

SERFF Tracking Number: AULD-126197601 State: Arkansas  
 Filing Company: State Life Insurance Company State Tracking Number: 42732  
 Company Tracking Number: I-21688  
 TOI: A02I Individual Annuities- Deferred Non- Sub-TOI: A02I.003 Single Premium  
 Variable  
 Product Name: Annuity Care II Brochure  
 Project Name/Number: Annuity Care II Brochure/I-21688

## Filing at a Glance

Company: State Life Insurance Company

Product Name: Annuity Care II Brochure

TOI: A02I Individual Annuities- Deferred Non-  
Variable

Sub-TOI: A02I.003 Single Premium

Filing Type: Form

SERFF Tr Num: AULD-126197601 State: Arkansas

SERFF Status: Closed-Filed- State Tr Num: 42732  
Closed

Co Tr Num: I-21688

State Status: Filed-Closed

Reviewer(s): Linda Bird

Author: Ann Smith

Disposition Date: 06/24/2009

Date Submitted: 06/22/2009

Disposition Status: Filed-Closed

Implementation Date:

Implementation Date Requested: On Approval

State Filing Description:

## General Information

Project Name: Annuity Care II Brochure

Project Number: I-21688

Requested Filing Mode: Review & Approval

Explanation for Combination/Other:

Submission Type: New Submission

Overall Rate Impact:

Filing Status Changed: 06/24/2009

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: 06/24/2009

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 Forms:

I-21688 Annuity Care II Brochure

I-21674 Annuity Care II Worksheet

The above referenced advertisements are being submitted for your review and approval. These forms are new and do not replace any form currently in use by our company.

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Our brokers will use these advertisements with prospective clients for State Life's annuity policy, form number SA35, (single premium fixed interest deferred annuity with long-term care benefits) approved by your department on May 6, 2009, SERFF Number AULD-126125411.

These advertising pieces are not yet approved by our domiciliary state, Indiana.

State Life has reviewed the forms and believes, to the best of its knowledge, the forms are both consistent with the laws and regulations of your state and in compliance with those laws and regulations. The forms contain 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]

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## Filing Fees

Fee Required? Yes  
 Fee Amount: \$50.00  
 Retaliatory? No  
 Fee Explanation: \$25.00 per advertisement X 2 = \$50.00  
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
State Life Insurance Company	\$50.00	06/22/2009	28723268

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Filed-Closed	Linda Bird	06/24/2009	06/24/2009

*SERFF Tracking Number:* AULD-126197601      *State:* Arkansas  
*Filing Company:* State Life Insurance Company      *State Tracking Number:* 42732  
*Company Tracking Number:* I-21688  
*TOI:* A021 Individual Annuities- Deferred Non-      *Sub-TOI:* A021.003 Single Premium  
Variable  
*Product Name:* Annuity Care II Brochure  
*Project Name/Number:* Annuity Care II Brochure/I-21688

## **Disposition**

Disposition Date: 06/24/2009

Implementation Date:

Status: Filed-Closed

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: AULD-126197601 State: Arkansas  
 Filing Company: State Life Insurance Company State Tracking Number: 42732  
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Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Flesch Certification		Yes
Supporting Document	Application		No
Supporting Document	Life & Annuity - Acturial Memo		No
Supporting Document	Filing Fee		Yes
Form	Annuity Care II Brochure		Yes
Form	Annuity Care II Worksheet		Yes





# *Annuity Care<sup>®</sup> II*

*Products and financial services provided by*  
THE STATE LIFE INSURANCE COMPANY | *a ONEAMERICA<sup>®</sup> company*

# *A fixed interest, deferred annuity that offers more*

Benjamin Franklin famously said, “A penny saved is a penny earned.”

But Ben can’t give us wisdom today when it comes to the money we have saved. Obviously, one focus is simply having enough money to live on. At the same time, we need to have enough set aside should something happen to our health toward the end of our life.

For those who successfully saved and are meeting their income needs, now may be the right time to look at places to put those “just in case” dollars.

There are guaranteed interest rate products that combine the solid elements of fixed interest deferred annuities with the protective elements for end of life care. This end of life care is also known as long-term care (LTC) benefits, but understand that the phrase “long-term care” can describe care in your home, in an assisted living facility, or other places besides a long-term care facility. It means you have options for the type of care you may receive.

