

SERFF Tracking Number: AULD-126355365 State: Arkansas
Filing Company: State Life Insurance Company State Tracking Number: 43888
Company Tracking Number: I-21881
TOI: A02I Individual Annuities- Deferred Non- Sub-TOI: A02I.003 Single Premium
Variable
Product Name: Nest Egg Seminar
Project Name/Number: Nest Egg Seminar/I-21881

Filing at a Glance

Company: State Life Insurance Company

Product Name: Nest Egg Seminar

TOI: A02I Individual Annuities- Deferred Non-
Variable

Sub-TOI: A02I.003 Single Premium

Filing Type: Form

SERFF Tr Num: AULD-126355365 State: Arkansas

SERFF Status: Closed-Filed- State Tr Num: 43888
Closed

Co Tr Num: I-21881

State Status: Filed-Closed

Reviewer(s): Linda Bird

Author: Ann Smith

Disposition Date: 10/27/2009

Date Submitted: 10/23/2009

Disposition Status: Filed-Closed

Implementation Date:

Implementation Date Requested: On Approval

State Filing Description:

General Information

Project Name: Nest Egg Seminar

Project Number: I-21881

Requested Filing Mode: Review & Approval

Explanation for Combination/Other:

Submission Type: New Submission

Overall Rate Impact:

Filing Status Changed: 10/27/2009

Status of Filing in Domicile: Pending

Date Approved in Domicile:

Domicile Status Comments:

Market Type: Individual

Group Market Size:

Group Market Type:

Explanation for Other Group Market Type:

State Status Changed: 10/27/2009

Created By: Ann Smith

Corresponding Filing Tracking Number:

Deemer Date:

Submitted By: Ann Smith

Filing Description:

RE: The State Life Insurance Company

FEIN: 35-0684263 NAIC: 69116

Advertising Form:

I-21881 Nest Egg Seminar – Invitation to Inquire

The above referenced advertisement is being submitted for your review and approval. This form is new and does not replace any form currently in use by our company.

Our brokers will use this advertisement with prospective clients for State Life's annuity policies, form number SA34,

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(single premium fixed interest deferred annuity with long term care benefits) approved by your department on May 17, 2006, SERFF Number SERT-6NSL2A121 and rider form number R508 (Tax Qualified Endorsement), approved by your department on September 28, 2006, SERFF Number SERT-6TSLQU296; and

Asset-Care policy forms L301, R501 and SA31(whole life with long term care provisions) were approved by your department on March 8, 2006.

This advertising piece is not yet approved by our domiciliary state, Indiana.

State Life has reviewed the form and believes, to the best of its knowledge, the form is both consistent with the laws and regulations of your state and in compliance with those laws and regulations. The form contains no unusual or possibly controversial items deviating from normal company or industry standards.

Company and Contact

Filing Contact Information

Ann Smith, Sr. Contract Analyst Ann.Smith@oneamerica.com
 One American Square 317-285-4223 [Phone]
 Indianapolis, IN 46206

Filing Company Information

State Life Insurance Company CoCode: 69116 State of Domicile: Indiana
 One American Square Group Code: 619 Company Type:
 P.O. Box 406 Group Name: State ID Number:
 Indianapolis, IN 46206 FEIN Number: 35-0684263
 (877) 285-7660 ext. [Phone]

Filing Fees

Fee Required? Yes
 Fee Amount: \$25.00
 Retaliatory? No
 Fee Explanation:
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
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SERFF Tracking Number: AULD-126355365 State: Arkansas
Filing Company: State Life Insurance Company State Tracking Number: 43888
Company Tracking Number: I-21881
TOI: A021 Individual Annuities- Deferred Non- Sub-TOI: A021.003 Single Premium
Variable
Product Name: Nest Egg Seminar
Project Name/Number: Nest Egg Seminar/I-21881
State Life Insurance Company \$25.00 10/23/2009 31509733

SERFF Tracking Number: AULD-126355365 State: Arkansas
Filing Company: State Life Insurance Company State Tracking Number: 43888
Company Tracking Number: I-21881
TOI: A021 Individual Annuities- Deferred Non- Sub-TOI: A021.003 Single Premium
Variable
Product Name: Nest Egg Seminar
Project Name/Number: Nest Egg Seminar/I-21881

