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 Indexed 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 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 Indexed 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 Indexed Annuity Care is a Hybrid Annuity and LTC Policy with Policy Values Linked to the S&P500 Index. With OneAmerica State Life Indexed Annuity Care you can choose a fixed inflation protection or one linked to the S&P 500 Index. Benefit amounts have the potential to increase with market gains up to an annual or monthly maximum growth rate (cap) or participation rate but will never drop below the policy's original amounts. You can choose to track the S&P 500 in the following ways: Point-to-Pont with Cap, Point-to-Point with Participation Rate, Monthly Average with Cap and/or Monthly Average with Participation Rate.

OneAmerica State Life Indexed Annuity Care Policy Options. The policy options include: Benefit periods of 2 years, 4 years, 6 years or Lifetime for an individual; Benefit periods 2.5 years, 5 years or 7.5 years for a shared policy; Nonforfeiture and Inflation protection of none 2%, 3%, 4%, or 5%.

How OneAmerica State Life Indexed 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 Indexed Annuity Care Outperforms Competitors with the Highest Lifetime Monthly Long Term Care Benefit. Bill and Sue will each have $3,938 or $5,802 shared monthly - both with unlimited and lifetime 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 Annuity Care II** is notable for its highest non-lifetime individual and shared monthly LTC benefit.

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 Indexed Annuity Care 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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