These annuities offer the opportunity to use a single premium, meaning a one-time payment can allow you to pay for protection and grow an asset simultaneously. One of these annuities is Annuity Care® II from The State Life Insurance Company.

## **How it works**

Annuity Care II is a single premium fixed interest deferred annuity that combines long-term asset growth and LTC benefits. This protection is built-in to the annuity, providing a combination of the annuity value and additional long-term care benefits should you need them.

The way it works, your single premium grows as the Accumulated Value (AV) with a guaranteed minimum interest rate. It is this value that passes to your heirs at death (if you never need it for end of life care).

At the same time, your premium grows at a second, higher interest rate for the Long-Term Care Accumulated Value (LTC AV), the amount you would receive should you have qualified LTC expenses.

Annuity Care II also allows you to extend the value of this protection beyond your annuity’s LTC AV by automatically including a Continuation of Benefits (COB) Balance. This provision will continue benefits of qualified LTC expenses under the contract. The COB becomes effective after the LTC AV has been reduced to zero (0) due to LTC withdrawals. This additional protection is purchased through a charge deducted monthly from your values.

Annuity Care® II, a single-premium deferred annuity with LTC benefits, is medically underwritten and requires that you qualify for coverage. To learn how this policy can work for your situation, ask your insurance representative for a personalized illustration and an Outline of Coverage.



**A hypothetical example of how Annuity Care II can work**

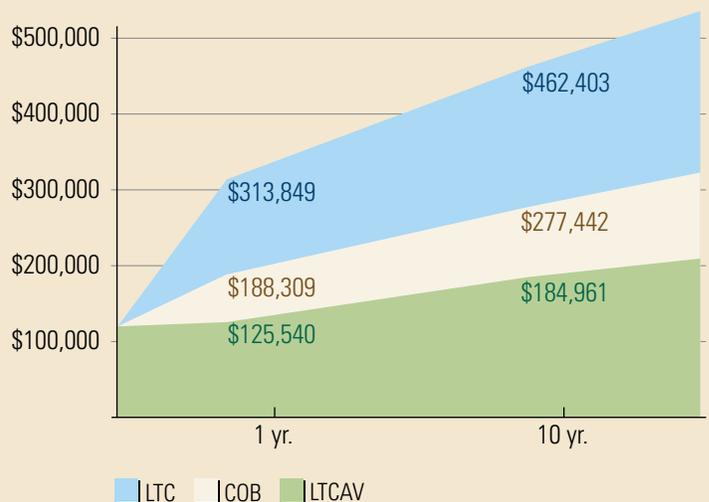
Mary Johnson is a 65-year-old who has \$120,000 accumulated in savings for which she has no income needs. She elects to apply for Annuity Care II and pays this amount into the contract. Her premium creates a pool of total LTC benefits equaling \$313,849. Based on a minimum of 60 months of total protection available to her, she could access this amount for a monthly benefit of \$5,231. So, using this example, Mary has \$125,540 in her LTCNAV and \$188,309 in her COB Balance at the end of the first policy year.

As the Long-Term Care Accumulated Value increases, so does the Continuation of Benefits Balance. So by year 10, in our example, the LTCNAV equals \$184,961 and the COB Balance is \$277,442, giving Mary a total amount of \$462,403 available for qualifying LTC expenses. She could access this amount for a monthly benefit of \$7,706.

All values in this hypothetical example assume a non-guaranteed interest rate of 6%. These values assume that no partial surrenders or LTC withdrawals are made.

**Mary Johnson's available LTC funds**

*based on \$120,000 premium*



### Tax advantages

Annuity Care II provides an effective way to protect your assets from the potential expenses associated with end of life care. And, it also does so in very tax-efficient ways!

- Long-term care benefit payments from the LTCAV are income tax-free as a reduction of basis
- Long-term care benefit payments from the COB Balance are income tax-free<sup>2</sup>
- The monthly charge to pay for the COB Balance is income tax-free as a reduction of basis in the LTCAV

These tax guidelines apply for federal income tax years beginning after December 31, 2009. Any long-term care payment made prior to January 1, 2010, may be considered taxable to the policy owner to the extent of any gain in the contract.