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed-Closed	Linda Bird	10/27/2009	10/27/2009

SERFF Tracking Number: AULD-126355365 *State:* Arkansas
Filing Company: State Life Insurance Company *State Tracking Number:* 43888
Company Tracking Number: I-21881
TOI: A021 Individual Annuities- Deferred Non- *Sub-TOI:* A021.003 Single Premium
Variable
Product Name: Nest Egg Seminar
Project Name/Number: Nest Egg Seminar/I-21881

Disposition

Disposition Date: 10/27/2009

Implementation Date:

Status: Filed-Closed

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: AULD-126355365 *State:* Arkansas
Filing Company: State Life Insurance Company *State Tracking Number:* 43888
Company Tracking Number: I-21881
TOI: A021 Individual Annuities- Deferred Non-Variable *Sub-TOI:* A021.003 Single Premium
Product Name: Nest Egg Seminar
Project Name/Number: Nest Egg Seminar/I-21881

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Flesch Certification		No
Supporting Document	Application		No
Supporting Document	Life & Annuity - Acturial Memo		No
Form	Nest Egg Seminar		No



Protecting Your Retirement Nest Egg

Not a deposit. Not FDIC Insured. Not guaranteed by any bank. Not insured by any Federal government agency. I-21881

Topics to be discussed

- New laws that impact retirement needs planning and long-term care planning
 - The Deficit Reduction Act
 - The Pension Protection Act
- Important retirement decisions
- Longevity planning
- Planning options

Recently passed legislation

- Encourages personal planning
- Reduces reliance on government programs
- Provides tax advantages to those that plan

The Deficit Reduction Act

- Signed into law February 8th, 2006
- Three major sets of provisions related to long-term care (LTC)
 - Changed Medicaid eligibility for LTC
 - Home equity exemption
 - Annuity treatment

Medicaid eligibility restrictions

- The Deficit Reduction Act (DRA) extends the look-back period for asset transfers from 3 to 5 years
 - Continues history of making restrictions longer and stronger
 - Tax Equity and Fiscal Responsibility Act (1982)—2 years
 - Medicare Catastrophic Coverage Act (1988)—2.5 years
 - Omnibus Budget Reconciliation Act (1993)—3 years

Medicaid eligibility restrictions

- The DRA tightens restrictions on asset transfers as well
 - Instead of the penalty period starting on the date of transfer, it now starts at the earliest date the transferor would have been Medicaid eligible
 - Result—a second penalty period may be assessed

Home equity exemption

- Another change is a Medicaid home equity exemption
- The DRA places a limit of \$500,000 on home equity (allows states at their option to increase to \$750,000)
 - New limit does not apply to situations where a spouse, minor, or disabled child still lives in home
 - This is the first time that a home equity limit has been used

Source: *Deficit Reduction Act of 2006: Implications For Medicaid*; The Kaiser Commission on Medicaid and the Uninsured; February, 2006.

Annuity treatment



- The DRA mitigates the attractiveness of annuities as a method to shelter funds and qualify for Medicaid
- Now, the state must be named as the beneficiary for annuities held by Medicaid recipients or their spouses
- Purchase of an annuity will now be a penalizable transfer of assets unless the state is listed as beneficiary
- “Medicaid friendly” income annuities such as those that offer balloon payments or payment deferral are now also treated as a penalizable asset transfer

Source: *Important Facts for State Policymakers, Deficit Reduction Act*; Centers for Medicare & Medicaid services, US Department of Health & Human Services; January 8, 2008.

