One merica Financial

A Sea Change in Long Term Care Planning...

"Navigating Legislation & The Silver Tsunami"

Roger Cantu – Regional Sales Director, OneAmerica Financial



## "What if"

What if in 2008 we could have warned you that there was an impending crisis in the sub-prime markets?

- Would that have been helpful guidance?
- Were there indicators to tip us off?

Many people were not trained or conditioned to look for these signs, like the current LTC space.



# Signs around us today

Lagging and leading indicators show LTC could be our next disruption or crisis

- Are you seeing new extended care (LTC) facilities being built around your communities?
- Are you hearing commercials about "in-home" healthcare and "assisted-living" facilities?



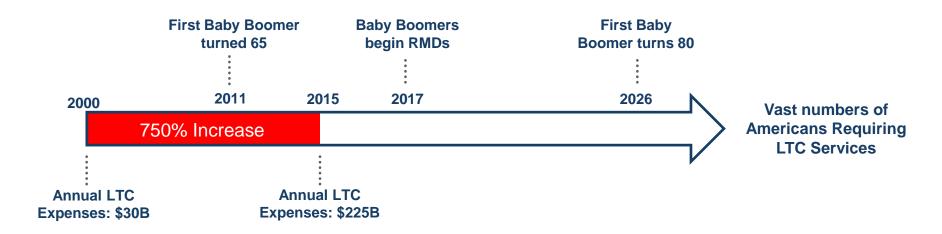
#### The Silver Tsunami...



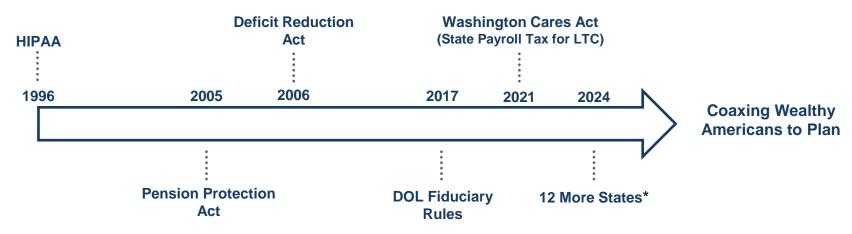
## ...and how our Government has been preparing for it.

<sup>1</sup> https://en.wikipedia.org/wiki/The Silver Tsunami

#### The Silver Tsunami...



## Signs the Government is Preparing



\*California, Oregon, Hawaii, Michigan, Alaska, Illinois, Minnesota, Missouri, Colorado, New York, North Carolina, Utah.

Plan for Care	
Plan for Care	
Written Plan of Care for	Date/
Family / Friends to notify immediately	
Attorney / CPA / Trustee / Other	
Banker / Financial Advisor(s)	
What experience do you have with any family or friends ne	eeding care?
Do you believe you could live a long life and need help from	n others for your care? 🗖 YES 🔲 NO
If no, please explain	
You may never need care, but if you did:	
How would it affect your family? (Physically, emotionally, fi	inancially)
Any other concerns?	
Any other concerns:	
If you ever need care, would you like to:	Who do you want to physically provide care?  ☐ Your snouse
preserve your ability to choose decide now where you will receive care	Your spouse Your child
preserve your ability to choose decide now where you will receive care defer this decision until later	Your spouse Your child A professional caregiver
preserve your ability to choose decide now where you will receive care defer this decision until later	Your spouse Your child
preserve your ability to choose decide now where you will receive care defer this decision until later defer this decision to someone else Who?	☐ Your spouse ☐ Your child ☐ A professional caregiver ☐ Other ☐ Who do you want to be responsible
preserve your ability to choose decide now where you will receive care defer this decision until later defer this decision to someone else Who?  Where would you want to receive care?	
preserve your ability to choose decide now where you will receive care defer this decision until later defer this decision to someone else Who?  Where would you want to receive care? Your home	
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preserve your ability to choose decide now where you will receive care defer this decision until later defer this decision to someone else Who?  Where would you want to receive care? Your home Your child's home Assisted living facility Nursing home facility Other	Your spouse Your child A professional caregiver Other  Who do you want to be responsible for coordinating your care? Your spouse Your children A professional care coordination service Other
preserve your ability to choose decide now where you will receive care defer this decision until later defer this decision to someone else Who?  Where would you want to receive care? Your home Your child's home Assisted living facility Uther Other	

