

**Inflation Protection - Compound**

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Compound inflation protection provides an automatic annual increase in your policy's Daily Benefit and Lifetime Benefit. The annual increase is 5% of your current 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; the increase each year is a percentage of last year's cost. Compound Inflation Protection increases your benefits each year by a percentage of the previous year's benefit, and thus is more likely to keep up with long-term care costs, compared to other forms of inflation protection.

**Client's Name: Richard Prospect**

**Age: 60**

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

<u>Age</u>	<u>NH Daily Benefit</u>	<u>Lifetime Benefit</u>	<u>Premium</u>
60	\$100.00	\$197,100.00	\$1,326.00
63	\$115.76	\$228,167.90	\$1,326.00
66	\$134.01	\$264,133.00	\$1,326.00
69	\$155.13	\$305,767.00	\$1,326.00
72	\$179.59	\$353,963.60	\$1,326.00
75	\$207.89	\$409,757.20	\$1,326.00
78	\$240.66	\$474,345.20	\$1,326.00
81	\$278.60	\$549,113.90	\$1,326.00
84	\$322.51	\$635,668.10	\$1,326.00
87	\$373.35	\$735,865.30	\$1,326.00
90	\$432.19	\$851,856.10	\$1,326.00
93	\$500.32	\$986,130.00	\$1,326.00
96	\$579.18	\$1,141,569.00	\$1,326.00
99	\$670.48	\$1,321,509.00	\$1,326.00
102	\$776.16	\$1,529,812.00	\$1,326.00
105	\$898.50	\$1,770,948.00	\$1,326.00