

# Living Care<sup>®</sup> Annuity

## With Long-Term Care Rider



### CONTRACT HIGHLIGHTS

Living Care<sup>®</sup> Annuity combines a deferred fixed rate annuity with built-in long-term care benefits. A deferred fixed rate annuity is a financial planning tool that can help you save more money for retirement. It earns a fixed rate of interest and grows tax-deferred until you begin taking income payments from it. And, in addition to helping you save more money, Living Care<sup>®</sup> Annuity can provide you up to three times the annuity value in long-term care benefits if you need them...guaranteed! Here are the highlights:

#### INTEREST RATE GUARANTEED

The minimum guaranteed interest rate is set at time of issue and can never be decreased.

#### THE 3X GUARANTEE

When you reposition just a portion of your non-qualified money to the Living Care<sup>®</sup> Annuity, you can receive up to three times the annuity value, at time of first claim, to provide at least six years of long-term care benefits. These benefits are first paid out of the annuity's accumulated value until your annuity value reaches \$1.00. After that, United of Omaha Life Insurance Company guarantees to pay your qualified long-term care benefits until your maximum lifetime benefit is reached. The rider is guaranteed renewable, so United of Omaha can never cancel your benefits as long as the contract remains in force. Benefits are available beginning in year three of the contract and after a 90-day elimination period. To be eligible for long-term care benefits, you must be chronically ill and be receiving covered services.

#### CONTRACT PREMIUMS

- Non-qualified funds only
- \$50,000 minimum initial premium
- \$300,000 maximum initial premium (without home office approval)

#### ISSUE AGES

40-79

#### SECURITY

100 percent of principal is underwritten and guaranteed by United of Omaha Life Insurance Company.

#### FREE-LOOK PERIOD

When your contract arrives, you'll have 30 days to look it over. If you're not 100% satisfied, simply return it and you will be refunded the single annuity premium.

#### DEATH BENEFIT

Upon the death of the annuitant, the full annuity value at time of death is payable to the named beneficiary.

#### ACCESS TO THE ACCOUNT VALUE

- Partial withdrawals are limited in order to maintain minimum long-term care benefit levels
- Any withdrawal reduces your annuity value which reduces the maximum long-term care benefits by three times the amount withdrawn
- After year one, access of up to 10 percent of the annuity value is allowed in each contract year without a withdrawal charge. If more than 10 percent of the annuity value is accessed, the following withdrawal charge percentages will apply to the amount of the withdrawal in excess of 10 percent

#### WITHDRAWAL CHARGES

Year	1	2	3	4	5	6	7	8	9	10
%	9	9	8	7	6	5	4	3	2	1

#### WAIVER OF WITHDRAWAL CHARGES

We will waive any applicable withdrawal charges if the Owner requests a withdrawal or contract surrender under the following conditions, provided that the Annuitant is eligible as described below.

#### CHRONICALLY ILL

We will waive withdrawal charges if the Annuitant is chronically ill and receiving covered services, as defined in the Long-Term Care Insurance Rider.

This waiver is not contingent upon reaching the Coverage Eligibility Date.

#### TERMINAL ILLNESS

We will waive withdrawal charges if the Annuitant is diagnosed as having a terminal illness. A terminal illness is a medical condition that, with a reasonable degree of medical certainty, will result in the Annuitant's death within six months or less. We must be sent a written statement from a physician, which establishes that the Annuitant has a terminal illness.

This waiver is not available if the Annuitant is diagnosed as having a terminal illness prior to or on this contract's issue date.

#### ANNUITIZATION

You can convert your accumulated value by choosing from several income options, and you can receive payments monthly, quarterly, semiannually or annually in amounts as small as \$100 when you annuitize the contract. After the second contract year you may elect a minimum of 10-year period certain or a life option to avoid surrender charges. All other annuitization payouts are based on the surrender value of the annuity. If annuitization is elected before the latest date allowed, the long-term care rider and any elected endorsements will terminate.

## INFLATION PROTECTION ENDORSEMENT\*

Inflation protection increases your daily benefit amount to help keep pace with the rising cost of long-term care services. On each rider anniversary date, through the life of your contract, all current daily benefit amounts and your current Maximum Lifetime Benefit will increase by five percent.

The compound Maximum Daily Benefit and Maximum Lifetime Benefit increases will continue annually without regard to age, changes in health, claims status, or length of time the annuitant has been insured under the long-term care insurance rider, as long as this Inflation Protection Endorsement remains in force.

