

Privileged Choice[®] and Classic Select[®]

Producer Product Training

{May 15, 2013}



82191 05/15/13

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Traditional Long Term Care Products

Privileged Choice All Inclusive Plan	Classic Select Modular Design
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Two Products...To Better Suit the Clients' Needs

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Privileged Choice product continues our line of premier all-in-one

comprehensive products

Classic Select offers a more affordable, but less robust alternative that can be enhanced and tailored to fit individual needs

Classic Select offers a 50% Home Care alternative for those wishing facility

coverage with minimal home care

Benefit Eligibility

One qualifies for benefits by:

1. Being Chronically Ill, which means:

Being unable to perform, without Substantial Assistance, at least 2 of the 6 Activities of Daily Living (ADLs) for a period expected to last at least 90 days

- Bathing
- Dressing
- Continence
- Toileting
- Transferring
- Eating

OR...

- Requiring Substantial Supervision due to a Severe Cognitive Impairment (e.g. Alzheimer's);

2. The Company receives a Current Eligibility Certification: and

3. The Company receives ongoing proof the Covered Care received is needed due to the insured being Chronically Ill.

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Features & Benefits

Privileged Choice and Classic Select

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Monthly/Daily Maximum Benefits	
Privileged Choice	Classic Select
Monthly Maximum <ul style="list-style-type: none"> • Ages 18-79: \$1,500 - \$12,000 • Increments of \$100 	Daily Maximum <ul style="list-style-type: none"> • Ages 18-79: \$50 - \$400 • Increments of \$5 Reduced Home Care Option <ul style="list-style-type: none"> • Can Choose to Reimburse up to 50% of Daily Max. • Not Available With All Optional Riders Added Cost Option <ul style="list-style-type: none"> • Monthly Maximum
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Reimbursement Definition: The claimant will be out of pocket first and will be reimbursed for covered services subject to the policy provisions.

What it is:

The maximum amount of benefits that can be selected to have the coverage pay for expenses incurred.

Feature changes:

Privileged Choice is calculated using 12 months per year

Classic Select is calculated using 365 days per year

Benefit Multiplier – Individual Plan

Privileged Choice	Classic Select
Individual Plan Months	Individual Plan Days
• 24 (2 yrs)	• 730 (2 yrs)
• 36 (3 yrs)	• 1,095 (3 yrs)
• 48 (4 yrs)	• 1,460 (4 yrs)
• 60 (5 yrs)	• 1,825 (5 yrs)
• 72 (6 yrs)	• 2,190 (6 yrs)
• 96 (8 yrs)	• 2,920 (8 yrs)
• 120 (10 yrs)	• 3,650 (10 yrs)
• Unlimited	• Unlimited

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What it is:

The benefit multiplier times the selected daily or monthly maximum will determine the initial personal benefit account (PBA) amount.

PBA is the lifetime maximum amount available for benefit payments

Example: Daily Maximum x Benefit Multiplier= Initial Personal Benefit Account (Lifetime Maximum).

Benefit Multiplier – Shared Plan

Privileged Choice	Classic Select
Shared Plan Months	Shared Plan Days
• 48 (4 yrs)	• 1,460 (4 yrs)
• 72 (6 yrs)	• 2,190 (6 yrs)
• 96 (8 yrs)	• 2,920 (8 yrs)
• 120 (10 yrs)	• 3,650 (10 yrs)
• 144 (12 yrs)	• 4,380 (12 yrs)
• 192 (16 yrs)	• 5,840 (16 yrs)
• 240 (20 yrs)	• 7,300 (20 yrs)

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What it is:

The benefit multiplier times the selected daily or monthly maximum will determine the initial personal benefit account (PBA) amount.

PBA is the lifetime maximum amount available for benefit payments

Example: Daily Maximum x Benefit Multiplier= Initial Personal Benefit Account (Lifetime Maximum).

