

Long Term Care Insurance Potential Rate Increase Disclosure Form

1. **Premium Rate:** Your premium rate that is applicable to you and that will be in effect until a request is made and filed with Your State Department of Insurance for an increase is shown on your schedule page in your policy.
2. The premium for this Policy will be shown on the schedule page of your policy.
3. **Rate Schedule Adjustments:** If your rates are changed, the new rates will become effective on the next billing date. The new rates will remain in effect until another request is made and filed with Your State Department of Insurance. You have the right to receive a revised schedule page if the premium rate is changed.

We have sold long-term care insurance since 1987. We have never raised rates for any long-term care policy sold in this state or any other state.

4. **Potential Rate Revision: This policy is Guaranteed Renewable.** This means that the rates for this coverage may be increased in the future. Your rates CANNOT be increased due to your age or declining health, but your rates may go up based on the experience of all insureds with a policy similar to yours. If you receive a premium rate increase in the future, you will be notified of the new premium amount and you will be able to exercise at least one of the following options:
 - (a) Pay the increased premium and continue your coverage in force as is.
 - (b) Reduce your coverage benefits to a level such that your premiums will not increase.
 - (c) Exercise your long-term care nonforfeiture option, if purchased. This option is available for purchase for an additional premium.
 - (d) Exercise your contingent nonforfeiture rights - See No. 3. This option is available if you do not purchase a long-term care nonforfeiture option mentioned in (c) above.

Contingent Nonforfeiture Rights

If the premium rate for your policy goes up in the future and you do not buy a long-term care nonforfeiture option, you may be eligible for contingent nonforfeiture. Here's how to tell if you are eligible:

- (a) You will keep some long-term care insurance coverage, if:
 - (1) Your premium after the increase exceeds your original premium by the percentage shown, or more, in the table (provided on the next page/below); and
 - (2) You do not pay your premium within 120 days of the increase causing your policy to lapse.
- (b) The amount of coverage, new lifetime maximum benefit amount, etc., you will keep will equal the total amount of premiums you have paid since your policy was first issued. If you have already received benefits under the policy, so that the remaining

maximum benefit amount is less than the total amount of premiums you have paid, the amount of coverage will be that remaining amount.

- (c) Except for this reduced lifetime maximum benefit amount, all other policy benefits will remain at the levels attained at the time of the lapse and will not increase thereafter.

Should you choose this Contingent Nonforfeiture option, your policy, with this reduced maximum benefit amount, will be considered "paid-up" with no further premiums due.

Example:

- You bought the policy at age 65 and paid the \$1,000 annual premium for ten years, so you have paid a total of \$10,000 in premium.
- In the eleventh year, you receive a rate increase of 50%, or \$500 for a new annual premium of \$1,500, and you decide to not pay any more premiums causing your policy to lapse.
- Your "paid-up" policy benefits are \$10,000, provided you have at least \$10,000 of benefits remaining under your policy.

Contingent Nonforfeiture Cumulative Premium Increase over Initial Premium That Qualifies for Contingent Nonforfeiture Table

**Percentage increase is cumulative from date of original issue.
It does NOT represent a one-time increase.**

Issue Age	Substantial Percent Over Initial Premium	Issue Age	Substantial Percent Over Initial Premium
29 and under	200%	70	40%
30-34	190%	71	38%
35-39	170%	72	36%
40-44	150%	73	34%
45-49	130%	74	32%
50-54	110%	75	30%
55-59	90%	76	28%
60	70%	77	26%
61	66%	78	24%
62	62%	79	22%
63	58%	80	20%
64	54%	81	19%
65	50%	82	18%
66	48%	83	17%
67	46%	84	16%
68	44%	85	15%
69	42%		