

Disclosure Statement

Long-Term Care Insurance Disclosure Statement Custom Care II Enhanced Policy Series LTC-03 NY & SG-03 NY

John Hancock Life & Health Insurance Company

LTC Administrative Office

333 West Everett Street, P.O. Box 2986, Milwaukee, WI 53203



CAUTION: The issuance of this long-term care insurance Policy is based upon Your responses to the questions on Your application. A copy of Your application is enclosed. If Your answers are incorrect or untrue, the company has the right to deny benefits or rescind Your Policy. The best time to clear up any questions is now, before a claim arises! If, for any reason, any of Your answers are incorrect, contact the company at this address: John Hancock Life & Health Insurance Company, LTC Administrative Office, 333 West Everett Street, P.O. Box 2986, Milwaukee, WI 53203 or call Us at 1-800-377-7311.

NOTICE TO BUYER: This Policy may not cover all of the costs associated with long-term care incurred by You during the period of coverage. You are advised to review carefully all Policy limitations.

1. This Policy is an individual policy of insurance.
2. **PURPOSE OF DISCLOSURE STATEMENT .** The Disclosure Statement provides a very brief description of the important features of this Policy. You should compare this Disclosure Statement to disclosure statements for other policies available to You. This is not an insurance contract, but only a summary of coverage. Only the individual Policy contains governing contractual provisions. This means that the Policy sets forth in detail the rights and obligations of both You and the insurance company. Therefore, if You purchase this coverage, or any other coverage, it is important that You **READ YOUR POLICY CAREFULLY!**
3. **FEDERAL TAX CONSEQUENCES:** This Policy is intended to be a qualified long-term care contract under Section 7702B(b) of the Internal Revenue Code of 1986, as amended.

Long-term care insurance was granted favorable federal income tax treatment in the Health Insurance Portability and Accountability Act of 1996. Policies meeting certain criteria outlined in this Act are eligible for this treatment. To the best of Our knowledge, We have designed this Policy to meet the requirements of this law. If, in the future, it is determined that this Policy does not meet these requirements, We will make every reasonable effort to amend the Policy if We are required to do so in order to gain such favorable federal income tax treatment. We will offer you an opportunity to receive these amendments.

4. **TERMS UNDER WHICH THE POLICY MAY BE CONTINUED IN FORCE OR DISCONTINUED**
 - (a) **RENEWABILITY: THIS POLICY IS GUARANTEED RENEWABLE.** This means You have the right, subject to the terms of Your Policy to continue this Policy as long as You pay Your premiums on time. John Hancock cannot change any of the terms of Your Policy on its own, except that, in the future, IT MAY INCREASE THE PREMIUM YOU PAY.
 - (b) **WAIVER OF PREMIUM.** We will waive the payment of premiums under this Policy if You have received services for which benefits are payable under the Long-Term Care Benefit. The waiver period will start the day after Your Elimination Period has been satisfied and will end on the date when benefits are no longer payable. The premium will not be waived, however, if benefits are only being received under the Stay at Home Benefit or Care Advisory Services Benefit.
5. **TERMS UNDER WHICH THE COMPANY MAY CHANGE PREMIUMS.** We reserve the right to increase Your premium as of any premium due date; however, any changes in premium rates must apply to all similar policies issued in Your state on this Policy form. This means We cannot single You out for an increase because of any change in Your age or health. However, Your rates may go up based on the experience of all policyholders with a policy similar to Yours.
6. **TERMS UNDER WHICH THE POLICY MAY BE RETURNED AND PREMIUMS REFUNDED**
 - (a) **THIRTY DAY FREE LOOK.** If You are not completely satisfied with this Policy for any reason, You may return it within 30 days from the date it was delivered to You. We will then refund any premium paid, and the Policy will be treated as if it had never been issued.
 - (b) **REFUND OF UNEARNED PREMIUMS.** Upon receipt of notice that You have died, We will refund the premium paid for any period beyond the date of death.

7. **THIS IS NOT A MEDICARE SUPPLEMENT POLICY**

If You are eligible for Medicare, review the Guide to Health Insurance for People with Medicare available from John Hancock. Neither John Hancock Life & Health Insurance Company nor its agents represent Medicare, the federal government or any state government.