Lifetime Maximum Benefit (Personal Benefit Account)

How to Calculate...

$$\text{Monthly/Daily Purchase Maximum} \times \text{Benefit Multiplier} = \text{Initial Lifetime Maximum (Personal Benefit Account)}$$

Monthly vs. Daily (Lifetime Maximum) Example

Privileged Choice	Classic Select
Monthly Maximum Benefit = \$1,500 X Benefit Multiplier = 72 (6 yrs) Lifetime Maximum = \$108,000	Daily Maximum Benefit = \$50 X Benefit Multiplier = 2,190 (6 yrs) Lifetime Maximum = \$109,500

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This example is a straight calculation assuming NO BIO factors.

Classic Select w/o Optional Monthly Max.

\$50 Daily Maximum Without Monthly Maximum

Home Care

June

Sun	Mon	Tue	Wed	Thu	Fri	Sat	Actual Cost	Reimbursable Amount
\$ 150 x	\$ -	\$ 100 x	\$ -	\$ 50 x	\$ -	\$ 75 x	\$ 375	\$ 200
\$ 75 x	\$ -	\$ 50 x	\$ -	\$ 50 x	\$ -	\$ 75 x	\$ 250	\$ 200
\$ 200 x	\$ -	\$ 75 x	\$ -	\$ 50 x	\$ -	\$ 75 x	\$ 400	\$ 200
\$ 75 x	\$ -	\$ 75 x	\$ -	\$ 75 x	\$ -	\$ 75 x	\$ 300	\$ 200

x = up to the daily reimbursable amount

\$ 1,325 **\$ 800**

- Total Cost Incurred for Covered Services in June = \$1,325
- Eligible Reimbursement for All Covered Costs = \$800

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Classic Select With Optional Monthly Max.

\$50 Daily Maximum With Monthly Maximum (\$1,500)

Home Care

June

Sun	Mon	Tue	Wed	Thu	Fri	Sat	Actual Cost	Reimbursable Amount
\$ 150	\$ -	\$ 100	\$ -	\$ 50	\$ -	\$ 75	\$ 375	\$ 375
\$ 75	\$ -	\$ 50	\$ -	\$ 50	\$ -	\$ 75	\$ 250	\$ 250
\$ 200	\$ -	\$ 75	\$ -	\$ 50	\$ -	\$ 75	\$ 400	\$ 400
\$ 75	\$ -	\$ 75	\$ -	\$ 75	\$ -	\$ 75	\$ 300	\$ 300
							\$ 1,325	\$ 1,325

- Total Cost Incurred for Covered Services in June = \$1,325
- Eligible Reimbursement for All Covered Costs = \$1,325

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Critical Highlights:

If selling Classic Select, be sure to review the monthly rider as an option

All eligible costs are reimbursed regardless of when they are incurred during the month up to the policy monthly maximum

Extra rider cost is approximately 6% and gets the insured – in this example – an additional \$525 in reimbursed payments

Elimination Period	
Privileged Choice	Classic Select
Home & Community Care • 0 Days Facility Care • 30, 90 & 180 Days When a Privileged Care Coordinator is used, the Elimination Period is reduced 1 day for every day Home Community Care benefits are received.	Home & Community Care • 30, 90, 180 & 365 Days Facility Care • 30, 90, 180 & 365* Days When a Privileged Care Coordinator is used and the <u>Waiver of Home Care Elimination Period Optional Rider</u> [®] is purchased, the Elimination Period is reduced 1 day for every day Home Community Care benefits are received
<small>*Waiver of HHC Elimination Period Rider not available w/365-Day EP NOTE: With shared policies each member of a couple must satisfy his/her own Elimination Period prior to that person receiving benefits</small>	
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What it is:

An Elimination Period is similar to a deductible. It is the number of days of covered care that you must pay for before your coverage begins to pay benefits.