		PLAN OF CARE
How will you generate the income every month to pay for your care needs?  1. Which asset first?  2. Which asset next?  3. Which asset next?  4. Which asset next?	Living will Health care directi Power of attorney Trust Other	ive
5. Which asset next?		
6. Children / Family will pay for it.		
My policy information		
LTC Carrier: Name, Address, Phone		
Policy number, Primary Beneficiary(s)		
Contingent Beneficiary(s) — if applicable		
Life Policies Carrier: Name, Address, Phone		
Policy number, Primary Beneficiary(s)		
Contingent Beneficiary(s) — if applicable		
Annuity Carrier: Name, Address, Phone		
Policy number, Primary Beneficiary(s)		
Contingent Beneficiary(s) — if applicable		
Printed Name, Relationship	Signature	Date (MM/DD/YYYY)
	DINK	
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	ED-MAI	
Note to Financial Professional: Please file this de	ocument in your confidential client files and do	not forward to the OneAmerica home office.
ONEAMERICA® is the marketing n	ame for the companies of OneAmeric	ca   OneAmerica.com

#### Why we continue to lead?

Options that make Care Solutions unique



Both life- and annuity-based solutions



Joint life or Single life



A variety of funding options



Optional lifetime LTC benefits



Claims Concierge service



Reasonable underwriting guidelines

## Asset-based LTC Advantages

#### **Benefits no matter what** the future holds

- Live
- Quit
- Die
- Deduct

#### Guarantees

- **Premiums**
- Cash value growth
- Death benefit
- Cash surrender value

- Joint coverage option Second-to-die policy
  - Eligible person or joint ownership (annuity)

structure (life insurance)

## Lifetime coverage option

Protection against the risk of a catastrophic long-term care event

## Concept of OneAmerica Financial Care Solutions

#### Base policy



#### **Limited LTC**

or

#### Lifetime/Unlimited LTC

#### Life Insurance (Asset Care) or **Annuity (Annuity Care)**

#### **Funding options:**

- Single premium (cash)
- Single premium (qualified money transfer/rollover)
  - IRAs (existing/inherited), 401(k), 403(b), etc.
- Recurring premiums (pay to 95, 20-pay, 10-pay, 5-pay)
- Non-qualified annuities (1035 exchange)
- Cash value life insurance (1035 exchange)
- Income from SPIA or SPDA

Rider (continuation of benefits)

#### **Funding options:**

- Single premium (cash)
- Recurring premiums (5-pay, 10-pay, 20-pay, or pay to 95)
- **Qualified money**
- 1035 exchange