8. **LONG-TERM CARE COVERAGE**

Policies of this category are designed to provide coverage for one or more necessary or medically necessary diagnostic, preventative, therapeutic, rehabilitative, maintenance, or personal care services, provided in a setting other than an acute care unit of a hospital, such as in a Nursing Home, in the community, or in the home.

This Policy provides coverage for actual charges incurred for care up to the applicable Benefit Amount for covered long-term care expenses, subject to Policy limitations and requirements.

9. **BENEFITS PROVIDED BY THIS POLICY**

Benefit Limits Selected:

Long-Term Care Benefit Amount \$ _____ (You may elect a monthly or daily option.)

Benefit Period/Policy Limit _____

Elimination Period _____ days

Benefit Increase Option Selected _____

Optional Benefits Selected _____

Important Note: You may choose either a monthly or daily Long-Term Care Benefit Amount. This choice is important as other Policy benefits are dependent upon this choice. We will provide You with information on how a choice of a monthly or daily Long-Term Care Benefit Amount will impact Policy benefits.

(a) **Long-Term Care Benefit.** Subject to Policy requirements and limitations, this Policy provides coverage for actual charges up to the Long-Term Care Benefit Amount incurred by:

- Your confinement in a Nursing Home or Assisted Living Facility for Your room, board and care services (such care services being Nursing Care, Custodial Care and Hospice Care);
- Home Health Care (including incidental homemaker services), Hospice Care, Respite Care; or
- attendance at an Adult Day Care Center providing Adult Day Care.

In addition, if Your stay in a Nursing Home or Assisted Living Facility is interrupted for any reason and a benefit is payable under this Policy, We will continue to pay the actual charges for up to 60-days in any calendar year in order to reserve Your bed during Your absence. Any unused portion of Your Long-Term Care Benefit Amount will remain in the Policy Limit. Any benefit paid under this provision will reduce Your Policy Limit.

We will not pay benefits for charges during the Elimination Period, except for Care Advisory Services, Respite Care and the Stay at Home Benefit. Elimination Period (waiting period) means the number of Dates of Service that would otherwise be covered by this Policy, for which We will not pay benefits. Only one complete Elimination Period needs to be satisfied while Your Policy is in force. The Elimination Period starts on the first Date of Service. No Date of Service may be counted as more than one day towards the satisfaction of Your Elimination Period. The Dates of Service used to satisfy Your Elimination Period do not need to be consecutive and may be accumulated under separate claims. Days that You only receive Respite Care will not count toward the satisfaction of Your Elimination Period.

If You receive Home Health Care for one or more days in a Calendar Week, We will apply seven days toward the satisfaction of Your Elimination Period, except if Respite Care is being received during the Calendar Week. If Respite Care is received during a Calendar Week, only the actual Dates of Service other than Respite Care will be applied toward satisfaction of Your Elimination Period. Please note that there will be no credit for days that occur before Your first Date of Service.

(b) Additional Benefits

- **Respite Care Benefit.** During Your Elimination Period, We will pay the actual charges incurred for Respite Care up to the Respite Care Benefit Amount per day for up to 21-days in any calendar year. This means You do not need to satisfy Your Elimination Period before receiving benefits for Respite Care. Days that You receive Respite Care will not count toward the satisfaction of Your Elimination Period. The Respite Care Benefit Amount is equal to 1/30th of the Long-Term Care Benefit Amount if the monthly option is chosen, or the Long Term Care Benefit Amount if the daily option is chosen. After Your Elimination Period has been satisfied, We will pay the actual charges incurred for Respite Care up to the Long-Term Care Benefit Amount as shown in the Policy Schedule.
- **Care Advisory Services Benefit.** We will pay the Care Advisory Services Benefit up to the Care Advisory Services Benefit. This benefit is equal to 1/3 of the Long-Term Care Benefit Amount if the monthly option is chosen or 10-times the Long-Term Care Benefit Amount if the daily option is chosen. Care Advisory Services include: an assessment of the need for long-term care services; the development of a plan of care that is consistent with the assessment; coordination of the delivery of care and services; and monitoring the care and services delivered. You must meet the eligibility requirements in the Policy. You do not have to satisfy the Elimination Period to receive this benefit. Benefits paid under the Care Advisory Services Benefit do not reduce the Policy Limit.
- **Stay at Home Benefit.** The Stay at Home Benefit can be used to pay for a variety of Your long-term care expenses while You are living in Your Home that are not otherwise covered under the Policy. Stay at Home Services include:
 - Home Modifications;
 - Emergency Medical Response Systems;
 - Durable Medical Equipment;
 - Caregiver Training;
 - Home Safety Check; and
 - Provider Care Check.