Feature changes:

Privileged Choice and Classic Select 30-90-180 day Elimination Period now in line with industry standard

Classic Select 365-Day Elimination Period adds another option for cost-conscious customers

Privileged Choice INCLUDES 0 day Elimination Period for Home and Community Care
 0 Day Elimination Period for Home and Community Care is an Added Cost Option for Classic Select

Critical Highlights:

With shared policies each member of a couple must satisfy his/her own Elimination Period prior to that person receiving benefits

This is an expense reimbursement policy. Insureds will not be reimbursed (so they are “out of pocket”) for costs of care provided during their Elimination Period

Insureds need only satisfy their Elimination Period 1 time during the life of the policy

Inflation Protection

Privileged Choice	Classic Select
Benefit Increase Options <ul style="list-style-type: none"> • 5 % and 3% Compound • 5% Equal • None <div style="background-color: #f4a400; color: white; text-align: center; padding: 10px; margin-top: 20px;"> No Claims Offset </div>	Benefit Increase Options <ul style="list-style-type: none"> • 5% and 3% Compound • Equal • None <div style="background-color: #800000; color: white; text-align: center; padding: 10px; margin-top: 20px;"> Claims Offset with Compound </div>

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What it is:

Inflation protection options help the value of your policy keep up with inflation. They allow for annual increases in your Monthly/Daily Maximum and Personal Benefit Account for the life of the policy.

Privileged Choice = No Claims Offset

Classic Select = Claims Offset with Compound

Notes about 3% Compound:

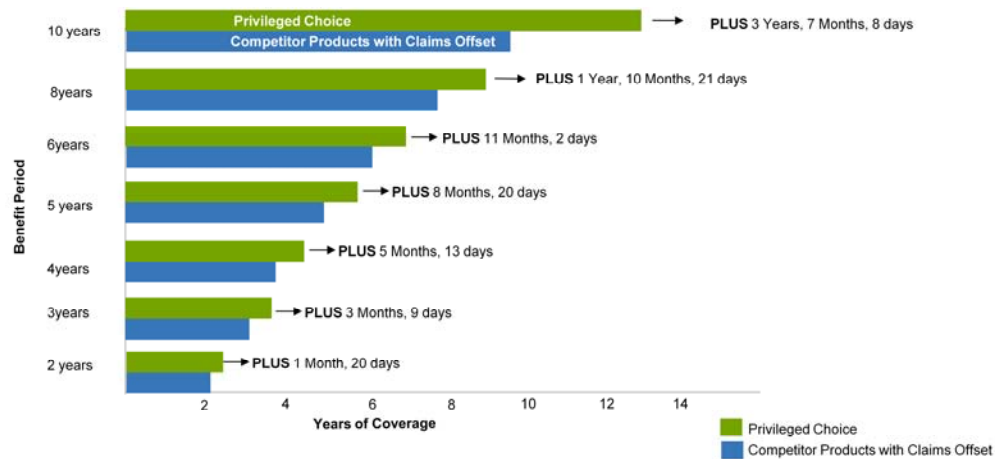
3% compound is a more affordable alternative to 5% compound for clients that prefer the compounding option over simple or equal inflation protection options. While 3% compound is more affordable, it is at greater risk of losing pace with increases in the cost of care over long periods of time. If the choice for the applicant is 3% compound vs. no coverage due to the high cost of the 5% compound, obviously the 3% compound is the better option.

3% compound qualifies for Partnership in many states. As a more affordable option than 5% compound, 3% compound still qualifies the client for Partnership benefits in state that permit this option. For younger applicants not interested in partnership benefits, 5% simple provides better inflation protection for the first 32 years of coverage. After that, 3% compound actually exceeds 5% simple inflation protection. For those applicants that are older, perhaps over 70 years of age 5% simple provides a reasonable alternative to 5% compound at a much more affordable premium.

The Consumer Price Index (CPI) is commonly referenced as an indicator of the annual rate of inflation. Over the past 7 years, the CPI has averaged just under 3%.

No Claims Offset Example

The Graph Below Shows the Difference Between Compound Benefit Increases *With Claims Offset* and the Way Our *Privileged Choice* Product Helps Increase Benefit Periods, *With No Claims Offset*.



