

A Sea Change in Long Term Care Planning...

*“Navigating Legislation & The
Silver Tsunami”*

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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.



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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?



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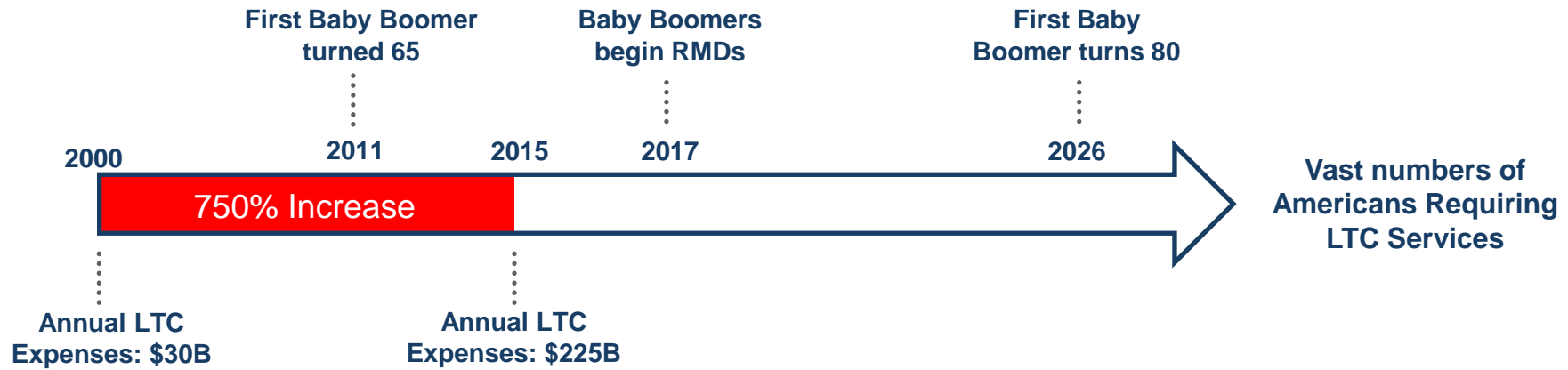
The Silver Tsunami...



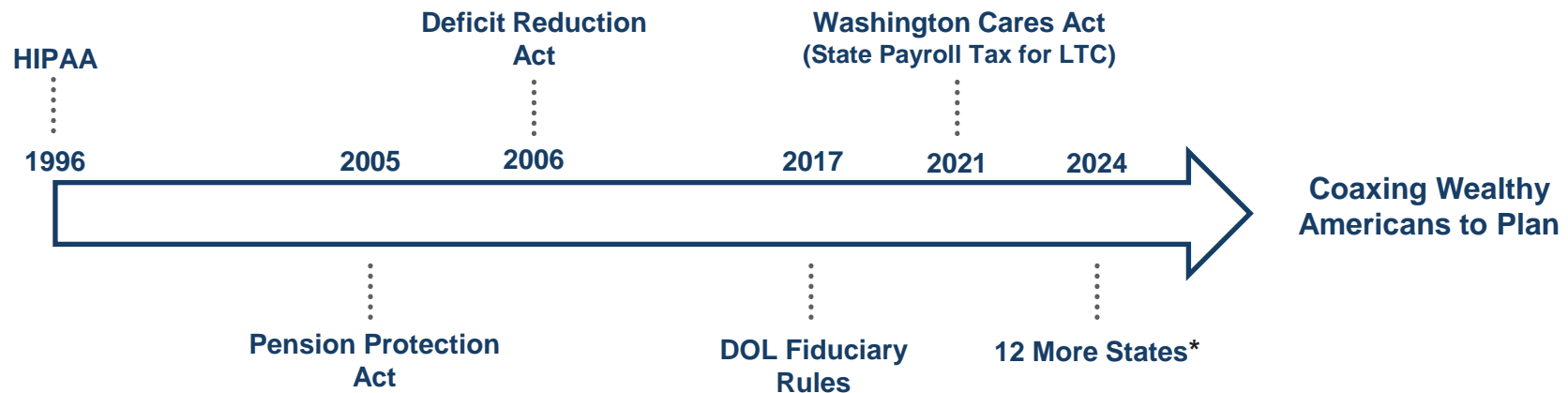
...and how our Government has been preparing for it.