The Stay at Home Lifetime Benefit Amount is equal to 1 times the Long-Term Care Benefit Amount if the monthly option is chosen or 30-times the Long-Term Care Benefit Amount if the daily option is chosen. Benefits paid under the Stay at Home Benefit will not reduce the Policy Limit. You do not have to satisfy the Elimination Period to receive benefits under the Stay at Home Benefit. The days for which You receive only the Stay at Home Benefit do not count toward the Elimination Period. You may receive benefits under the Long-Term Care Benefit and/or Care Advisory Services Benefit while receiving benefits under the Stay at Home Benefit.

- **Alternate Services Benefit.** The Alternate Services Benefit allows You to use Your Policy's benefits to cover long-term care services not expressly covered by the Policy. Such services must be less expensive than the amount We would otherwise pay for such long term care services. The Alternate Plan of Care as well as the benefit levels to be payable, must be agreed upon by You and Us.
- **Return of Premium upon Death Benefit.** *Important Notice - The Return of Premium Benefit is not applicable to You if You are age 65 or older or You Elected FamilyCare.*

If You die before Your 65th birthday, We will pay to Your beneficiary a Return of Premium upon Death Benefit if Your Policy is in force on the date of Your death. The Return of Premium upon Death Benefit will be calculated by subtracting the sum of all benefits paid under Your Policy for charges incurred prior to the date of Your death from the sum of all premiums paid for Your Policy (accumulated without interest).

Important Notice Regarding Federal Income Tax Law – Please note that the payment of the Return of Premium Benefit may have Federal Income Tax implications for Your estate or beneficiary. You are advised to review this benefit with a qualified tax professional or attorney to determine any such tax impact.

- **Double Coverage for Accident Benefit.** *(This benefit will only be included in the Policy if You: are under age 65; and have met Our underwriting guidelines for this benefit.)*

If You become eligible for benefits under this Policy due to an Accidental Injury prior to Your 65th birthday, We will pay the actual charges incurred by You for Long-Term Care Services up to the Double Coverage for Accident Benefit Amount. The Double Coverage for Accident Benefit Amount is equal to 2-times the Long-Term Care Benefit Amount. Benefits paid in excess of the Long-Term Care Benefit Amount will ***not*** be deducted from the Policy Limit. We will never pay more than the actual charges You incur for care and services covered by this Policy. Payment of the Double Coverage for Accident Benefit will begin only after You have satisfied Your Elimination Period.

(c) **Eligibility for Payment of Benefits.** You are eligible for benefits under this Policy if:

- You need Substantial Assistance to perform at least two of the Activities of Daily Living; or
- You require substantial supervision to protect Yourself from threats to health and safety due to the presence of a Cognitive Impairment.

Activities of Daily Living mean the following activities: bathing, continence, dressing, eating, toileting, and transferring.

Cognitive Impairment means a deficiency in a person's short-term or long-term memory; orientation as to person, place, and time; deductive or abstract reasoning; or judgment as it relates to safety awareness.

(d) **Conditions.** To receive benefits under this Policy, You must:

- satisfy Your Elimination Period;
- receive services while this Policy is in effect;
- must receive care or services that are consistent with Your care needs and are covered under this Policy, specified in a Plan of Care, and are in accordance with accepted medical and nursing standards of practice; and
- submit to Us a current Plan of Care and written Proof of Loss both of which are acceptable to Us.

Because this Policy is intended to be tax-qualified under federal law, You must **ALSO** provide Us with one of the following written certifications:

- A Licensed Health Care Practitioner must certify that You are unable to perform without Substantial Assistance from another individual at least two Activities of Daily Living due to the loss of functional capacity for a period expected to last 90 days.
- A Licensed Health Care Practitioner must certify that You require Substantial Supervision to protect Yourself from threats to health and safety due to the presence of a Cognitive Impairment.

This written certification must be renewed and submitted to Us every 12 months.

(e) **Optional Benefits.** You may elect any of the optional benefits listed. You must pay an additional premium for any of the optional benefits elected.