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Example of Calculation - Privileged Choice

No Claims Offset With Compound Inflation

Monthly Benefit Max \$ 4,500

Benefit Period 72 (Months)

Calculate Yearly Inflation Increase

Year	Orig. Personal Benefit Acct (PBA)	5% Comp. Inflation
1	\$ 324,000	\$ 16,200
2	\$ 340,200	\$ 17,010
3	\$ 357,210	\$ 17,861
4	\$ 375,071	\$ 18,754
5	\$ 393,824	\$ 19,691
6	\$ 413,515	\$ 20,676
7	\$ 434,191	\$ 21,710
8	\$ 455,901	\$ 22,795
9	\$ 478,696	\$ 23,935
10	\$ 502,630	\$ 25,132

Calculate Monthly Benefit Increase

Year	Monthly Benefit Max	5% Comp. Inflation
1	\$ 4,500	\$ 225
2	\$ 4,725	\$ 236
3	\$ 4,961	\$ 248
4	\$ 5,209	\$ 260
5	\$ 5,470	\$ 273
6	\$ 5,743	\$ 287
7	\$ 6,030	\$ 302
8	\$ 6,332	\$ 317
9	\$ 6,649	\$ 332
10	\$ 6,981	\$ 349

Calculate Yearly Personal Benefit Account (PBA)

Year	5% Comp. Inflation	Remaining PBA + Inflation	Claim Cost	Remaining PBA
1	\$ 16,200	\$ -	\$ -	\$ 340,200
2	\$ 17,010	\$ 357,210	\$ -	\$ 357,210
3	\$ 17,861	\$ 375,071	\$ 57,488	\$ 317,583
4	\$ 18,754	\$ 336,336	\$ 60,362	\$ 275,974
5	\$ 19,691	\$ 295,665	\$ 63,380	\$ 232,285
6	\$ 20,676	\$ 252,961	\$ 66,549	\$ 186,412
7	\$ 21,710	\$ 208,122	\$ 69,876	\$ 138,246
8	\$ 22,795	\$ 161,041	\$ 73,370	\$ 87,671
9	\$ 23,935	\$ 111,605	\$ 77,038	\$ 34,567
10	\$ 25,132	\$ 59,699	\$ 80,890	\$ (21,191)

NOTE: Amount of BIO Increase Is the Same, Whether There Are Claims or Not!

Benefits Are Exhausted

This example assumes that the policy is in force and has not lapsed.

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Restoration of Benefits Rider

How Does It Work?

- Restoration of Benefits Rider Restores the Depleted Portion of the Personal Benefit Account If, After Benefits Are Paid, the Policyholder Is Not Benefit Eligible for 180 Consecutive Days
- Purchase of a Restoration of Benefits Rider Increases the Overall Cost of a Policy by 6% - 10% Depending Upon the Benefit Multiplier That Applies

Example – Individual Policy

Original Policy Amount = \$146,000

Reduced by Claims Paid (\$50,000) to \$96,000

Restored After 180 Days Without Benefit Eligibility- \$146,000


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SPEAKER NOTES

Restoration of benefits will not be restored for a deceased person on a shared benefit plan

Survivorship	
Privileged Choice	Classic Select
<ul style="list-style-type: none"> • 10 Year Survivorship Benefit INCLUDED in the Base Plan • First 10 Years Must Be Claim-free 	<ul style="list-style-type: none"> • Survivorship Benefit NOT INCLUDED in the Base Plan
<p>Added Cost Option</p> <ul style="list-style-type: none"> • 7 Year Enhanced Survivorship Benefit Without Regard to Claims 	<p>2 Added Cost Options</p> <ul style="list-style-type: none"> • 7 Year Enhanced Survivorship Benefit Without Regard to Claims • 10 Year Benefits must be claim free
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What it is:

For couples who have each had long term care coverage with the survivorship benefit, this 10-year survivorship benefit waives the required payment of premium for the duration of the survivor's coverage. First 10 years claim-free.