¹ 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.

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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 needing care? _____

Do you believe you could live a long life and need help from 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, financially)

Any other concerns? _____

If you ever need care, would you like to:

- preserve your ability to choose
 - decide now where you will receive care
 - defer this decision until later
 - defer this decision to someone else
- Who? _____

Who do you want to physically provide care?

- Your spouse
- Your child
- A professional caregiver
- Other _____

Where would you want to receive care?

- Your home
- Your child's home
- Assisted living facility
- Nursing home facility
- Other _____

Who do you want to be responsible for coordinating your care?

- Your spouse
- Your children
- A professional care coordination service
- Other _____

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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? _____

5. Which asset next? _____

6. Children / Family will pay for it. _____

What other planning have you done?

- Living will
- Health care directive
- Power of attorney
- Trust
- Other _____

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)

| Printed Name, Relationship | Signature | Date (MM/DD/YYYY) |
|----------------------------|-----------|-------------------|
| _____ | _____ | ____/____/____ |
| _____ | _____ | ____/____/____ |
| _____ | _____ | ____/____/____ |
| _____ | _____ | ____/____/____ |

Note to Financial Professional: Please file this document in your confidential client files and do not forward to the OneAmerica home office.

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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

1 Benefits no matter what the future holds

- Live
- Quit
- Die
- Deduct

2 Guarantees

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

3 Joint coverage option

- Second-to-die policy structure (life insurance)
- Eligible person or joint ownership (annuity)

4 Lifetime coverage option

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

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Concept of OneAmerica Financial Care Solutions

Base policy

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

+

Limited LTC

or

Lifetime/Unlimited LTC

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

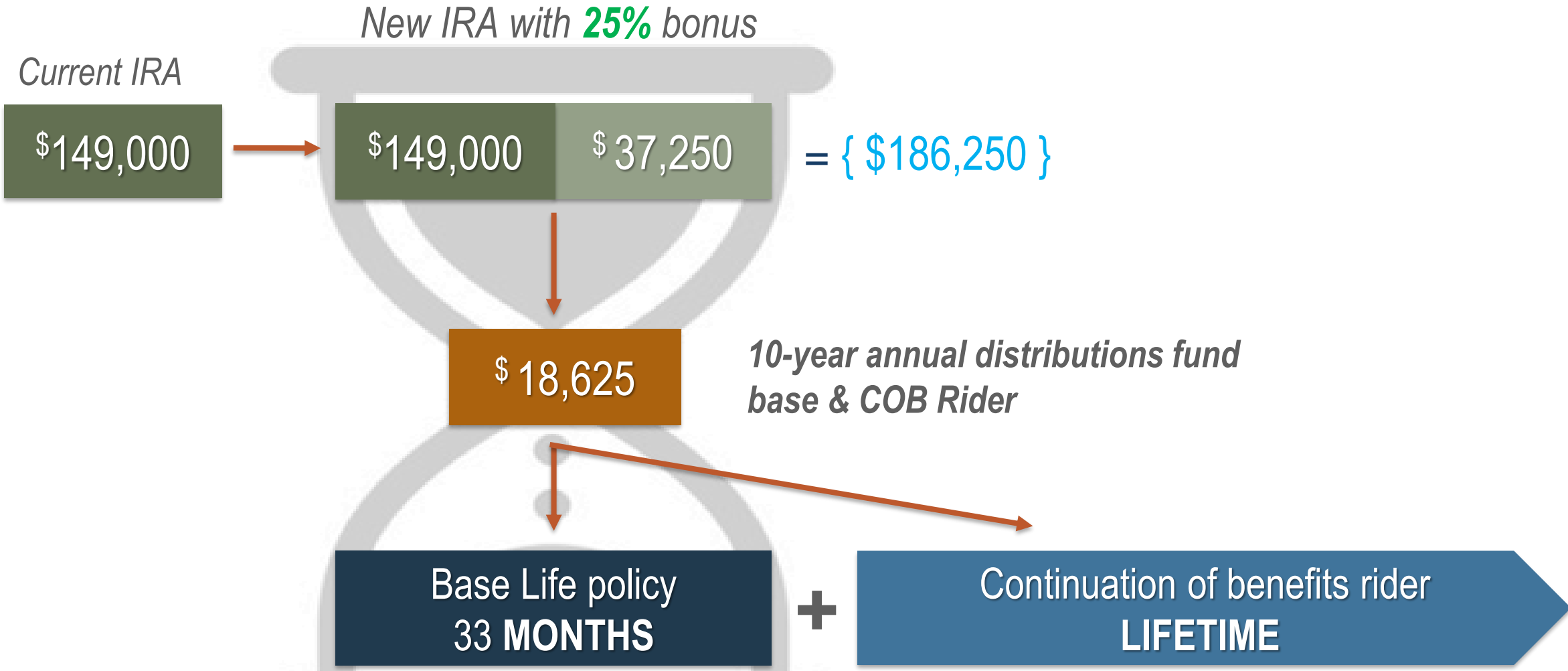
NOTE: COB Rider is considered tax-qualified under IRC Code 7702B; premium may be deductible or funded with HSA