- **SharedCare.** The SharedCare Rider allows Your Partner to access benefits under Your Policy if Your Partner first exhausts the available benefits payable under his or her policy. You and Your Partner may both receive benefits under Your Policy at the same time. In no event will We pay benefits that exceed the maximum Policy Limits of both policies combined. Your Partner must also have added an identical SharedCare Benefit Rider to his/her policy naming You as Covered Person for that policy. Your Partner only has access to Your Policy Limit less the following dollar amount – the sum of 365-days or 12-months, as the case may be, multiplied by Your Long-Term Care Benefit Amount. This means that this amount remains available for Your exclusive use while Your Policy is in force.
- **Survivorship and Waiver of Premium Benefit.** The Survivorship and Waiver of Premium Benefit rider provides that Your premiums will be waived in the event Your Partner dies or goes on claim after both policies have been in force for at least 10 years and no claims were payable in the first 10 years. Payments will resume if Your Partner's premiums are no longer waived or Your Partner's policy terminates.
- **Waiver of the Elimination Period for Home Care.** We will waive the requirement that you satisfy the Elimination Period if You are receiving Home Health Care, Hospice Care, or Adult Day Care. The Elimination Period must still be satisfied before benefits are payable under Long-Term Care Benefit for confinement in a Nursing Home or an Assisted Living Facility. However, days which the Home Health Care Elimination Period is waived will count toward meeting the facility Elimination Period.
- **Restoration of Benefits.** We will restore the Policy Limit on a one-time basis if You are not eligible for the payment of benefits for a continuous period of 180 days.

- **Additional Cash Benefit.** In addition to the monthly or daily benefits, this rider will provide a cash indemnity in order to help You stay at home. No benefit is payable in any month if You are confined in a Nursing Home or Assisted Living Facility for any part of that month. The Additional Cash Benefit Amount is equal to 15% of the Long Term Care Benefit Amount (if You elect the monthly option) or 4.5 times the Long-Term Care Benefit Amount (if You elect the daily option).

Important Notice Regarding Federal Income Tax Law in the Event You Elected a Long-Term Care Benefit Amount in Excess of \$150 per Day or \$4,500 per Month -- In the event You elected a Long-Term Care Benefit Amount in excess of \$150 per day or \$4,500 per month, as the case may be, benefits paid under the Additional Cash Benefit are subject to certain aggregation rules under the Internal Revenue Code for purposes of Federal Income Tax calculation. This means that Additional Cash Benefits will be aggregated with other benefits paid under the Policy. In the event that total payments exceed the "Per Diem Limitation" for that period, any benefits paid in excess of such limitation are includable in gross income. You are advised to review this benefit with a qualified tax professional or attorney to determine any such tax impact.

- **Enhanced Return of Premium upon Death Benefit.** We will pay to Your beneficiary the Enhanced Return of Premium upon Death Benefit if Your Policy is in force on the date of Your death regardless of Your age at the time of Your death. The Enhanced Return of Premium upon Death Benefit will be calculated by subtracting the sum of all benefits paid under Your Policy for charges incurred prior to the date of Your death from the sum of all premiums paid for Your Policy (accumulated without interest).

Important Notice Regarding Federal Income Tax Law – Please note that the payment of the Return of Premium Benefit may have Federal Income Tax implications for Your estate or beneficiary. You are advised to review this benefit with a qualified tax professional or attorney to determine any such tax impact.

- **Nonforfeiture Benefit.** If Your Policy lapses because You have not paid the premium within the Grace Period, after being in force at least three years (or one-year if You elect a limited pay option), it will remain in force with a reduced policy limit equal to the sum of the premiums You have paid. In the event that You do not elect the Nonforfeiture Benefit, Your Policy will contain the Contingent Nonforfeiture Benefit provision. The Contingent Nonforfeiture Benefit provides that in the event We increase rates by more than a specified amount shown in the Contingent Nonforfeiture provision, We will provide You with the opportunity to: pay the increased premium, decrease Your benefits to a level supported by Your current premium, or elect the Contingent Nonforfeiture Benefit. Under the Contingent Nonforfeiture Benefit, Your Policy will remain in force with a reduced policy limit equal to the sum of the premiums You have paid. This means that a reduced benefit will be payable instead of the full Policy Limit.

10. LIMITATIONS AND EXCLUSIONS

In addition to the Conditions to qualify for benefits set forth above, the following limitations and exclusions apply to the Policy.