Feature changes:

Privileged Choice = 10 years survivorship, must be claim-free included in the base plan

Privileged Choice = 7 years enhanced survivorship, regardless of claims (additional cost)

Classic Select = 10 years survivorship, must be claim-free (additional cost)

Classic Select = 7 years enhanced survivorship, regardless of claims (additional cost)

International Coverage

Privileged Choice	Classic Select
<ul style="list-style-type: none"> • INCLUDED in the Base Plan 	<ul style="list-style-type: none"> • NOT AVAILABLE

- Covers Care and Support Services in a Covered Facility Out-of- Country (e.g. Outside the United States and Its Territories)
- Covers Out-of-Country **Nursing Home Care**
- Reimbursement up to 75% of Policy's Monthly Maximum
- Payment Limited to 48 Months and Lifetime Maximum, but Never Greater Than the Policy's Lifetime Maximum Benefit

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What it is:

Once benefit eligible in a qualified out of country Nursing Home, we will pay for expenses incurred for care and support services while confined as a resident patient, up to the 75% Monthly Maximum

Critical Highlights:


Support Services: Include room and board but NOT prescription drugs

Privileged Care Coordination is NOT provided

Waiver of premium does NOT apply

At policyholder's expense, must supply all forms needed to determine benefit eligibility in English or translated into English

Payment limited to 48 months or until the benefit limit is exhausted (example: 3 year plan)

Facility Benefits & Bed Reservation	
Privileged Choice	Classic Select
Facility Benefits <ul style="list-style-type: none"> • Reimburses Expenses up to the Monthly Maximum • For the Following: <ul style="list-style-type: none"> – Nursing Home – Assisted Care Facility Bed Reservations <ul style="list-style-type: none"> • 60 Days Per year 	Facility Benefits <ul style="list-style-type: none"> • Reimburses Expenses up to the Daily Maximum • For the Following: <ul style="list-style-type: none"> – Nursing Home – Assisted Care Facility Added Cost Option <ul style="list-style-type: none"> • Monthly Maximum Bed Reservations <ul style="list-style-type: none"> • 30 Days Per year
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What it is:

Benefit will reimburse for expenses incurred for care and support services provided by an approved facility

Bed Reservation: While a resident of an approved facility this benefit will continue to pay benefits, or go towards satisfying the Elimination Period if you are temporarily absent during your stay and are charged to reserve your accommodations in that facility

Feature changes:

Privileged Choice pays expenses up to the MONTHLY maximum

60 days per year bed reservation

Classic Select pays expenses up to the DAILY maximum

30 days per year bed reservation

Covered Facilities

Licensed Nursing Homes

Assisted Care Facilities

- 24 Hour a Day Assistance/Supervision; and
- 10 or More Resident Inpatients
- And Licensed or Certified, OR
- Other Facilities Acting Within All Applicable Laws That Meet the Following Criteria:
 - Maintains Records for All Care and Services provided
 - Duly Licensed Physician or Nurse on Duty or on Call at All Times
 - Employs and Awake Employee at All Times
 - Has Appropriate Procedures for Administering Prescribed Medications
 - Provides at a Minimum Assistance With Bathing and Dressing
 - Provides a Minimum 3 Meals a Day

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Read Slide

Privileged Care® Coordinators

- **Individualized Plan of Care (POC) Developed**
 - # of Days, Hours and Type of Providers Needed to Perform the Tasks Required to Assist the Insured w/ADLs
 - Helps ensure Appropriate and Adequate Services
 - Identify Additional Payer Sources for the Insured's Care Services (e.g. Medicare, No Charge Services, etc.)
- **Identify Appropriate Community Resources, If Desired and Available**
- **Provide Agency Caregiver Research and Fee Negotiation**
- **Monitor On-going Care, POC Adjustments**

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Home Care Benefit

Privileged Choice	Classic Select
• Reimburses <u>Actual</u> Expenses up to the Monthly Maximum	• Reimburses <u>Actual</u> Expenses up to the Daily Maximum

No Prevailing Expense Language

Covered Care and Support Services in the Home Not Normally Provided by Someone Who Resides in the Home

- Skilled Services
- Home Health Aides and Personal Care Attendants
- Homemaker Services
- Chore Services
- Community Care
- Hospice Care
- Adult Day Care

Privileged Care Coordination Services Can Be Used to Coordinate These Services

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What it is:

Reimburses expenses incurred for above listed Home and Community Care sources provided by someone who does not normally reside in the Insured's home up to daily/monthly maximum