This endorsement may only be elected at issue and there is an additional charge for this endorsement that is deducted from your annuity value. If, on a rider anniversary date, the annuity value is insufficient to increase the Maximum Daily Benefit by 5%, the owner will be required to pay an **Inflation Protection Payment** to increase the annuity value and obtain benefits under the endorsement.

**Increases in benefits will not be determined by the actual amount of future inflation. The actual increases in benefits under the long-term care insurance rider may be greater or less than the amount of inflation.**

## NONFORFEITURE BENEFIT ENDORSEMENT\*

This is a shortened benefit period. Please see the Outline of Coverage for a description of this optional benefit.

## COST FOR THE LONG-TERM CARE RIDER

The charge for the long-term care rider is determined by the age of the owner at the time of issue. The maximum charge allowed is no more than two times the initial annuitant charge. The cost is waived when a claim for long-term care benefits is submitted and approved.

## COVERAGE ELIGIBILITY DATE

The date you will be eligible to receive your long-term care benefits is two years from the date your contract was issued.

## TAXATION

- Interest income earned in the annuity accumulates on a tax-deferred basis
- A 10 percent federal tax penalty may apply for removal of funds prior to age 59 1/2 unless an exception applies
- Distributions of income from the annuity, at death or otherwise, are taxable as ordinary income
- Withdrawals taken in tax years beginning prior to January 1, 2010 to pay qualified long-term care benefits and charges may be taxable as ordinary income and if the contract owner is not at least age 59 1/2 may be subject to the 10 percent tax
- The Living Care® Annuity Long-Term Care Rider is intended to be tax-qualified long-term care insurance in

Annuities are underwritten by:

## UNITED OF OMAHA LIFE INSURANCE COMPANY

Mutual of Omaha Plaza

Omaha, NE 68175

[mutualofomaha.com](http://mutualofomaha.com)

tax years beginning after December 31, 2009. Therefore, the long-term care rider charges will no longer be taxed and benefits will be treated as long-term care benefits after this date due to the provisions of The Pension Protection Act of 2006

- Consult your tax advisor before taking any withdrawals

## LONG-TERM CARE BENEFITS

Covered long-term care benefits include:

- Nursing Home Care
- Home Health Care
- Assisted Living Facility Care
- Adult Day Care
- Homemaker Services
- Personal Care
- Respite Care
- Hospice Care
- Care Coordinator Service
- Alternative Care Services\*\*
- Caregiver Training\*\*

## ELIMINATION PERIOD

- 90 days - this is cumulative and must be satisfied only once in your lifetime.

## DAILY BENEFIT

The daily benefit is the lesser of actual costs or 1/730<sup>th</sup> of annuity value at time of first claim.

**Annuity Sample Value:** \$100,000

Maximum Daily Benefit = \$100,000/730 days = \$136.99/day

Maximum Lifetime Benefit = \$100,000 X 3 = \$300,000

The long-term care daily benefit is deducted from the annuity until \$1.00 of value is left.

Then the daily benefits are provided by United of Omaha until you have exhausted your maximum lifetime benefit.

This daily benefit may not cover all of the costs associated with long-term care incurred by the insured during the period of coverage. Please carefully review your contract and outline of coverage for full details.

The values shown do not reflect any withdrawals or election of the Inflation Protection Endorsement.

**Important:** This is a general description of Living Care® Annuity. It does not include all terms, conditions, rules, and/or exclusions. Please read the Living Care® Annuity contract and refer to your outline of coverage for complete details. Your United of Omaha agent can provide you with a copy of this contract.

\*Additional charges apply and will be deducted each month from your annuity value.

\*\*May require the use of care coordinator service.

Please refer to your Outline of Coverage for details.

Not available in all states. Coverage may vary by state. Exclusions, limitations and reductions may apply. Contract forms B420LNA07P, B439LNA07R, B422LNA07R, B440LNA07R or state equivalent (in PA, B582LPA07P, B557LPA07R, B591LPA07R, B592LPA07R; in OK, B564LOK07P, B532LOK07R, B422LNA07R, B440LNA07R; in OR, B565LOR07P, B533LOR07R, B440LNA07R, B757LOR07R; in ID, B567LID07P, B539LID07R, B422LNA07R, B440LNA07R). This is a solicitation of insurance.