### Who should consider Annuity Care II?

Annuity Care II is medically underwritten, meaning you should be in fair or better health to apply. Available from ages 40 to 80, it can be purchased with one insured (annuitant) or two — so it is available for single people or for spouses (covering both on one policy). The minimum single premium is \$10,000, but you should evaluate what premium is appropriate for your needs.

### Your choices

The money you have accumulated in the LTCAV would last a minimum of 24 months for a single person and 30 months for two people. After that, you have access to the COB Balance. Based on your age and the decision you make at the time of application, the COB Balance could last an additional:

- 3 years (available ages 40 to 80)
- 6 years (available ages 40 to 75)
- 9 years (available ages 40 to 70)

In our hypothetical example, Mary Johnson would have two years of benefits from her LTCAV, then another three years from the COB Balance, for a total of five years' coverage. Obviously, the longer the COB period selected, the higher the monthly charge you pay. There is a 90-day elimination period before benefits begin.

Another choice you have is to have the qualifying benefits paid to you on a reimbursement basis (only collecting what you submit in bills each month) or on an indemnity basis (where you collect the full monthly benefit available regardless of the amount of bills you submit). The indemnity approach means more potential liquidity, but also a higher monthly charge. Reimbursement may allow benefits to be paid over a larger period of time when compared to indemnity (if the monthly benefit amount is not used in full).

Finally, at the time of application you may select an optional inflation protection benefit. This would guarantee your COB Balance growth at 5% compound interest each year, and is available with a separate single premium.

Annuity Care II is available from ages 40 to 80, and can be purchased with one or two insureds (annuitants).

**Notes:** 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 are not yet 59½, you may also have to pay an additional ten percent 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.

All individuals used in all scenarios are fictitious and all numeric examples are hypothetical and were used for example purposes only.



**If you need your money**

For qualified LTC, there are no surrender charges assessed to your LTC withdrawal at any time.

Surrender charges are waived on partial surrenders up to 10 percent of your AV (as of the beginning of the contract year) after the first contract year. Any partial surrender that exceeds the 10 percent free partial surrender amount will be subject to a surrender charge in the first nine contract years. Partial surrenders will reduce the AV as well as reducing the LTC AV and COB Balance on a proportional basis, meaning these reductions may be significantly larger than the amount of the partial surrender.

Upon full surrender of the contract, the AV will be reduced by the following surrender charge percentage based on the contract year in which the full surrender occurs:

Contract year	Charge
1	9%
2	8%
3	7%
4	6%
5	5%
6	4%
7	3%
8	2%
9	1%
10 and thereafter	0%

If you never need long-term care benefits from your contract, then your Accumulated Value would pass to your named beneficiaries, free of surrender charges. So, the money you have set aside works for you... if you use it for qualified LTC expenses, or not.

**Why Annuity Care II?**

You may have seen other options for dealing with long-term care expenses, where you pay a premium, month after month, year after year. All the while hoping you never have to use what you bought. And, knowing there is minimal (or no) value if you do not use it.

Annuity Care II could be the answer for your needs. It can allow you to reallocate existing assets — in savings, investments, or other annuities — on a single premium basis. Your money grows with a guaranteed minimum interest rate. It remains your money, and is available to pay for any qualifying LTC expenses you may have.

Ben Franklin also said, “An investment in knowledge pays the best interest.”

Discuss Annuity Care II with your insurance representative. Ask for a personalized illustration and an Outline of Coverage. Learn more so you can make an informed decision.



## *It's time to plan for tomorrow... today.*

**Note:** Underwritten and issued by The State Life Insurance Company, Annuity Care II is a single premium fixed interest deferred annuity that combines long-term asset growth and long-term care benefits. Policy form SA35 may not be available in all states or may vary by state. The information provided does not constitute legal, accounting, tax or other professional advice. If legal or tax advice is required, the services of a competent professional in these areas should be sought.

### **About State Life**

The State Life Insurance Company, a OneAmerica® company, is focused on providing asset-based long-term care solutions. State Life is a recognized leader in providing these solutions, which utilize life insurance, fixed-interest deferred and immediate annuities. The company's extensive Care Solutions portfolio of products helps consumers build a secure future by creating, leveraging and protecting their assets.