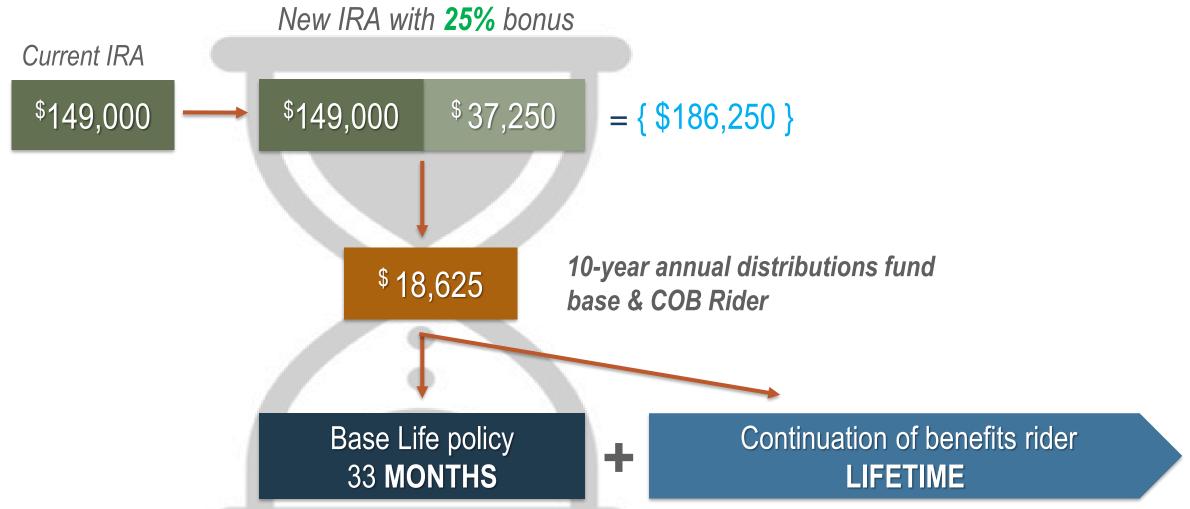
**NOTE:** COB Rider is considered tax-qualified under IRC Code 7702B; premium may be deductible or funded with HSA

This information is not designed to promote nor to endorse 1035 exchanges. Before using a 1035 exchange carefully weigh all the benefits, any surrender fees or costs, and implications or limitations of replacing a policy.



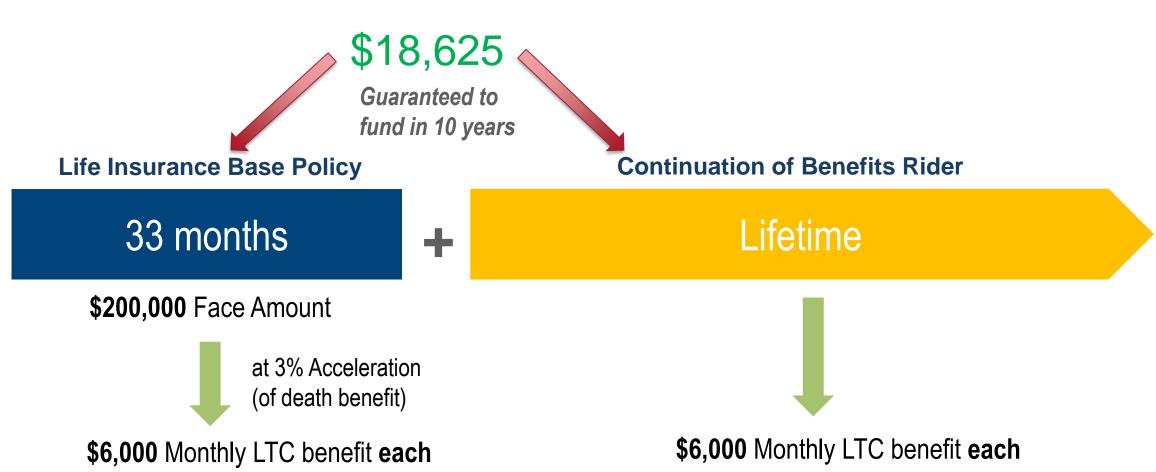
### Asset Care Single Premium – Qualified \$

Joint policy, male (age 60) and female (age 60)



### Asset Care Single Premium – **Qualified \$**

Joint policy, male (age 60) and female (age 60)



For use with financial professionals only. Not for public distribution.