(a) **Exclusions.** This Policy does not cover care, treatment or charges:

- for intentionally self-inflicted injury.
- required as a result of alcoholism or drug addiction (unless drug addiction was a result of the administration of drugs as part of treatment by a Physician).
- due to war (declared or undeclared) or any act of war, or service in any of the armed forces or auxiliary units.
- due to participation in a felony, riot or insurrection.
- normally not made in the absence of insurance.
- provided by a member of Your Immediate Family, unless:
 - the family member is one of the following professionals -- a duly licensed registered nurse, licensed vocational nurse, licensed practical nurse, physical therapist, occupational therapist, speech therapist, respiratory therapist, licensed social worker, or registered dietitian; and
 - the family member is a regular employee of a Nursing Home, Assisted Living Facility, Adult Day Center or Home Health Care Agency which is providing the services;
 - the organization receives the payment for the services; and
 - the family member receives no compensation other than the normal compensation for employees in his or her job category.
 - provided outside the fifty United States and the District of Columbia except as described in the International Coverage section of this Policy.

(b) **Non-Duplication of Benefits.** This Policy will only pay covered charges in excess of charges covered under any of the following:

- Medicare (including amounts not reimbursable by Medicare such as a Medicare deductible or coinsurance amounts).
- any other governmental program (except Medicaid).
- any state or federal workers' compensation, employer's liability or occupational disease law, or any motor vehicle no-fault law.

(b) **Charges not Covered.** We will not pay for any of the following: Physician's charges; hospital and laboratory charges; prescription or non-prescription medication; medical supplies; durable medical equipment; transportation; items and services furnished at Your request for beautification, comfort, convenience or entertainment; and charges for care or services which are not included in and/or are inconsistent with Your Plan of Care.

(c) **Coordination with Other John Hancock Individual Long-Term Care Insurance Policies.**

We may reduce benefits payable under this Policy for Long-Term Care Services if We also pay benefits for such services under any other individual long-term care policy issued by Us. This includes policies providing Nursing Home, Assisted Living Facility and/or Home Health Care coverage whether payable on an expense reimbursement, indemnity or any other basis. Benefits will be reduced under this Policy, only when payment under this Policy and all other John Hancock individual long-term care policies combined would exceed the actual amount You incur for Long-Term Care Services. In no event will We pay under this Policy more than the difference between Your actual expenses and the amount payable by Your other policies with Us.

THIS POLICY MAY NOT COVER ALL THE EXPENSES ASSOCIATED WITH YOUR LONG-TERM CARE NEEDS.

11. RELATIONSHIP OF COST OF CARE AND BENEFITS

Because the costs of long-term care services will likely increase over time, You should consider whether and how the benefits of this Policy may be adjusted. The benefit level(s) of this Policy will not increase over time, unless You have elected to purchase Inflation Coverage. You are guaranteed the option to buy Inflation Coverage. The Policy contains the option to purchase: CPI Compound Inflation Coverage; 5% Compound Inflation Coverage; 5% Simple Inflation Coverage; or a Guaranteed Purchase Option. These options are described at the end of this Disclosure Statement .

12. **ALZHEIMER'S DISEASE AND OTHER ORGANIC BRAIN DISORDERS**

We cover brain disorders with demonstrable organic cause (including Alzheimer's Disease and similar forms of senility and irreversible dementia) that result in a Cognitive Impairment which are diagnosed by a Physician after the Effective Date of Coverage.

13. **PREMIUMS**

The total premium for Your Policy as well as a breakdown of the premium by base policy and optional benefits are found below.

Annual Premium

Base Policy (includes inflation, if any)	\$ _____
• SharedCare	\$ _____
• Survivorship-Waiver of Premium Benefit	\$ _____
• Waiver of the Elimination Period For Home Care	\$ _____
• Restoration of Benefits	\$ _____
• Additional Cash Benefit	\$ _____
• Enhanced Return of Premium Benefit	\$ _____
• Nonforfeiture	\$ _____
Total Annual Premium	\$ _____

Your premium will be \$ _____ on a _____ basis.**

** You may elect to pay Your premium on an annual, semi-annual, quarterly or monthly basis. Please note that the more often you pay, the higher your premium amount will be per year. Additional premium charges are included for semi-annual, quarterly, and monthly premiums. These charges are called "modal fees". These fees are based upon the following modal factors and are used to determine the premium amount for all payment options. The modal factors are 1.00 for annual, .52 for semi-annual, .27 for quarterly and .09 for monthly. To calculate Your approximate total annual premium payment based on Your current policy selection:

- Multiply the "Total Annual Premium" as shown in the box above by the factor associated with Your selected mode of payment, and then
- Multiply that result by the number of payments required in a year based upon Your selected payment mode.