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.

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Asset Care Single Premium – Qualified \$

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



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Asset Care Single Premium – Qualified \$

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

\$18,625

Guaranteed to fund in 10 years

Life Insurance Base Policy

Continuation of Benefits Rider

33 months

+

Lifetime

\$200,000 Face Amount

at 3% Acceleration
(of death benefit)

\$6,000 Monthly LTC benefit **each**
\$72,000 Annual LTC benefit **each**



\$6,000 Monthly 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 1st, 2020...

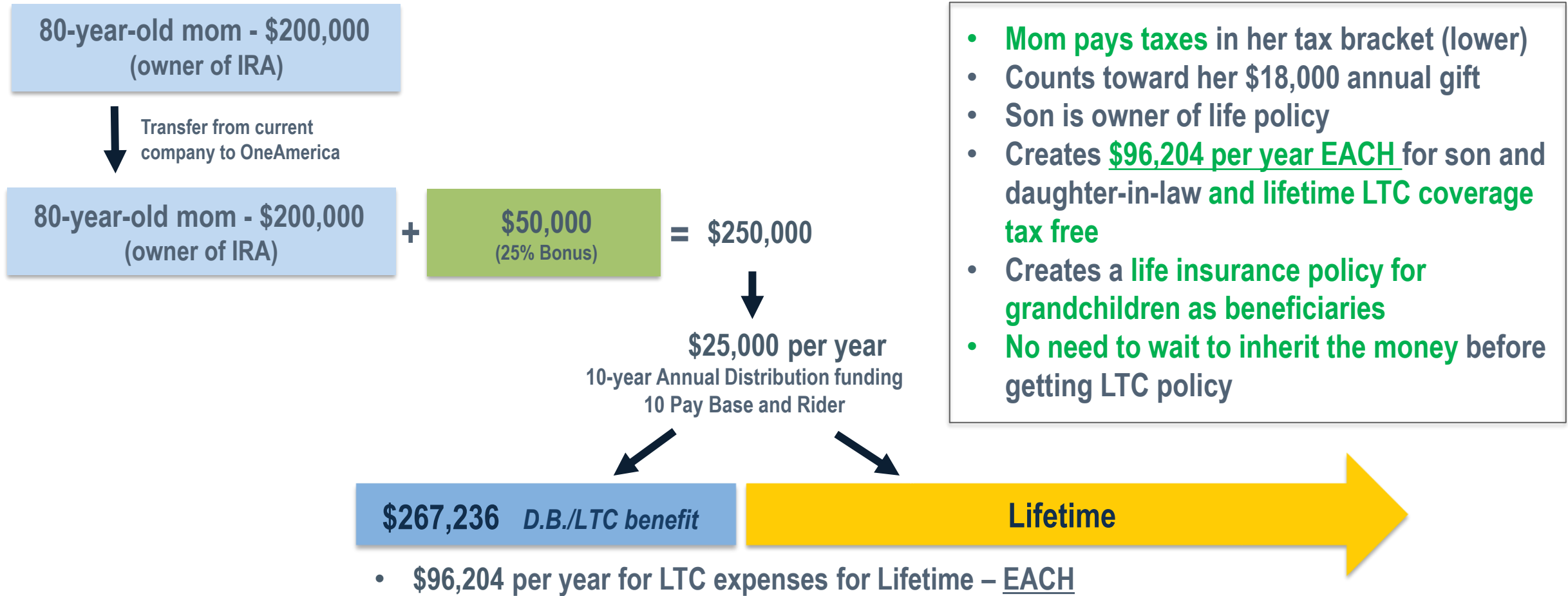
Asset Care – Annuity Funded with OneAmerica Financial