\$72,000 Annual LTC benefit each

\$72,000 Annual LTC benefit each

## Secure Act: Opportunity with Annuity Funded

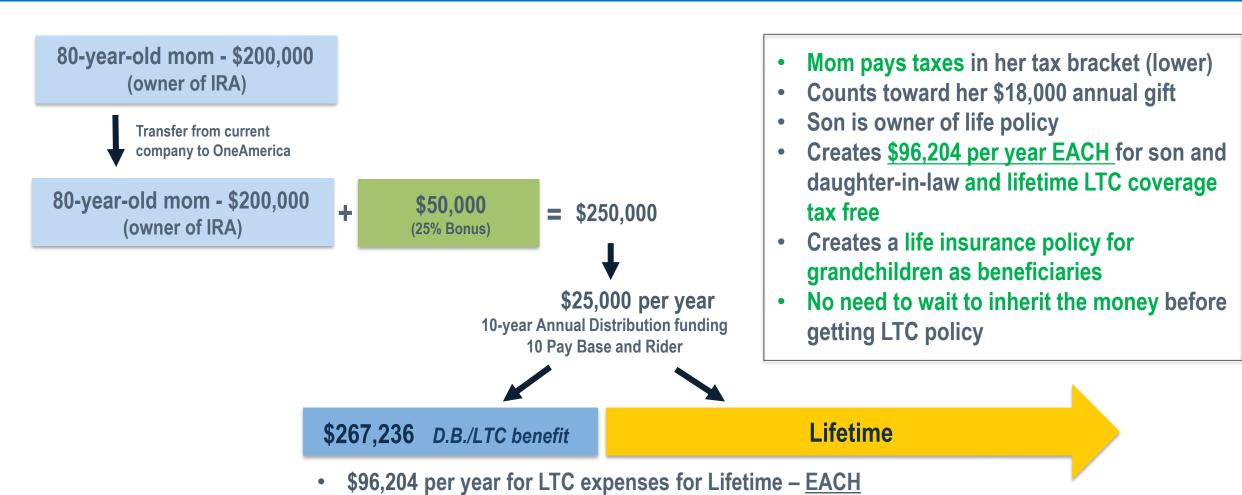
- Restricts the stretch distribution time period for most non-spouse beneficiaries of qualified retirement plan and IRA-owning decedents, who die after December 31, 2019, to TEN YEARS
- Consider an ideal distribution strategy for these beneficiary clients beginning January 1<sup>st</sup>, 2020...

#### **Asset Care – Annuity Funded with OneAmerica Financial**

- Direct rollover of inherited account into OneAmerica IRA annuity with income rider for 10 years
- 25% bonus applied
- Distributions are taxable, but automatically spread over the maximum 10-year time period allowed
- No 10% penalty if the inherited IRA contract owner is younger than age 59-1/2

## Asset Care Annuity Funded— IRA Gifting Strategy

Joint policy, son (age 60) and daughter-in-law (age 60)



## Three reasons for Annuity Care:

Available up to age 85 (86/87 – Base ONLY)

Health

**Reduced** underwriting for mortality risk (not life insurance) medical records, labs or parameds

**Same** underwriting for morbidity (LTC) risk tele-interview (medical interview/cognitive screening) prescription drug check.