Home Care Benefit Breakdown

Home Care

- Home Care Benefits Include Coverage Provided by **Unlicensed / Uncertified Aides**
- Homemaker/Chore Services **DO NOT** Require the Services of a Trained Aide or Attendant

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What it is:

Benefits will reimburse for listed Home and Community expenses Care provided by someone who does not normally reside in the Insured's home

Caregiver Training

Privileged Choice	Classic Select
Caregiver Training <ul style="list-style-type: none">• 20% of the Monthly Maximum (lifetime maximum)	Caregiver Training <ul style="list-style-type: none">• 5 x Daily Maximum (lifetime maximum)

What Is It?

- Training for an Unpaid Caregiver to Care for You in Your Home
- Expected to Enable You to Go Home
- Training Can Be Received While Confined to a Facility

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What it is:

Benefit will pay for expenses incurred to train an informal caregiver to provide care in the home

Respite Care

Privileged Choice	Classic Select
Respite Care <ul style="list-style-type: none">• Up to the Monthly Maximum	Respite Care <ul style="list-style-type: none">• 21 Days Per Year

Respite Care Definition:

Short-Term Care Provided to Relieve the Person Who Normally Provides Unpaid Care in Your Home

- **Care Available Under the Following Benefits:**

- Nursing Home
- Assisted Care Facility
- Home Care

- **Elimination Period Does Not Apply**

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What it is:

Short-term care that provides a temporary break for a primary unpaid caregiver.

Equipment Benefit

Privileged Choice	Classic Select
Equipment Benefit <ul style="list-style-type: none"> • 2 X Monthly Max. Per Lifetime 	Equipment Benefit <ul style="list-style-type: none"> • 50 X Daily Max. Per Lifetime

- **Benefit Pays for Expenses Incurred for Purchase or Rental of Supportive Equipment**
- **Equipment Must Assist in Relieving Direct Physical Need**
- **The Plan of Care Must Indicate the Equipment Benefit Will Enable Home Stay of at Least 90 Days**

Examples

- Pumps / Devices for Intravenous Injection
- Ramps for Movement Within the Residence
- Grab Bars
- Stair Lifts for Movement Within the Home
- Expenses Include Installation Fees, Labor and Related Costs

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What it is:

Benefit will pay for expenses, including installation fees, labor and related costs, incurred for the purchase or rental of supportive equipment

Critical Highlights:

Equipment needs must be specified in the plan of care and must indicate it will enable the policyholder to remain at home for at least 90 days after purchase

Expenses can include installation fees, labor and related costs

Return of Premium: Opportunity

- Returns LTCI Premiums Paid under Long Term Care Insurance policy at the death of insured, Less Claims Paid
- Two Genworth Life Insurance Company ROP available options

Rider 1: 10 Year ROP Upon Death

- 100% Return of Premium if insured for ten years at death
- Level Lifetime Premium
- 23-58% of Base Premium Additional Cost

Issue Age (Years)	Increase (in Total Premium)
49 & Younger	23%
50-54	28%
55-59	34%
60-64	39%
65-69	46%
70-79	58%

Rider 2: Graded ROP Upon Death

- 100% Return of premium if death occurs prior to age 65 or younger, Decreasing 10% Per Year to 0% at Age 75
- Benefits Immediately Payable at Death
- Level Premium; Premium Ceases at age 75

- 8% of Base Premium Additional Cost

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Rider 1: Return of Premium upon Death after 10 Years Rider pays a Return of Premium benefit amount equal to the total premium paid less claims if You have been insured for 10 years when You die. The additional cost for this Rider is as follows based on the issue age.

Rider 2: Graded Return of Premium Upon Death Rider considers Your age on Your most recent Policy Anniversary Date. If You are age 65 or younger when You die, We will pay a Return of Premium benefit amount equal to the total premium paid less claims. If age 66 when You die, We will pay an amount equal to 90% of the premium paid less claims. Each Policy Year thereafter, the percentage of the premium considered is reduced by 10%. On the Policy Anniversary Date coinciding with or next following the date you reach age 75, the rider terminates, its benefits cease, and You are no longer charged the additional premium. The additional cost for this Rider is 8% of Your total premium.