14. **ADDITIONAL FEATURES**

- (a) Issuance of Your coverage may depend upon certain medical information about You. This is generally known as medical underwriting.
- (b) This Policy provides added protection against lapse. You may name another person on the application to receive a termination notice 30 days after the premium due date. If Your Policy terminates because You did not pay a premium while You would meet the eligibility requirements for the payment of benefits, it may be reinstated within 5 months of the date of termination if:
 - You give Us proof of the Cognitive Impairment or Your inability to perform 2 of the Activities of Daily Living without Substantial Assistance; and
 - You pay all the unpaid overdue premiums.
- (c) This Policy includes an International Coverage Benefit. The International Coverage Benefit provides that we will pay actual charges incurred for covered Long-Term Care Services up to the International Coverage Benefit for care received outside the United States. The International Coverage Benefit will not be paid in excess of an amount equal to: 365-times the Long-Term Care Benefit Amount if You elected the daily Benefit Amount option; or 12-times the Long-Term Care Benefit if You elected the monthly Benefit Amount option.

15. **CONTACT THE STATE SENIOR HEALTH INSURANCE ASSISTANCE PROGRAM IF YOU HAVE GENERAL QUESTIONS REGARDING LONG-TERM CARE INSURANCE. CONTACT THE INSURANCE COMPANY IF YOU HAVE SPECIFIC QUESTIONS REGARDING YOUR LONG-TERM CARE INSURANCE POLICY OR CERTIFICATE.**

