

<i>SERFF Tracking Number:</i>	<i>AULD-126462403</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>State Life Insurance Company</i>	<i>State Tracking Number:</i>	<i>44645</i>
<i>Company Tracking Number:</i>	<i>I-22116</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 PPA Case Study</i>		
<i>Project Name/Number:</i>	<i>Annuity Care II PPA Case Study/I-22116</i>		

## Filing at a Glance

Company: State Life Insurance Company	SERFF Tr Num: AULD-126462403	State: Arkansas
Product Name: Annuity Care II PPA Case Study		
TOI: A02I Individual Annuities- Deferred Non-Variable	SERFF Status: Closed-Filed-Closed	State Tr Num: 44645
Sub-TOI: A02I.003 Single Premium	Co Tr Num: I-22116	State Status: Filed-Closed
Filing Type: Form	Author: Ann Smith	Reviewer(s): Linda Bird
	Date Submitted: 01/21/2010	Disposition Date: 01/25/2010
Implementation Date Requested: On Approval		Disposition Status: Filed-Closed
State Filing Description:		Implementation Date:

## General Information

Project Name: Annuity Care II PPA Case Study	Status of Filing in Domicile: Pending
Project Number: I-22116	Date Approved in Domicile:
Requested Filing Mode: Review & Approval	Domicile Status Comments:
Explanation for Combination/Other:	Market Type: Individual
Submission Type: New Submission	Group Market Size:
Overall Rate Impact:	Group Market Type:
Filing Status Changed: 01/25/2010	Explanation for Other Group Market Type:
	State Status Changed: 01/25/2010
Deemer Date:	Created By: Ann Smith
Submitted By: Ann Smith	Corresponding Filing Tracking Number:
Filing Description:	
RE: The State Life Insurance Company	
FEIN: 35-0684263 NAIC: 69116	
Advertising Form:	
I-22116 Annuity Care II PPA Case Study – 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.

SERFF Tracking Number: AULD-126462403 State: Arkansas  
 Filing Company: State Life Insurance Company State Tracking Number: 44645  
 Company Tracking Number: I-22116  
 TOI: A02I Individual Annuities- Deferred Non- Sub-TOI: A02I.003 Single Premium  
 Variable  
 Product Name: Annuity Care II PPA Case Study  
 Project Name/Number: Annuity Care II PPA Case Study/I-22116

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

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 #
State Life Insurance Company	\$25.00	01/21/2010	33684714

SERFF Tracking Number: AULD-126462403 State: Arkansas  
Filing Company: State Life Insurance Company State Tracking Number: 44645  
Company Tracking Number: I-22116  
TOI: A02I Individual Annuities- Deferred Non- Sub-TOI: A02I.003 Single Premium  
Variable  
Product Name: Annuity Care II PPA Case Study  
Project Name/Number: Annuity Care II PPA Case Study/I-22116

## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Filed-Closed	Linda Bird	01/25/2010	01/25/2010

*SERFF Tracking Number:* AULD-126462403      *State:* Arkansas  
*Filing Company:* State Life Insurance Company      *State Tracking Number:* 44645  
*Company Tracking Number:* I-22116  
*TOI:* A02I Individual Annuities- Deferred Non-      *Sub-TOI:* A02I.003 Single Premium  
Variable  
*Product Name:* Annuity Care II PPA Case Study  
*Project Name/Number:* Annuity Care II PPA Case Study/I-22116

## **Disposition**

Disposition Date: 01/25/2010

Implementation Date:

Status: Filed-Closed

Comment:

Rate data does NOT apply to filing.

*SERFF Tracking Number:* AULD-126462403      *State:* Arkansas  
*Filing Company:* State Life Insurance Company      *State Tracking Number:* 44645  
*Company Tracking Number:* I-22116  
*TOI:* A02I Individual Annuities- Deferred Non-Variable      *Sub-TOI:* A02I.003 Single Premium  
*Product Name:* Annuity Care II PPA Case Study  
*Project Name/Number:* Annuity Care II PPA Case Study/I-22116

<b>Schedule</b>	<b>Schedule Item</b>	<b>Schedule Item Status</b>	<b>Public Access</b>
<b>Supporting Document</b>	Flesch Certification		Yes
<b>Supporting Document</b>	Application		No
<b>Supporting Document</b>	Life & Annuity - Acturial Memo		No
<b>Form</b>	Annuity Care II PPA Case Study		Yes



# Benefitting from the Pension Protection Act with Annuity Care<sup>®</sup> II

## Case study example

**Hypothetical client:** Edward Beck, age 67

**Status:** Married to wife Denise, age 65

**Situation:** Edward is the owner/annuitant of a non-qualified single premium deferred annuity out of its surrender charge schedule. The current cash value is \$100,000 with a cost basis of \$60,000. The annuity has not been used for income, and based upon current cash flow projections, will not be required for income in the future. Edward and Denise currently have no long-term care coverage, but have identified this annuity as a funding source should expenses be incurred.