### **About OneAmerica**

OneAmerica Financial Partners, Inc., is headquartered in Indianapolis, IN. The companies of OneAmerica® can trace their solid foundations back more than 130 years in the insurance and financial services marketplace.

OneAmerica's nationwide network of companies offers a variety of products to serve the financial needs of their policyholders and other clients. These products include retirement plans, products and services; individual life insurance, annuities, long-term care solutions and employee benefits. The goal of OneAmerica is to blend the strengths of each company to achieve greater collective results.

The products of the OneAmerica companies are distributed through a network of employees, agents, brokers and other distribution sources that are committed to increasing value to our policyholders by helping them plan to meet their financial goals.

We deliver on our promises when customers need us most.



*The State Life Insurance Company  
a ONEAMERICA® company  
P.O. Box 406  
Indianapolis, IN 46206  
(317) 285-2300  
[www.oneamerica.com](http://www.oneamerica.com)*

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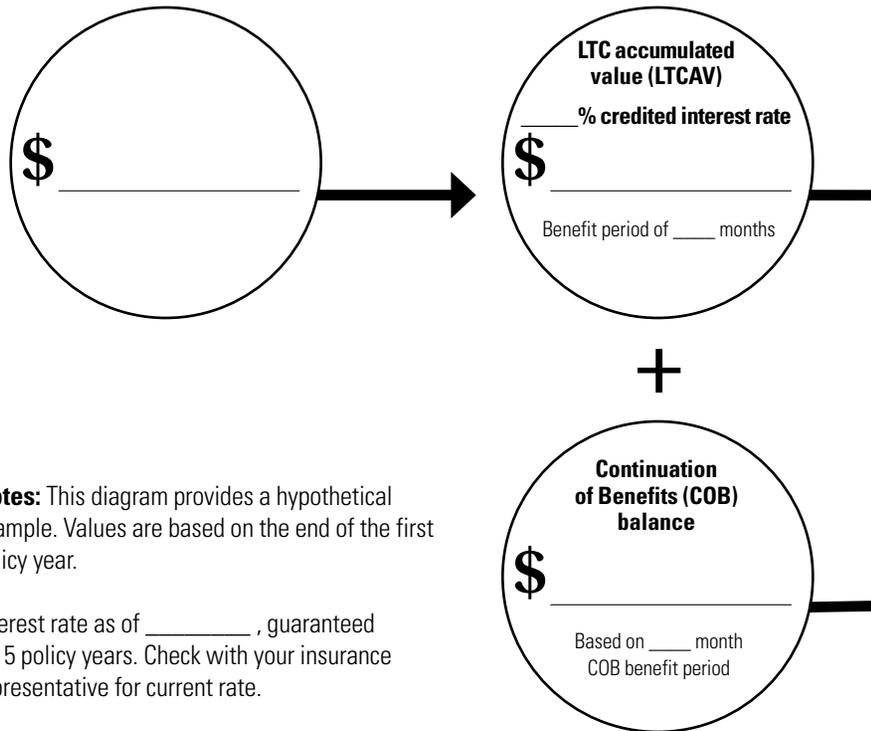
**Not a deposit. Not FDIC insured. Not guaranteed by any bank.  
Not insured by any Federal government agency.**

# Annuity Care<sup>®</sup> II

**Proposed premium**

**Long-term care (LTC) benefit**

**Benefit explanation**



- Available on joint or single annuitant basis
- Simplified underwriting
- LTC benefit paid first from LTC AV, then from COB balance
- Qualifying LTC benefits are received income tax-free after January 1, 2010
- You may select to have qualifying benefits paid on a reimbursement or an indemnity basis.

**Total LTC benefits**

Monthly LTC benefit: \$ \_\_\_\_\_  
 LTC benefits are subject to a monthly maximum per insured.

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**Notes:** Issued and underwritten by The State Life Insurance Company, Indianapolis, Indiana. Annuity Care II is a single premium deferred annuity that combines long-term asset growth and long-term care (LTC) protection. Policy Form SA35 is not available in all states or may vary by state.