- 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

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Asset Care Annuity Funded– IRA Gifting Strategy

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



Three reasons for Annuity Care:

Age

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.

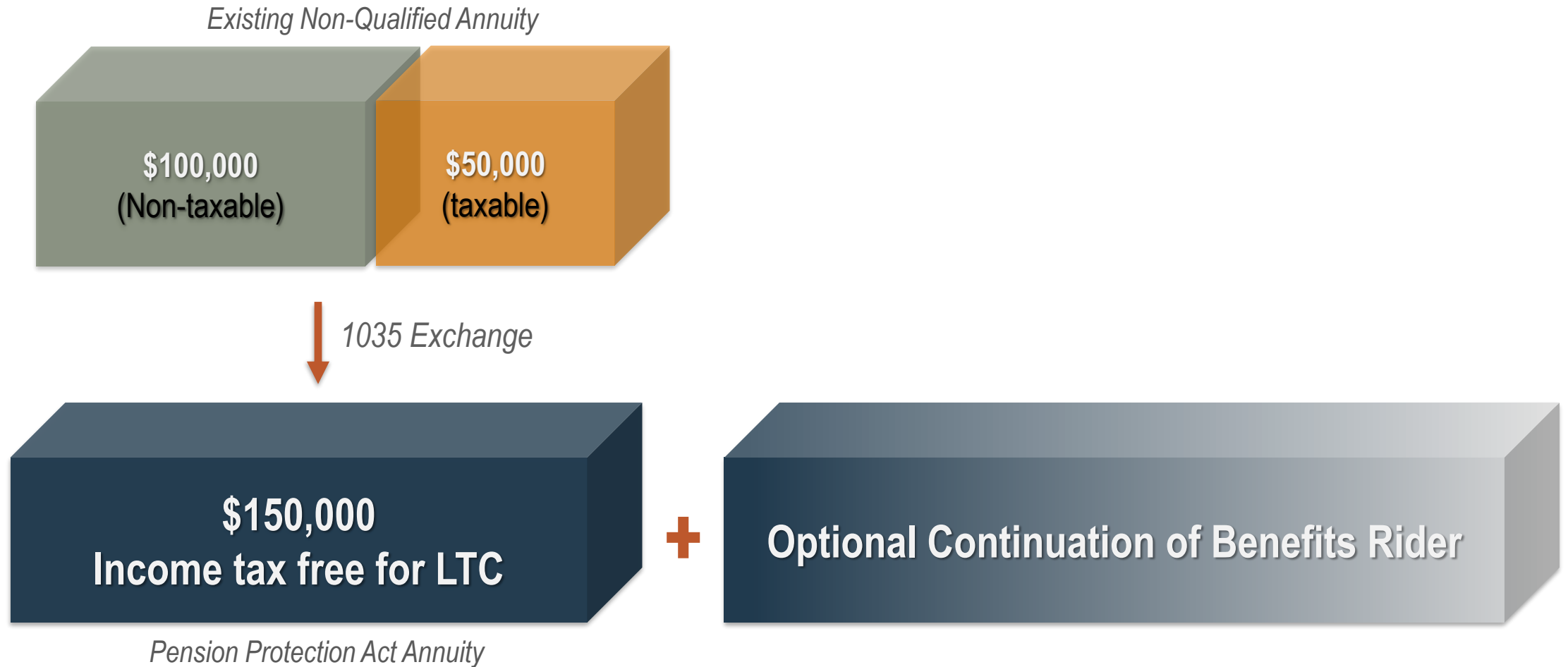
NQ Annuity

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.