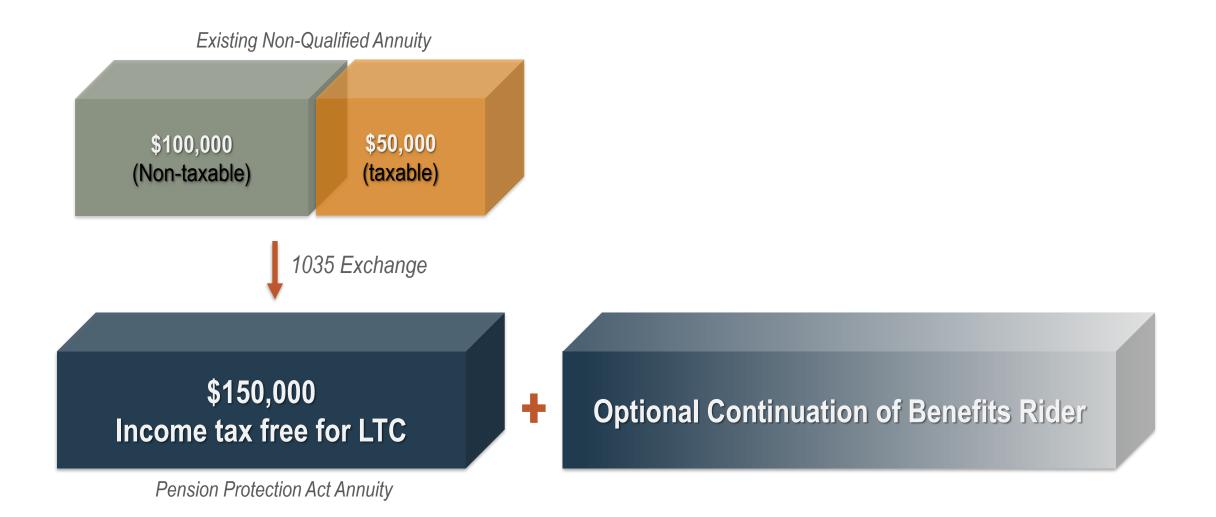
NQ Annuity

Repurpose NQ Annuities for Income Tax Free LTC. Opportunity to Add an LTC extension for up the Lifetime Coverage

Products issued and underwritten by The State Life Insurance Company® (State Life), Indianapolis, IN, a OneAmerica company that offers the Care Solutions product suite. Annuity Care and Annuity Care II form number series: SA34, R508; SA35, ICC15 SA35, ICC15 R521 PPA ND, ICC15 R521 PPA, ICC15 R522 PPA. Not available in all states or may vary by state. • This information is not designed to promote nor to endorse 1035 exchanges. Before using a 1035 exchange carefully weigh all the benefits, any surrender fees or costs, and implications or limitations of replacing a policy.



#### Pension Protection Act (PPA): "Tax-Deferred to Tax-Free for LTC"



#### Annuity Care II example 4x Leverage

\$200,000 Current annuity or cash

1035 Exchange

8 yrs. of LTC **Payout**  Hypothetical example

Female, age 69

Base policy 24 Months – single insured Continuation of Benefits Rider (for LTC) 72 MONTHS

= 96 mos.

\$200,000

Single Premium 1035 Exchange

\$600,000

**COB** Rider Balance

\$800,000

Annuity + COB Rider = Total LTC

\$100,000

**Annual LTC Benefit** 

\$100,000

**Annual LTC Benefit** 

\$8,333

Monthly LTC Benefit

\$8,333

Monthly LTC Benefit

\*All numeric examples listed are hypothetical and provided for explanatory purposes only



#### Annuity Care with **Base annuity only**

Female (age 72)

\$350,000 current annuity



**Base Annuity Policy** 36 months

\$350,000 Single Premium 1035 exchange



**\$121,740** Annual LTC benefit

\$10,145 Monthly LTC benefit

#### 12 Years later

\$481,590 current annuity



36 months



**Guaranteed Rates 2.90%** 

**\$179,412** Annual LTC benefit

\$14,951 Monthly LTC benefit



#### Annuity Care with **Base annuity only**

Female (age 72) and Male (age 73)

\$500,000 current annuity



**Base Annuity Policy** 36 months

\$500,000 Single Premium 1035 exchange



\$173,916 Annual LTC benefit

\$14,493 Monthly LTC benefit

12 Years later

\$687,985 current annuity



**Base Annuity Policy** 

36 months



**Guaranteed Rates 2.90%** 

**\$256,296** Annual LTC benefit

\$21,358 Monthly LTC benefit



#### Annuity Care Underwriting: Knock out questions for Base Annuity

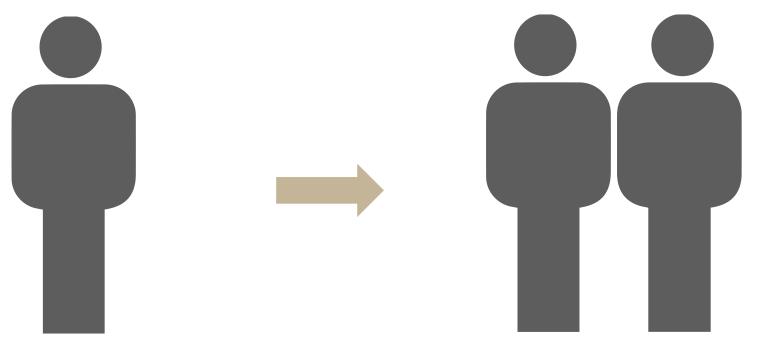
#### **NOTE**: If COB is elected, a phone interview will be scheduled

