

Inflation Protection - Simple

Simple inflation protection provides an automatic annual increase in your policy's Daily Benefit and Lifetime Benefit. The annual increase is 5% of your initial Daily Benefit. This amount is added to your benefit each year.

Long-term care costs have increased in the past, and are likely to continue to increase in the future. Inflation protection increases your benefits to compensate for these increased costs.

Cost increases are compounded over time. That is, the cost increases each year by a percentage of the previous year. Simple inflation protection provides fixed annual increases and thus less protection against increased long-term care costs than does compound inflation protection, at a correspondingly lower premium cost.

Client's Name: Richard Prospect

Age: 60

Class	Preferred	HHC Elimination Period	20 days
NH Daily Benefit	\$100	Inflation Rider	Simple
NH Benefit Period	3 years	Nonforfeiture Option	No
NH Elimination Period	0 day	Spouse/2-pers Discount	No
HHC Daily Benefit	\$80	Association Discount	No
HHC Benefit Period	3 years	Mode	Annual

<u>Age</u>	<u>NH Daily Benefit</u>	<u>Lifetime Benefit</u>	<u>Premium</u>
60	\$100.00	\$197,100.00	\$1,070.00
63	\$115.00	\$226,665.00	\$1,070.00
66	\$130.00	\$256,230.00	\$1,070.00
69	\$145.00	\$285,795.00	\$1,070.00
72	\$160.00	\$315,360.00	\$1,070.00
75	\$175.00	\$344,925.00	\$1,070.00
78	\$190.00	\$374,490.00	\$1,070.00
81	\$205.00	\$404,055.00	\$1,070.00
84	\$220.00	\$433,620.00	\$1,070.00
87	\$235.00	\$463,185.00	\$1,070.00
90	\$250.00	\$492,750.00	\$1,070.00
93	\$265.00	\$522,315.00	\$1,070.00
96	\$280.00	\$551,880.00	\$1,070.00
99	\$295.00	\$581,445.00	\$1,070.00
102	\$310.00	\$611,010.00	\$1,070.00
105	\$325.00	\$640,575.00	\$1,070.00