity 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 Annity Care II is Unique Because It Has a 90 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 II begins paying for your care after 90 days of care.

OneAmerica State Life Annuity Care II Provides up to 8 or 8.5 Years of Tax-Free Long Term Care Expenses. For individual policy owners, the policy pays for up to 8 years of care for issue ages 40-69 or 8.5 years for issue ages 70+. For shared policies owners, the policy pays for up to 8.8 years of care for issue ages 40-69 or 5.5 years for issue ages 70+.

OneAmerica State Life Annuity Care II Policy Options. The policy options include: Benefit periods of 5 to 8.5 years with a Continuation of Benefits (COB), for an individual or shared policy, based on your age; Nonforfeiture and Inflation protection of none or 5%.

How OneAmerica State Life Annuity Care II 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 II Outperforms Competitors with the Highest Non-Lifetime Monthly Long Term Care Benefit. Bill and Sue will each have $4,657 or $7,369 shared monthly and $279,460 or $486,374 shared total LTC benefits. **Global Atlantic Forethought ForeCare** is notable for its 0-day elimination period for home care. **OneAmerica State Life Annuity Care** is notable for its 7-day elimination period and unlimited lifetime benefits. **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 Sue - 70	Reimbursement Reimbursement	0 Days Home 90 Days Other	$ 100,000 $ 100,000	$ 103,828 $ 103,828	$ 4,326 $ 4,326	$ 311,485 $ 311,485	None None	$ 4,326 $ 4,326	$ 311,485 $ 311,485
Global Atlantic Forethought ForeCare	Bill - 70 Sue - 70	Reimbursement Reimbursement	0 Days Home 90 Days Other	$ 200,000 Combined	$ 207,790 Combined	$ 6,926 $ 6,926	$ 623,371 Combined	None None	$ 6,926 $ 6,926	$ 623,371 Combined
OneAmerica State Life Annuity Care	Bill - 70 Sue - 70	Reimbursement Reimbursement	7 Days 7 Days	$ 100,000 $ 100,000	$ 160,332 $ 160,332	$2,258 Base, $2,259 COB $2,258 Base, $2,259 COB	Unlimited Unlimited	None None	$3,086 Base, $2,259 COB $3,086 Base, $2,259 COB	Unlimited Unlimited
OneAmerica State Life Annuity Care	Bill - 70 Sue - 70	Reimbursement Reimbursement	7 Days 7 Days	$ 200,000 Combined	$ 275,371 Combined	$3,879 Base, $3,879 COB $3,879 Base, $3,879 COB	Unlimited Unlimited	None None	$5,300 Base, $3,879 COB $5,300 Base, $3,879 COB	Unlimited Unlimited
OneAmerica State Life Annuity Care II	Bill - 70 Sue - 70	Reimbursement Reimbursement	90 Days 90 Days	$ 100,000 $ 100,000	$ 117,153 $ 117,153	$ 4,241 $ 4,241	$ 254,497 $ 254,497	None None	$ 4,657 $ 4,657	$ 279,460 $ 279,460
OneAmerica State Life Annuity Care II	Bill - 70 Sue - 70	Reimbursement Reimbursement	90 Days 90 Days	$ 200,000 Combined	$ 226,492 Combined	$ 6,779 $ 6,779	$ 447,430 Combined	None None	$ 7,369 $ 7,369	$ 486,374 Combined
OneAmerica State Life Indexed Annuity Care	Bill - 70 Sue - 70	Reimbursement Reimbursement	90 Days 90 Days	$ 100,000 $ 100,000	$ 139,428 $ 139,428	$ 3,154 $ 3,154	Unlimited Unlimited	None None	$ 3,938 $ 3,938	Unlimited Unlimited
OneAmerica State Life Indexed Annuity Care	Bill - 70 Sue - 70	Reimbursement Reimbursement	90 Days 90 Days	$ 200,000 Combined	$ 256,781 Combined	$ 4,647 $ 4,647	Unlimited Unlimited	None None	$ 5,802 $ 5,802	Unlimited Unlimited

Conclusions. OneAmerica State Life Annuity Care II provides high individual and shared monthly LTC benefits. Since premiums vary greatly based on age, health and marital status, request individualized quotes.

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