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Pension Protection Act (PPA): “Tax-Deferred to Tax-Free for LTC”



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Annuity Care II example 4x Leverage

Hypothetical example
Female, age 69

8 yrs.
of LTC
Payout

\$200,000
Current annuity or cash

↓ 1035 Exchange



\$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.

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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*



Base Annuity Policy

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

Section B – Answer the following questions as they relate to the annuitant(s) and eligible person named above.

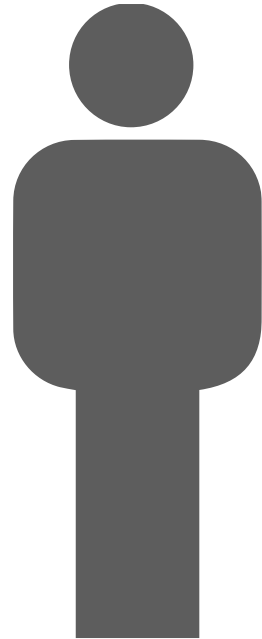
| | Yes | No |
|---|--------------------------|-------------------------------------|
| 5. Do you currently use any of these mechanical devices: wheelchair, walker, dialysis machine, oxygen equipment, respirator, stair lift, chair lift, or motorized scooter? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 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? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 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?..... | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 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? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 9. Are you currently receiving or have you ever received social security disability income benefits?..... | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Stop 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.

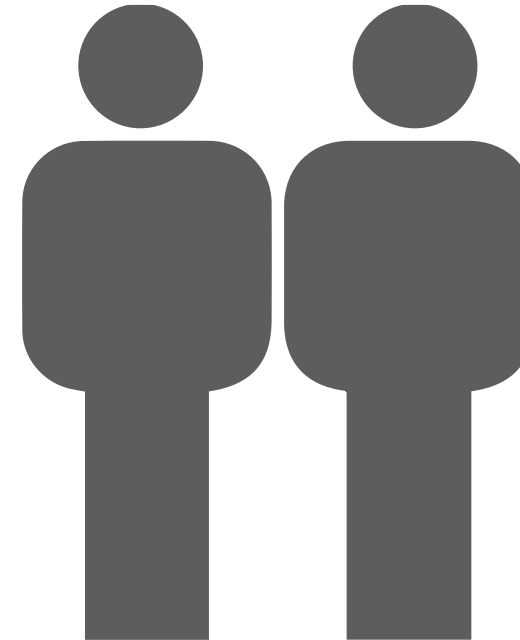
Eligible Person Provision or Joint Ownership

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

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

With this program, you will receive an **informal evaluation within 24 business hours**, without completing or submitting a full application to [OneAmerica Financial](https://www.oneamerica.com)

The image displays four pages of a Pre-Underwriting Inquiry (PUI) form. Page 1 (left) includes 'Client Information (REQUIRED)' with fields for gender, age, height, weight, and tobacco use, followed by 'Cardiac/Heart - Complete for All' and 'Atrial Fibrillation' sections. Page 2 (middle-left) covers 'Solid Organ, Leukemia, and Lymphoma Require Additional Details' with fields for tumor size, organ type, and PSA levels. Page 3 (middle-right) includes 'Breast Cancer', 'Prostate Cancer', and 'Diabetes' sections with various diagnostic and treatment details. Page 4 (right) features 'Diabetes', 'Hypertension', and 'Medications' sections, including fields for blood sugar, blood pressure, and a list of current medications.

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

Email to: CSPUI@ONEAMERICA.COM

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!

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OneAmericaSM Financial

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](#)

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Thank you for your business



Life Insurance

Retirement

Employee Benefits

Long-Term Care

[OneAmerica.com](https://www.OneAmerica.com)