

Annuity Care

Annuity Care[®] combines long-term asset growth and LTC protection. Your clients can access their annuity values for qualifying LTC expenses. Additional LTC benefits are available when the Continuation of Benefits is purchased.

Annuity Care

Policy structure	Single-premium deferred annuity							
Policy form number series	SA34 and R508							
Issue ages (single life or joint life spouses only)	50–85 (age last birthday)							
Single premium	Minimum: \$10,000 (may vary by state) Maximum: \$500,000 Note: Qualified funds are not accepted in CA							
Surrender charges (policy years) May vary by state. Please review an illustration or disclosure 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 (may vary by state). 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 (may vary by state)	<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) • Severe cognitive impairment (for example, Alzheimer’s disease) <p>To be eligible for benefits, the annuitant or eligible person (covered person) must be a chronically ill individual (if funded with non-qualified money) with qualified long-term care services provided pursuant to a plan of care prescribed by a licensed health care practitioner.</p>							
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 • Adult day care • Hospice care • Respite care • Bed reservation <p>(Producers must provide applicants with the Outline of Coverage, providing detailed information on coverage, policy exclusions and limitations.)</p>							

Annuity Care (continued)

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.
Continuation of Benefits for Long-Term Care Option (36-month extension and lifetime extension of LTC benefits are available. May not be 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.

Annuity Care II

Annuity policy structure	Single premium deferred annuity with a built-in continuation of benefits purchased through an insurance charge deducted monthly from the annuity values										
Policy form number series	SA35										
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 										
Continuation of benefits option (May vary by state. Please see an illustration for specific information.)	<ul style="list-style-type: none"> • 3 years (ages 40 to 80) 										
Single premium (nonqualified premium only)	Maximum: \$300,000 (with inflation and/or nonforfeiture) \$500,000 (without inflation and/or nonforfeiture)										
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%
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% of the accumulated value (as of the beginning of the contract year) without a surrender charge. May vary by state. • Full surrenders within 12 months of a partial surrender will result in a recapture of the waived surrender charges. May vary by state. • No surrender charge will be assessed on any qualifying LTC benefit withdrawal. 										
Tax advantages	<p>Annuity Care II provides an effective way to protect assets from the potential expenses associated with end-of-life care. It is also tax efficient.</p> <ul style="list-style-type: none"> • Long-term care benefit payments from the LTC AV 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 LTC AV 										
Death of owner/annuitant (single policy)	Surrender charges will be waived upon death.										

Annuity Care II *(continued)*

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 • Assisted living facility • Home health care • Adult day care • Hospice care • Respite care • Bed reservation <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 ADLs (bathing, continence, dressing, eating, toileting and transferring); or • Severe cognitive impairment (for example, Alzheimer's disease) • To be eligible for benefits, the annuitant or eligible person (covered person) must be a chronically ill individual with qualified long-term care services provided pursuant to a plan of care prescribed by a licensed health care practitioner.
LTC elimination period	<p>Clients have a 90-day elimination period before they can withdraw funds for LTC expenses.</p>
LTC withdrawal methods	<p>Reimbursement — the payment amount will be based upon the amount of actual expenses incurred for qualifying LTC expenses up to the monthly benefit limit.</p>
Interest rates	<p>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.</p>