Shared Benefit Plan

Privileged Choice

- Joint Owners
- Split Available Upon Divorce or Final Separation

Classic Select

- Joint Owners
- Split Available Upon Divorce or Final Separation

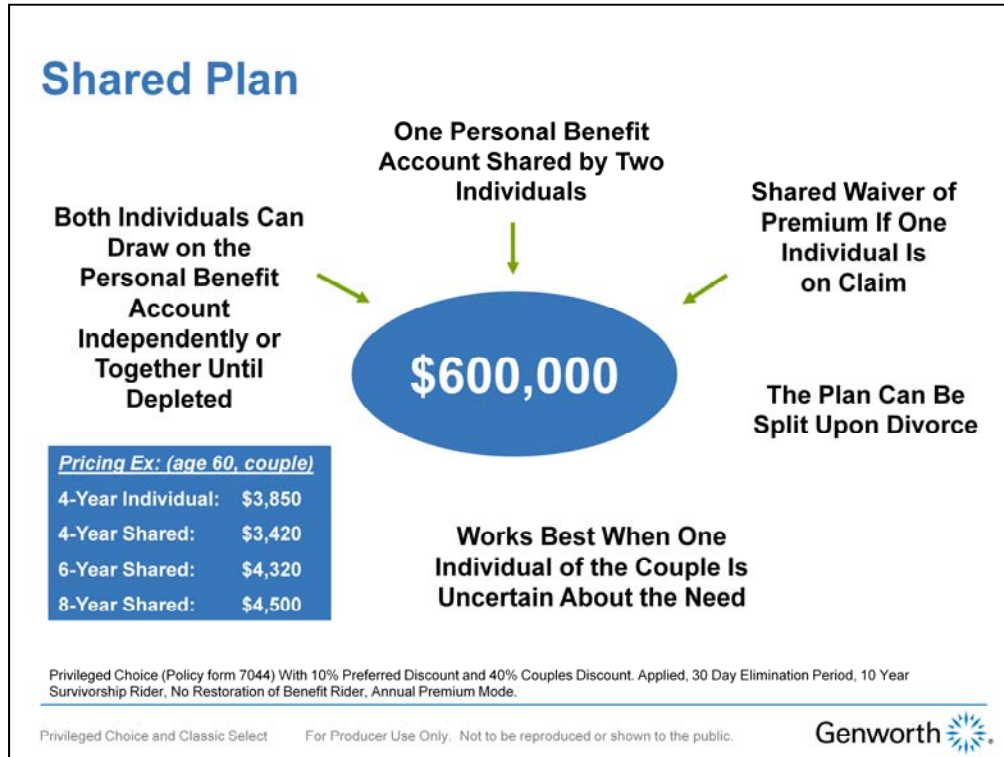
Approximately 20% of Applications Are for Shared Plans

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What it is:

The benefit multiplier times the selected daily or monthly maximum will determine the initial personal benefit account (PBA) amount.

PBA is the amount available for benefit payments

Example: Daily Maximum x Benefit Multiplier= Initial Personal Benefit Account (Lifetime Maximum)

Feature changes:

Privileged Choice is calculated based on MONTHS (12 Months = 1 Year)

Classic Select is calculated based on DAYS (365 Days = 1 year)

Critical Highlights:

The term “personal benefit account” is referenced in the marketing brochures and the term “lifetime maximum” is referenced in the policy. These terms are interchangeable.

On shared policies the only maximum that is shared is the Initial Personal Benefit Account. All other limits apply separately to each individual and it is possible for both to receive benefits at the same time.

Coordination of Benefits

Privileged Choice and Classic Select

- Benefits may be reduced if the insured has another policy issued by Us.
 - Doesn't matter when the policy was issued or the type of policy—reimbursement, indemnity or other basis
 - Benefits will be reduced only when payment of benefits for a Privileged Choice or Classic Select policy would result in payment of more than 100% of expenses incurred.