Deficit Reduction Act summary



- It is a clear message from the federal government to encourage personal planning and limit access to already over-stretched government programs
- We all need to do our part

The Pension Protection Act



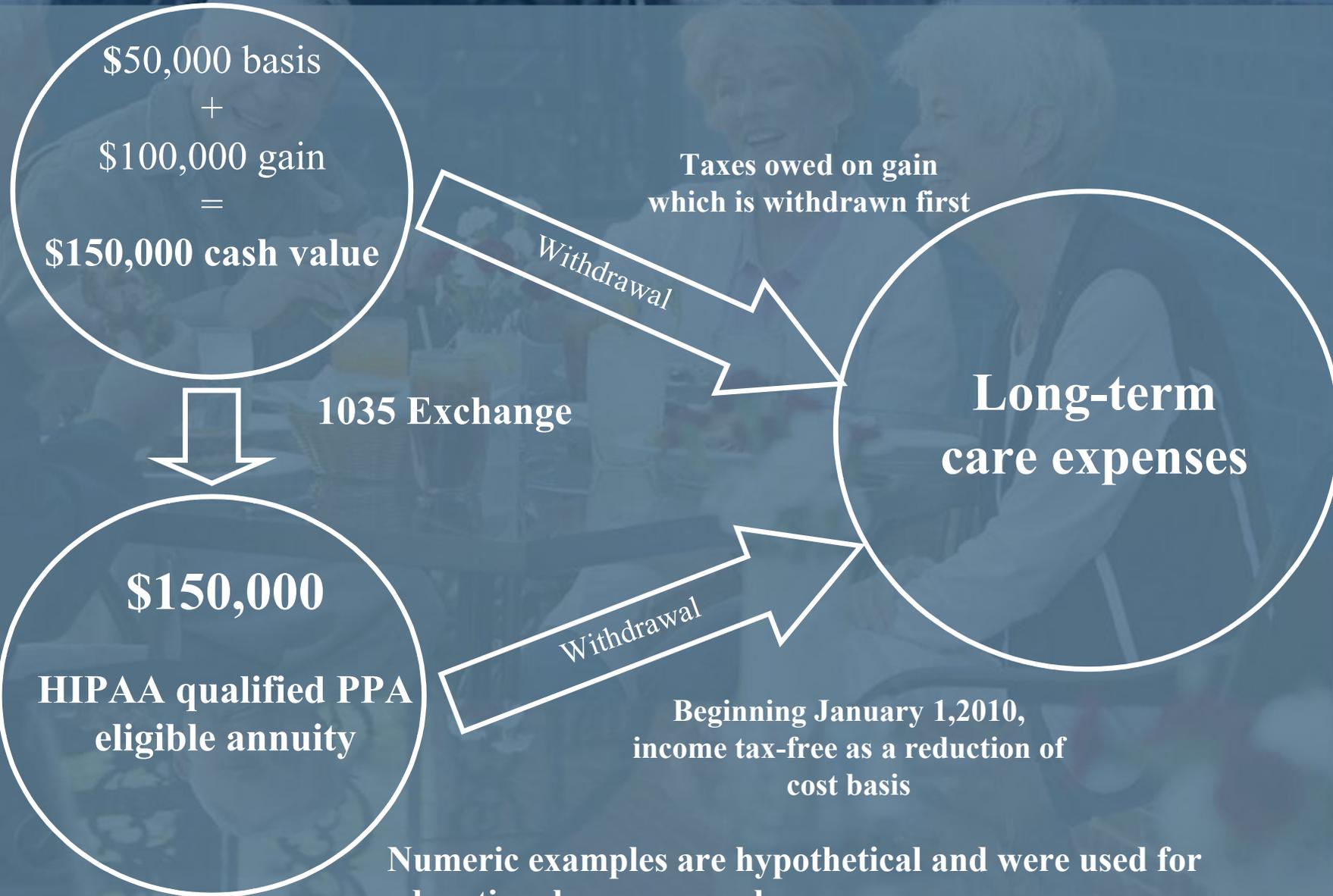
- Signed into law August 17th, 2006
- Section 844 of the act allows for certain annuities to be treated as tax-qualified long-term care insurance
 - Annuities funded with after-tax premium sources only
 - Must meet the guidelines set forth in the Health Insurance Portability and Accountability Act of 1996 (HIPAA).
 - HIPAA is the law that set standards for long-term care insurance benefits to be considered income tax-free

What this means



- Beginning January 1, 2010:
 - Cash value withdrawals from annuities that meet HIPAA standards and are used to pay for qualifying long-term care expenses are not income taxable as a reduction of cost basis
 - Any benefit payments from long-term care and extension of benefit riders are not considered taxable income
- Any withdrawals or claims prior to January 1st, 2010 will be subject to standard annuity taxation

Existing annuity (funded with after-tax dollars)



Numeric examples are hypothetical and were used for educational purposes only.

