

The Less Than Lifetime Solution™

Transfer the risk or do it yourself?

Pool of Money Scenarios	A	B	C
CA 55 yr old			
Current Age	55	55	55
Anticipated Age Care Begins	83	83	83
Transfer the Risk (If I buy insurance)			
If benefits begin this year (Beginning Pool of Money)*	\$365,000	\$292,000	\$219,000
Daily Benefit	\$200	\$200	\$200
Benefit Days	1825 Days	1460 Days	1095 Days
Benefit Years	5 Years	4 Years	3 Years
Inflation Benefit Annual Increase	5% Compound	5% Compound	5% Compound
If benefits begin at anticipated age (Future Pool of Money)**	\$1,505,966	\$1,174,690	\$859,189
Cost (Annual Premium)	\$3,200	\$2,900	\$2,600
Do It Yourself (If I self-fund and want the same future pool)	\$1,505,966	\$1,174,690	\$859,189
Investment After-Tax Rate of Return (Assumed)	6%	6%	6%
The Lump Sum Needed Today	\$259,136	\$208,287	\$156,953
Annual investment needed until care begins	\$18,236	\$14,657	\$11,045
Do It Yourself (If I invest the premium amount)	\$3,200	\$2,900	\$2,600
Total funds available at anticipated age	\$219,290	\$198,732	\$178,173
Care Days Paid by Investment Fund	311	282	253
Compared With Care Days Paid by Insurance	1,825	1,460	1,095

*** Beginning Pool of Money Calculation**

Daily Benefit X Benefit Years
 Example: \$150 Daily Benefit X 3 Years
 3 Years X 365 Days = 1095 Days X \$150 = \$164,250
 Beginning Pool of Money calculation excludes any inflation benefits if available in years 2 and beyond. The Future Pool includes inflation if selected as a benefit option.

**** Future Pool of Money Calculation**

Initial Annual Benefit multiplied by Policy Inflation Factor every year up to and including the final year of the claim payments period.
 Daily claims less than maximum amount available extends benefit duration until total pool of money has been consumed.

Note: Apples and Apples Comparison

In order to accurately compare the insurance pool of money versus the investment fund, the calculations ignore all care expenses not covered by insurance. When making an insurance decision, careful analysis should be made to assure a clear understanding of the financial impact of deductible days and other forms of co-payments due to benefit selections made by the insured. For example, long elimination periods, minimal daily benefits, inadequate inflation coverage, and short benefit periods, while reducing premium, may add considerable cost when care is needed.

None of the material in this presentation should be construed as investment advice or interpretation of legal or tax code. Please consult with those advisors to determine how these concepts may apply in your particular situation.

CLIENT #1			CLIENT #2		
NAME:			NAME:		
DATE OF BIRTH:			DATE OF BIRTH:		
HEIGHT:		WEIGHT:	HEIGHT:		WEIGHT:
SIGNIFICANT MEDICAL HISTORY & MEDICATIONS (Dates & Dosages)			SIGNIFICANT MEDICAL HISTORY & MEDICATIONS (Dates & Dosages)		
CANE, WALKER OR WHEELCHAIR? Yes No			CANE, WALKER OR WHEELCHAIR? Yes No		
Tobacco Use Last 12 months? Yes No			Tobacco Use Last 12 months? Yes No		
INDICATE IF YOU HAVE BEEN MEDICALLY DIAGNOSED OR TREATED FOR ANY OF THE CONDITIONS BELOW:			INDICATE IF YOU HAVE BEEN MEDICALLY DIAGNOSED OR TREATED FOR ANY OF THE CONDITIONS BELOW:		
Abnormal Blood Pressure		Yes No	Abnormal Blood Pressure		Yes No
Diabetes		Yes No	Diabetes		Yes No
Heart or Circulatory Disorder		Yes No	Heart or Circulatory Disorder		Yes No
Cancer		Yes No	Cancer		Yes No
Chronic Respiratory Disorder		Yes No	Chronic Respiratory Disorder		Yes No
Stroke or TIA		Yes No	Stroke or TIA		Yes No
Falling or Unstable Gait		Yes No	Falling or Unstable Gait		Yes No
Dizziness or Fainting		Yes No	Dizziness or Fainting		Yes No
Confusion or Memory Loss		Yes No	Confusion or Memory Loss		Yes No
Weakness or Fatigue		Yes No	Weakness or Fatigue		Yes No
Bladder or Bowel Control		Yes No	Bladder or Bowel Control		Yes No
Neurological Disorder		Yes No	Neurological Disorder		Yes No
Receiving physical therapy		Yes No	Receiving physical therapy		Yes No
Scheduled treatment or surgery		Yes No	Scheduled treatment or surgery		Yes No
Depression/anxiety		Yes No	Scheduled treatment or surgery		Yes No

REQUESTED BENEFIT DESIGN:

Daily Benefit Amount: \$ _____ <i>Average Costs In California \$200/day</i>	Type of Coverage: Comprehensive ___ Nursing Facility Only ___
Elimination Period: 0 day ___ 30 days ___ 90 days ___ <i>Shorter Is Better</i>	Inflation Protection: 5% Simple ___ 5% Compound ___
Benefit Period: # of years: ___ Lifetime ___	Traditional LTCi ___ California Partnership ___
Type of Client: Corporate ___ Estate Planning ___ Individual ___	Payment Options: Annual Pay ___ 10-Pay ___ Paid-Up 65 ___
Carrier Preference: Affinity Discounts:	State of Residence (Other Than California)

04/11/06