Se	ction B – Answer the following questions as they relate to the annuitant(s) and eligible person named above.		
5.	Do you currently use any of these mechanical devices: wheelchair, walker, dialysis machine, oxygen equipment, respirator, stair lift, chair lift, or motorized scooter?	Yes	No
6.	Do you currently need or receive help in doing any of the following: bathing; eating; dressing; toileting; transferring into and out of a bed, chair, or wheelchair; and/or maintaining continence?		
7.	Do you currently have, or have you ever had a diagnosis of, or been treated for: Alzheimer's disease, dementia, or memory loss? Multiple sclerosis, muscular dystrophy, ALS (Lou Gehrig's disease), or Parkinson's disease?		
8.	Have you ever been diagnosed as having or been told by a medical doctor that you have AIDS, HIV, or ARC disorders, or tested positive for antibodies for the AIDS virus?		
9.	Are you currently receiving or have you ever received social security disability income benefits?		
St	op Here!		
If	you answered YES to any question in Section B, your application may not be favorably considered, but if you would still	like to	

submit, please continue.

### Eligible Person Provision or Joint Ownership

Two options of insuring spouses with Annuity Care products



**Eligible Person Provision** 

Individually owned with spouse as eligible person to receive LTCI benefits in addition to owner (spouse)

**Joint Ownership** Jointly owned with each spouse eligible for LTCI benefits

#### Pre-Underwriting Inquiry (PUI): Can we consider?

With this program, you will receive an <u>informal evaluation within 24 business hours</u>, without completing or submitting a full application to <u>OneAmerica Financial</u>