Surrender charges apply to the accumulated value for full surrenders in the first nine years.

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

**Notes:** This diagram provides a hypothetical example. Values are based on the end of the first policy year.

Interest rate as of \_\_\_\_\_, guaranteed for 5 policy years. Check with your insurance representative for current rate.

LTC benefits begin after a 90-day elimination period; please review a policy illustration and Outline of Coverage describing benefits, surrender charges, exclusions and limitations.

Accumulated value is paid at death, surrender, or at annuitization and earns a minimum interest rate of [3%].

**Not a deposit. Not FDIC insured. Not guaranteed by any bank. Not insured by any Federal government agency.**

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Products and financial services provided by  
**THE STATE LIFE INSURANCE COMPANY** | a ONEAMERICA<sup>®</sup> company

P.O. Box 406 | Indianapolis, IN 46206 | (317) 285-2300 | www.oneamerica.com

<i>SERFF Tracking Number:</i>	<i>AULD-126197601</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>State Life Insurance Company</i>	<i>State Tracking Number:</i>	<i>42732</i>
<i>Company Tracking Number:</i>	<i>I-21688</i>		
<i>TOI:</i>	<i>A02I Individual Annuities- Deferred Non-Variable</i>	<i>Sub-TOI:</i>	<i>A02I.003 Single Premium</i>
<i>Product Name:</i>	<i>Annuity Care II Brochure</i>		
<i>Project Name/Number:</i>	<i>Annuity Care II Brochure/I-21688</i>		

## Supporting Document Schedules

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> Flesch Certification		
<b>Comments:</b>		
<b>Attachment:</b> ARactcert.pdf		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Bypassed - Item:</b> Application		
<b>Bypass Reason:</b> We believe the application is not applicable to this advertisement filing.		
<b>Comments:</b>		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Bypassed - Item:</b> Life & Annuity - Acturial Memo		
<b>Bypass Reason:</b> We believe an actuarial memo is not applicable to this advertising filing.		
<b>Comments:</b>		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> Filing Fee		
<b>Comments:</b>		
<b>Attachment:</b> AR Filing Fees.STL.pdf		

**STATE OF ARKANSAS**

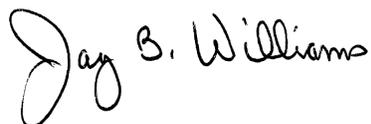
**CERTIFICATION**

CARRIER: THE STATE LIFE INSURANCE COMPANY

SUBMISSION: \_\_\_\_\_  
I-21688 & I-21674

DATE: \_\_\_\_\_  
June 19, 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

ARKANSAS DEPARTMENT OF INSURANCE  
FILING CERTIFICATE

I-21688

Company Name: The State Life Insurance Company  
Company NAIC: 69116  
Company Contact Person: Ann Smith

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Insurance Department Use Only

Analyst:

Amount:

Route Slip:

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ALL FEES ARE PER EACH INSURER, PER ANNUAL STATEMENT  
LINE OF BUSINESS, UNLESS OTHERWISE INDICATED.

FEE SCHEDULE FOR ADMITTED INSURERS

Rate/Form Filings

Life and/or Disability policy form filing and review, per  
each policy, contract, annuity form, per each insurer, per  
each filing. \_\_\_\_\_ x \$50= \_\_\_\_\_

Life and/or Disability - Filing and review of each rate  
filing or loss ratio guarantee filing, per each insurer. \_\_\_\_\_ x \$50= \_\_\_\_\_

Life and/or Disability Policy, Contract or Annuity Forms:  
Filing and review of each certificate, rider, endorsement or  
application if each is filed separately from the basic form. \_\_\_\_\_ x \$20= \_\_\_\_\_

Policy and contract forms, all lines, filing corrections in  
previously filed policy and contract forms. \_\_\_\_\_ x \$20= \_\_\_\_\_

Life and/or Disability: Filing and review of Insurer's  
advertising per each insurer. 2 x \$25= \$50.00

Amend Certificate of Authority

Review and processing of information to amend an Insurer's  
Certificate of Authority. \_\_\_\_\_ x \$400= \_\_\_\_\_

Filing to amend Certificate of Authority. \_\_\_\_\_ x \$100= \_\_\_\_\_