Pension Protection Act summary



- Now there are annuities that can be utilized for LTC expenses in a tax advantaged way
- Annuities exist today that meet PPA standards
 - Access to cash value for LTC expenses
 - Options to extend benefits beyond the annuity's value
 - The ability to provide coverage to both spouses from one policy
 - Care can be provided in a number of ways (home care, assisted living)

Important retirement decisions



- Providing sufficient income
- Estate planning—efficiently passing your assets to the next generation
- Protecting assets

Obstacles we all face



- Market downturns or poor earnings
- Outliving assets: planning to live to 85 and living to age 95
- Extended illness/care stay
 - Long-term care can not only threaten your assets but also your income.

Longevity



- Longevity means living a long life.
- As you get older, you may need care.
 - What are the chances?
 - According to the US Dept. of Health and Human Services website¹:
 - » About 70% of individuals over age 65 will require at least some type of long-term care services during their lifetime
 - » Over 40% will need care in a nursing home for some period of time
 - » Women need care for longer (on avg. 3.7 years) than do men (on avg. 2.2 years)
 - What's the impact upon your wealth?

¹US Dept of Health and Human Services, Oct. 22, 2008.

Planning for longevity

- You have multiple concerns:
 - Wealth transfer
 - Asset growth
 - Long-term care
- Solutions exist that can solve multiple concerns by utilizing assets you already own.

Asset-Care® I

Single-premium whole life insurance with LTC benefits



- Hypothetical Asset-Care example
 - Joint insureds
 - Joint equal age of 65 years
 - Current personal account of \$100,000
 - Taxable

As your personal situations change (i.e., marriage, birth of a child or job promotion), so will your life insurance needs. Care should be taken to ensure this product is suitable for your long-term life insurance needs. You should weigh any associated costs before making a purchase. Life insurance has fees and charges associated with it that include costs of insurance that vary with such characteristics of the insured as gender, health and age, and has additional charges for riders that customize a policy to fit your individual needs.

Asset-Care I example

Single-premium whole life insurance with LTC benefits

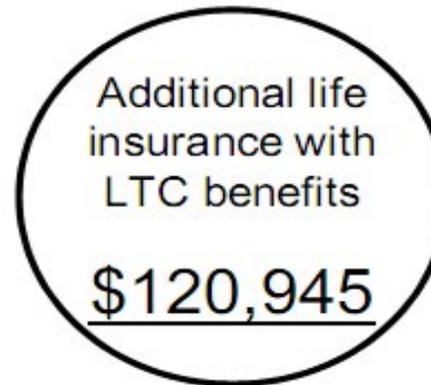
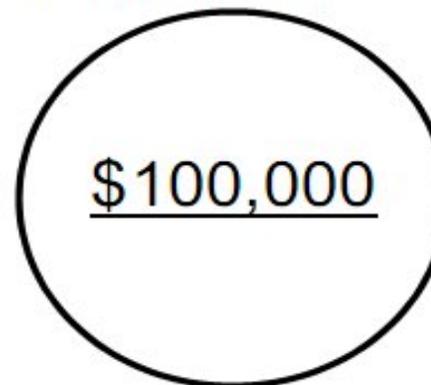


Current Account



Taxes
owed on
growth

Asset-Care
Premium



LTC benefit
monthly: \$4,419

Total long-term
care or death
benefit

\$220,945

No income tax

Numeric examples are
hypothetical and were used for
educational purposes only

LTC benefits paid reduce
the death benefit.

