



Good Morning Agents & Advisors,

I wanted to make sure you're all well aware of some upcoming changes to our Asset Care Single Premium and Annuity Funding Whole Life (Qualified Money) solutions, in the event any of you didn't receive the corporate announcement last week. I've included the official announcement below.

#### **THE TWO CHANGES BEING IMPLEMENTED:**

- 1. Single Premium Asset Care:** The first is a pricing adjustment to the base life insurance portion of the contract and is **ONLY** on our cash/cash equivalent single premium funded Asset Care . There are no pricing adjustments being made to the COB rider or the inflation options. It's important to know that this pricing adjustment is only on the Single Premium solution and isn't applicable to the recurring premium Asset Care or the Annuity Funding Whole life Asset Care.
- 1. Annuity Funding Whole Life Asset Care (Qualified Money approach):** The second change is a reduction to the bonus on our "Annuity Funding Whole Life" Asset Care strategy (used when funding with lump sum qualified dollars or to convert a individual life contract into a joint Asset Care). Currently there is a 20% bonus applied to the funds transferred in and that will be reduced to a 10% bonus.

#### **Very Important:**

To hold current pricing on our single premium funded Asset Care (cash or 1035 life policy) and/or the 20% bonus on our Annuity Funding Whole Life Asset Care (qualified dollar strategy), **all applications must be received in our home office**

**by 5pm EST on Friday, September 24<sup>th</sup>.** I've attached a PDF on the transition rules as well as the official announcement below!

Finally, many of you are likely aware of the "WA Cares" LTC Trust Tax that's transpiring in Washington State. You may also know that we were one of the last major carriers left standing until we too finally temporarily suspended sales of our hybrid LTC solutions in WA effective August 14<sup>th</sup>. Unlike many carriers who only provided a few hours' notice, we provided a 4 day notice which resulted in an enormous amount of submitted applications as you can imagine. This has certainly caused processing delays as we work to get this massive influx of business entered in the system and through the pipe. My hope in stating this is that it might help you to set realistic expectations with your clients. I truly believe it can actually work to everyone's advantage as these delays are not only a result of but also draw attention to the fact we now have the first state to implement an LTC tax on those who don't own private LTC insurance, which only helps to reaffirm the importance of addressing the extended care risk!

Please don't hesitate to reach out to myself or Nick with any questions or requests, thank you all for your business and your partnership!!

Official Communication is below:

## Updates and changes to our Asset Care® portfolio

OneAmerica® is committed to the long-term care (LTC) market and to offering products that bring value to both the agents and clients we serve together. To help ensure the longevity of our Care Solutions product portfolio and confidently continue to keep our promises to you and your clients, we must continually monitor market conditions, practices, pricing and features and make adjustments as needed. Below is information on upcoming changes to be aware of:

### **Changes on Asset Care Single Premium, Annuity Funding Whole Life and Asset-Care I in California**

We'll be making two key changes to our Asset Care portfolio, effective Sept. 25, 2021, that will affect the single premium life products only. These actions are precipitated solely by the prolonged low interest rate environment, which has the largest impact on our single premium products. These changes will not affect any recurring or Continuation of Benefits (COB) premiums.

- Adjusting the pricing of Care Solutions single premium whole life products; this change will apply to Asset Care Single Premium and Asset-Care I (California)
- Reducing the annuity income rider bonus on our Annuity Funded Whole Life (AFWL) product from 20% to 10%
- Asset Care Recurring Premium
- Continuation of Benefits (COB)
- Asset-Care III (CA)
- Asset-Care IV (CA)

### **7702 Updates for Asset Care and Asset-Care in California**

Concurrently, we will implement changes required by the recent updates to 7702 federal tax code. The regulatory changes require a reduction in our non-forfeiture interest rate (cash value interest rate). These updates will also be **effective Sept. 25, 2021**, with the impacts as follows:

- **Asset Care (non-California):** Changes have resulted in a slight increase to policy cash values with no impact to face amounts and long-term care benefit values.
- **Asset-Care in California:** There will be a slight increase to cash values and little to no impact to the policy face amount and long-term care benefit values.

### **What you need to know: Transition rules**

**Sept. 24, 2021** will be the last day to submit Asset Care and Asset-Care I applications with the current single premium rates and the 20% AFWL bonus. Please [review the full transition timeline for details](#).

Despite these changes to a portion of our portfolio, we remain steadfast in our commitment to offering long-term care protection to your clients, with features such as optional lifetime benefits, joint benefits under a single policy, a variety of funding options and our personalized Care Benefit Concierge service to support clients and their families when a claim need arises.



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