In other words, we won't pay twice for the same service, even if the client has two policies.

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Discounts and Payment Options

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Available Discounts

Privileged Choice

Couples Discount

- 40% Discount
(if both policies issued)
- 25% Discount
(if 2 apply & only 1 policy issued)

Preferred Health Discount

- 20% Discount
(10% When Combined with Couples Discount)

Classic Select

Couples Discount

- 40% Discount
(if both policies issued)
- 25% Discount
(if 2 apply & only 1 policy issued)

Preferred Health Discount

- 20% Discount
(10% When Combined w/Couples Discount)

Total Potential Cumulative Discount 50%*

*Capped in some states

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Preferred Health Discount

How Does It Work?

- The Preferred Health Discount Is
 - 10% for those who qualify for a couples discount
 - 20% for single applicants
- For Shared Coverage Plans Each Applicant Is Eligible for This Discount*

* For shared coverage, a couples discount is built into the rate, with the 10% preferred health discount available to each qualifying applicant

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Approximately 40% of the applicants qualify for this discount
Discount will not be approved by Underwriting if the applicant
does not meet the criteria during the underwriting process.

Couples Discount

Definition of a Couple

- **Married or**
- **Committed Relationship Consisting of ALL of the Following Conditions:**
 - Two People Who Are and Have Been Living Together for 3 Consecutive Years In a Committed Relationship As Partners or Family Members Sharing Basic Living Expenses; and
 - Are Not Married to Each Other or to Anyone Else; and
 - If Related, Must Belong to the Same Generation of the Same Family (e.g. Brothers, Sisters, Cousins)

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Critical Highlights:

Committed relationship consists of all of the following criteria: a) two people living together for 3 years; b) are in a committed relationship as domestic partners or family members; c) share basic living expenses; d) are not married to each other, or to anyone else; and e) belong to the same generation of the same family (e.g., cannot be father/daughter) – sister/brother would be ok.

Couples Form: A newly revised version of the form has been created for non-married couples and must be submitted with every non-married applicant applying for the couples discount

Limited Pay Options

10-Pay

- Paid-up 10 Years From Effective Date
- Target Individuals in Prime Income-earning Years
- Target Business Owners Who Want a Finite Payment Period

Pay-to-65

- ***Available for Applicants Age 55 and Younger Only***
- Benefit of No LTC Premiums in Retirement Years (Fixed Income)
- Paid-up on Policy Anniversary Immediately Following the Policyholder's 65th Birthday.
- Not available on shared policies

Privileged Choice and Classic Select

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There are 2 different Limited Pay options available:

10-Pay

Pay-to-65

Each has advantages, depending on the characteristics of your client(s).

10-Pay – This option allows a client to pay accelerated premiums for 10 years, resulting in a paid-up policy. This option makes a lot of sense for individuals who are in their prime income-earning years, and who want to help protect their retirement assets while they can afford to do so.

Pay-to-65 – *This option is only available for applicants who are age 55 and younger.* This option makes sense for younger applicants who cannot afford the premiums of 10-Pay, but who do not want to have the burden of making premium payments in their retirement years. This policy will become paid-up on policy anniversary immediately following the policyholder's 65th birthday.

Pricing and Plan Designs

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Read Slide

Sample Product Plan Pricing

Privileged Choice

Classic Select

Included in Privileged Choice:

- Classic Select + **About 17%**
- 0-Day Elimination Period
- Monthly Maximum
- 10-Year Survivorship
- No Claims Offset (Inflation Protection)
- International Coverage
- Bed Reservation
- Respite Care
- Equipment
- Caregiver Training

% Premium

Optional Rider

9%

0-Day Elimination Period**

6%

Monthly Maximum

15%

7-yr Enhanced Survivorship

9%

10-yr Survivorship

(15%)*

50% Home Care*

*cannot purchase 0 day EP or Monthly Max with this rider.

**cannot be purchased along with a 365-Day EP

If Customer Prefers 2 or More Riders, Consider Privileged Choice

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Critical Highlights:

This example is based on ages 40-80 with a 90 day Elimination Period

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