Asset-Care I

Single-premium whole life insurance with LTC benefits



- Asset-Care I features
 - Guaranteed:
 - Cash value accumulation at a minimum 4% interest rate
 - Death benefit
 - Long-term care benefits
 - Entire death benefit can be used to fund LTC
 - LTC benefits paid reduce death benefit
 - No income taxes payable on LTC or death benefit
 - Unused LTC benefits pass income tax-free as life insurance
- In scenario from previous slide, \$220,945 is actual benefit received from a \$100,000 single premium based upon a male and female with a joint equal age of 65, class 1 and non-smokers

Asset-Care I illustration

Single-premium whole life insurance with LTC benefits



End of Policy Year	Insureds' Joint Equal Age	Contract Premium	Cash Value Accumulation Fund	Cash Surrender Value*	Death/LTC Benefit Balance
1	66	\$100,000	\$94,096	\$100,000	\$220,945
2	67	\$0	\$97,781	\$100,000	\$220,945
3	68	\$0	\$101,551	\$100,000	\$220,945
4	69	\$0	\$105,400	\$100,000	\$220,945
5	70	\$0	\$109,324	\$101,671	\$220,945
10	75	\$0	\$129,639	\$127,695	\$220,945
15	80	\$0	\$149,898	\$149,898	\$220,945
20	85	\$0	\$167,797	\$167,797	\$220,945
25	90	\$0	\$181,431	\$181,431	\$220,945
30	95	\$0	\$191,687	\$191,687	\$220,945

*Guaranteed Return of Premium reflected in years where surrender value is less than premiums paid. Guarantees are subject to the claims paying ability of State Life.

Numeric examples are hypothetical and were used for educational purposes only.

Annuity Care[®]

Another solution



- **Annuity Care**
 - Uses structure of fixed-interest deferred annuity to provide LTC protection
 - Guaranteed minimum interest rate
 - Existing asset can be repositioned – no annual premiums required
- **Eligible for Pension Protection Act tax advantages**

A fixed annuity is a long-term, tax-deferred insurance contract designed for retirement. It allows you to create a fixed stream of income through a process called annuitization and also provides a fixed rate of return based on the terms of the contract. Fixed annuities have limitations. If you decide to take your money out early, you may face fees called surrender charges. Plus, if you're not yet 59 ½, you may also have to pay an additional 10% tax penalty on top of ordinary income taxes. You should also know that a fixed annuity contains guarantees and protections that are subject to the issuing insurance company's ability to pay for them.

Annuity Care



- Other features:
 - Earns tax-deferred interest each year
 - Provides funds to cover monthly LTC benefits
 - Optional lifetime LTC protection with guaranteed premiums
 - Benefits available to either or both spouses on one policy

How will you protect your assets?



- Cash
- Home
- Retirement
- Property
- Other



Questions? Thank you for attending!

**Not a deposit • Not FDIC insured • Not guaranteed by any bank •
Not insured by any federal government agency**

Asset-Care and Annuity Care are underwritten and issued by The State Life Insurance Company, a OneAmerica company, Indianapolis, Indiana. Policy Forms: *Asset-Care*: L301, SA31 and R501; *Annuity Care*: SA34, R508. Products not available in all states or may vary by state.

State Life does not provide tax or legal advice. Please consult with an attorney or tax advisor.

Guarantees subject to the claims paying ability of The State Life Insurance Company.

LIFE INSURANCE | RETIREMENT | EMPLOYEE BENEFITS

The companies of ONEAMERICA®:

AMERICAN UNITED LIFE INSURANCE COMPANY®

AUL REINSURANCE MANAGEMENT SERVICES, LLC

ONEAMERICA SECURITIES, INC.

PIONEER MUTUAL LIFE INSURANCE COMPANY

A stock subsidiary of American United Mutual Insurance Holding Company

R.E. MOULTON, INC.

THE STATE LIFE INSURANCE COMPANY

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Supporting Document Schedules

	Item Status:	Status Date:
Satisfied - Item: Flesch Certification		
Comments:		
Attachment: ARactcert.pdf		

	Item Status:	Status Date:
Bypassed - Item: Application		
Bypass Reason: We believe the application is not applicable to this advertising filing.		
Comments:		

STATE OF ARKANSAS

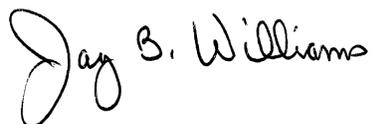
CERTIFICATION

CARRIER: THE STATE LIFE INSURANCE COMPANY

SUBMISSION: _____
I-21881

DATE: _____
October 23, 2009

I hereby certify that to the best of my knowledge and belief the above submission conforms to Arkansas Regulation 19 § 10B.



Jay B. Williams
Name

Vice President, Corporate Compliance
Title