### Option 1: Keep the annuity where it is

#### Pros

- No surrender charges apply for withdrawals

#### Cons

- Withdrawals for any purpose are taxable to extent of gain in contract
- No benefits for long-term care beyond the current cash value

### Option 2: Move to Annuity Care II

#### Pros

- Can withdraw money surrender charge free for qualifying long-term care expenses (subject to monthly limits)
- Using the Eligible Person provisions, Denise can be added to the policy and made eligible for long-term care benefits
- Money withdrawn for qualifying long-term care expenses is income tax-free thanks to the provisions of the Pension Protection Act
- Benefits available beyond the exhaustion of the cash value
- 3, 6 or 9 additional years of coverage available (depending upon applicant age) and paid with convenient deductions from the annuity value

#### Cons

- New contract with a new surrender charge schedule
- Have to be in good or fair health to qualify (medically underwritten)

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



© 2010 OneAmerica Financial Partners, Inc. All rights reserved.

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](http://www.oneamerica.com)

**Example 1: A short long-term care need**

What if Edward or Denise had a \$3,000 per month long-term care need for a period of six months? How would this impact:

**1. Their existing annuity**

Any amount of money withdrawn from the existing annuity, regardless of purpose, would be taxable to the extent of gain in the contract. Since they have gain of more than \$18,000, the entire amount withdrawn for long-term care expenses would be taxable.

**2. Annuity Care II**

If the long-term care expenses are eligible for benefits under the Annuity Care II contract, it could be withdrawn without having to pay taxes on the \$18,000. This and any future long-term care withdrawals would not be subject to taxation.

**Example 2: A multi-year long-term care need**

What if Edward or Denise had a \$3,000 per month long-term care need for a period of five years? How would this impact:

**1. Their existing annuity**

A five-year long-term care need at \$3,000 per month would total \$180,000. This means that after exhaustion of the annuity, Edward and Denise would have to look to other assets to continue paying the long-term care expenses. In addition, any amount of money that is withdrawn from the existing annuity, regardless of purpose, would be taxable to the extent of gain in the contract. With a cost basis of \$60,000, Edward and Denise would incur \$40,000 of taxable income.

**2. Annuity Care II**

With a built-in Continuation of Benefits, Annuity Care II can continue to provide long-term care benefits after the annuity value is exhausted. Edward and Denise would not need to liquidate other assets to pay for care expenses. In addition, the expenses eligible for benefits under the Annuity Care II contract can be withdrawn without having to pay taxes, regardless of cost basis.

It is always important to review your overall financial picture before reallocating existing assets. However, if you have an old annuity this is not accessible for long-term care expenses, or cannot provide you with tax-advantaged access to your money for those expenses, it could be time to ask your insurance representative about Annuity Care II from The State Life Insurance Company.

**Notes:** Edward and Denise are fictitious and not the individuals in the picture. The specifics of all cases are hypothetical and were used for illustration purposes only. Annuity Care II is a single premium deferred annuity, medically underwritten and issued by The State Life Insurance Company, Indianapolis, IN. Policy Form series SA35. Product not available in all states or may vary by state.

Please review a policy illustration and Outline of Coverage describing benefits, limitations and exclusions. Surrender charges may apply to partial surrenders that exceed the contract's annual free withdrawal provision, excluding long-term care withdrawals up to monthly maximum. An Eligible person is an individual named by the contract owner, in addition to the annuitant, for whose expenses the owner may request long-term care withdrawals. Only the owner has the right to request long-term care withdrawals.

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.

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

© 2010 OneAmerica Financial Partners, Inc. All rights reserved.

*Products and financial services provided by*

**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)



**STATE OF ARKANSAS**

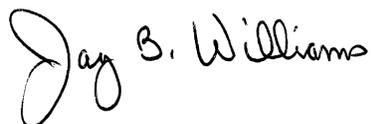
**CERTIFICATION**

CARRIER: THE STATE LIFE INSURANCE COMPANY

SUBMISSION: \_\_\_\_\_  
I-22116

DATE: \_\_\_\_\_  
January 20, 2010

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