Pre-Underwriting Inquiry Company response will address both	Products and financial services provided by The State Life Insurance Company							
Company response will address both Asset Care and Annuity Care	a OneAmerica* company P.O. Box 406 Indianapolis, IN 46206	ONEAMERICA*						
	1-800-275-5101		state, Leukemia, and Lymphoma Require A				_	
	I			Date Diagnosed (mm/yyyy)				
Please complete the Client Information along with any pertinent medi	ical history Submit a senarate form for e	ach client. Provide as		Size of Tumor				
much information as possible and email to cspui@oneamerica.com.	ical matery. Submit a separate form for e	dell'ellelle i Tovide da		Size of Tullion		Date Diagnosed (mm/yyyy)		
Client Information (REQUIRED)			her Organs		r 🔲 ADD/ADHD 🔲 PTSD			
Gender Age	Height Weight	t	ner organs		nt		Diagnosed (mm/yyyy)	
☐ Male ☐ Female				Date Last Treated (mm/yyyy)	Details (including dates and length of stay)			
Products Used (select all that apply, current or within the last 12 mod	nths) Frequency Am	ount of Use	0ther		Details (including dates and length of stay)			
☐ Tobacco ☐ Nicotine Products ☐ Marijuana								
Do you have any surgery, testing, or treatment pending/recommende	ed?					Date Last Used (mm/vvvv)		
Yes No If YES, Provide Details								
Previously Declined by Another Company	Currently/Previously Receive Social S	ecurity Disability Benefits						
Yes No If YES, please attach a copy of the decline lette	r. Yes No				Treatment Programs   Support Group			
Cardiac/Heart - Complete for All (Atrial Fibrillation, Coronary Artery Disease, or Valvular He	eart Disease Require Additional De	tails)	Estrogen				ed Above and All Current Medications	
Diagnosis		te Diagnosed (mm/yyyy)	Mucoid Papillary Medullary Pos	sitive Negative Unknown			cation (include dosage), Surgery	Date(s) (mm/yyyy)
Sidgition of the side of the s		to bidginosod (mint /////			Complications			
Dates and Results of Most Recent Cardiac Testing EKG, Catheterizat	tion, Echocardiogram, Stress Test		PSA at Time of Diagnosis Currer	nt PSA	Yes No			
				D. I. T. I. I.				
Provide Details of Any Current Blockages or Recent Symptoms (sho	rtness of breath, chest pain, fatigue, light	theadedness, other)	Active Surveillance Watchful Waiting	Date Last Treated (mm/yyyy)				
			Active surveillance Watchild Walding	Other		D . D: 14 4 1		
Select All That Apply				Age at Diagnosis		Date Diagnosed (mm/yyyy)		
Stroke ITIA Diabet	tes Periphe	ral Vascular Disease	nia (ALL) Acute Myeloid (myelogenous leuken		ype (if applicable) Injection Frequency(if app	disabled Date of Last Injection (mm/case)		
Cardiomyopathy Congestive Heart Failure Any Ot Provide Dates and Details	ther Condition of the Heart		Hairy Cell Leukemia Chronic Myeloid Leuke	mia (CML)	ype (ii applicable) illjection rrequency(ii app	(if applicable)		
Provide Dates and Details								
Atrial Fibrillation					Use of Any Assistive Devices	Any Functional Limitations		
Treatment (select all that apply)					Yes No	Yes No		
■ Medication ■ Ablation ■ Cardioversion ■ Pacemake	er Defibrillator		_					
Provide Details (include dates and medications)		Extra Nodal Marginal Zone B-Cell ar Nodal Marginal Zone B-Cell		e Details				
1 Tovide Details (include dates and inedicadons)								
Coronary Artery Disease			Mantle Cell Peripheral T-Cell Other F	ligh-Grade Lymphoma				
Treatment (select all that apply)			s Fungoides 🔲 Sèzary Syndrome		de Actual T-Scores			
■ Medication ■ Angioplasty ■ Stenting ■ Bypass Surge	ery 🔲 Any Other Heart Surgery 🔲 A	ny Left Main Involvement			de Actual 1-Scores			
History of Heart Attack			petes Date Last Tested A1C (mm/y)	and A1C Result				
Yes No			Type II	yyy Aroncaut	d Location			
If YES, Provide Details (include dates, medications, vessels involved	l and number of stents and/or vessels by	passed)						
Valvular Heart Disease								
Which Valve(s) (Aartic, Mitral, other)					nea			
vviiicii vaive(S) (AOTUC, INIUTAI, OUTET)			1			Date Diagnosed (mm/yyyy)		
Treatment (select all that apply)								
Medication Surgery (repair or valve replacement)			Kidney Disease Urine Pro					
Provide Dates and Details			ular Disease 🔲 Skin Ulcers 🔲 Amputati	ons				
					(mm/yyyy)			
						of Supplemental Oxygen		
Page 1	of 4	1-35823 11/16/23	1			e of Supplemental Uxygen		
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							Page 4 of 4	1-35823 11/16/23

**NOTE**: This is not a guarantee of approval. This is a tentative underwriting opinion only and is based on the information provided.

Email to: <a href="mailto:CSPUI@ONEAMERICA.COM">CSPUI@ONEAMERICA.COM</a>



## Conclusion

- Indicators in life and business help us make decisions and adjustments
- We are conditioned to pay attention to certain indicators
- Inflection points assist us in seeking out and paying attention to new indicators
- Observe warning signs for the need of LTC planning in retirement
- Educate your clients and prospects and let us help!



Scan this QR Code to go learn more about Asset Care and Annuity Care



OneAmerica Financial: Asset Based LTC Training Content - Training Purposes Only - Not For Consumer Use

# Thank you for your business



Life Insurance Retirement Employee Benefits Long-Term Care

OneAmerica.com