INFLATION PROTECTION AVAILABLE FOR YOUR LONG-TERM CARE INSURANCE POLICY

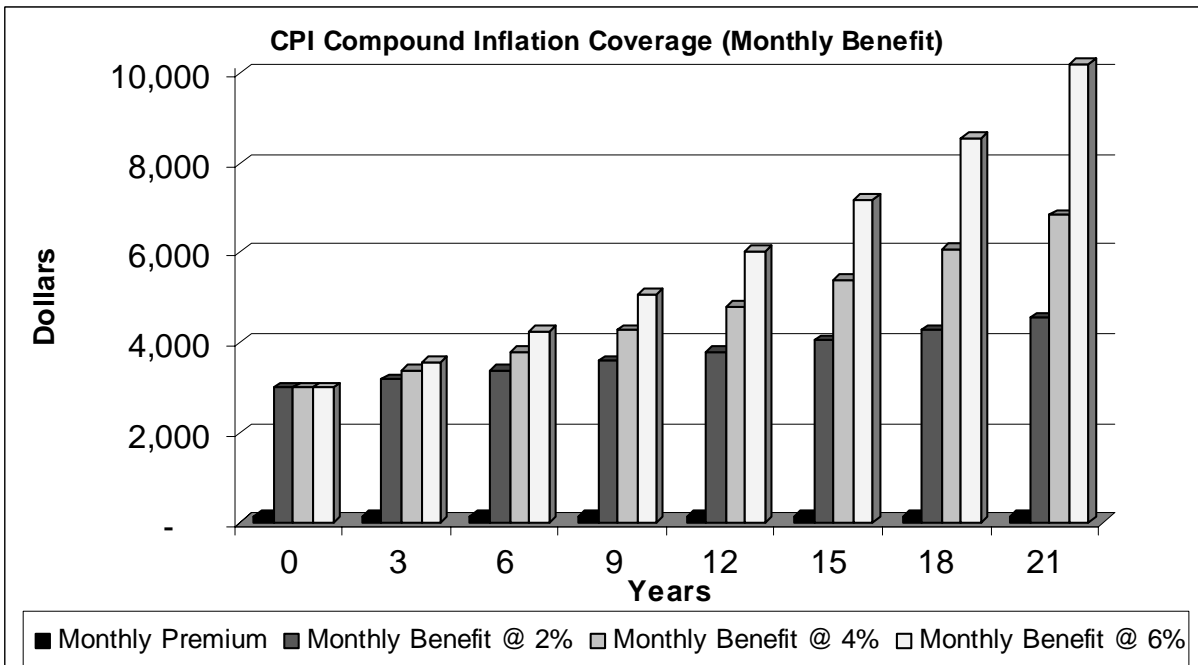
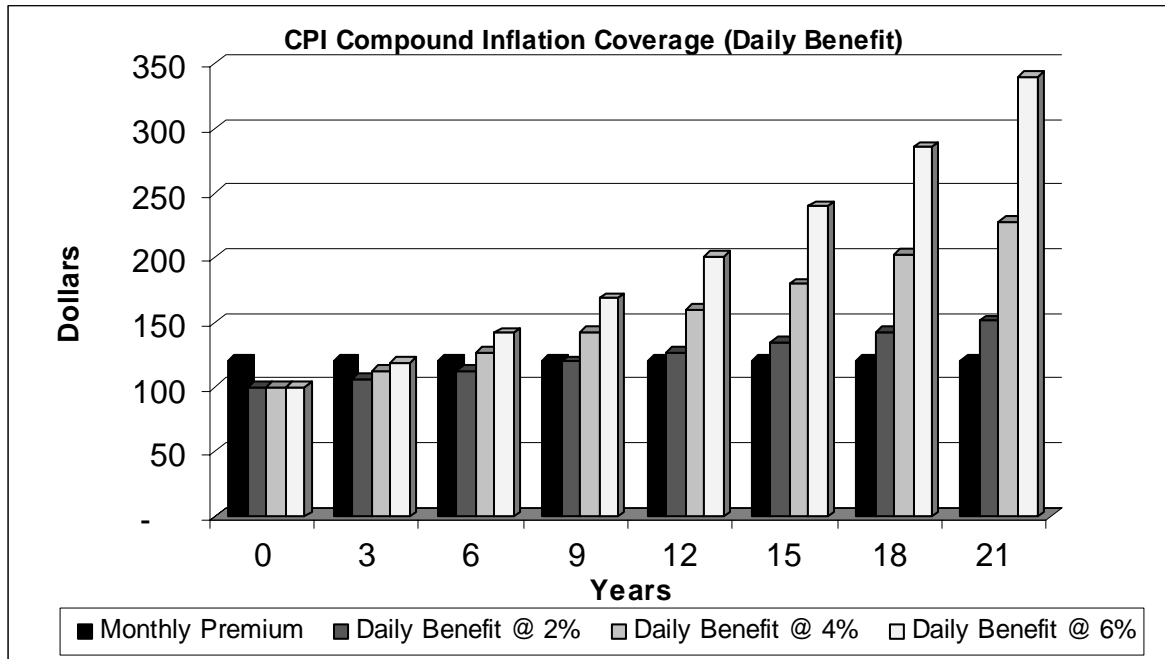
CPI Compound Inflation Coverage and Guaranteed Increase Option

CPI Compound Inflation Coverage: Under this option, Your Long Term Care Benefit Amount will be increased on each Policy anniversary by the percentage change in the non-seasonally adjusted Consumer Price Index (CPI) three months prior to Your Policy anniversary as compared to the same month's CPI one year prior and rounded to the nearest dollar. In the event the CPI decreases, We will not reduce the Long Term Care Benefit Amount by such CPI decrease on the Policy anniversary. However, We will offset any such CPI decreases when calculating future CPI increases to the Long Term Care Benefit Amount. The premium for the CPI Compound Inflation Coverage is included in the Policy premium. Your premium will not change for any annual automatic CPI Compound increase, except as described in the Policy.

Guaranteed Increase Option: *(Important Notice – The Guaranteed Increase Option is not applicable to You if You are paying Your premium via the Ten-Year Premium Payment Option or the Paid-Up at Age 65 Payment Option or if You have elected the Survivorship and Waiver of Premium Benefit.)* Effective as of the third anniversary of the Effective Date of Coverage and every third anniversary thereafter (the "Option Dates"), We will offer You the option to increase Your Long Term Care Benefit Amount by purchasing an additional amount of coverage equal to 10% of the Long Term Care Benefit Amount that was in effect immediately prior to that Option Date. This increase is in addition to the annual automatic CPI increase described above. No additional underwriting will be required. If You elect an increase under the Guaranteed Increase Option, the amount of the annual automatic CPI increase on that Option Date will be based on Your Long Term Care Benefit Amount prior to this additional purchase.

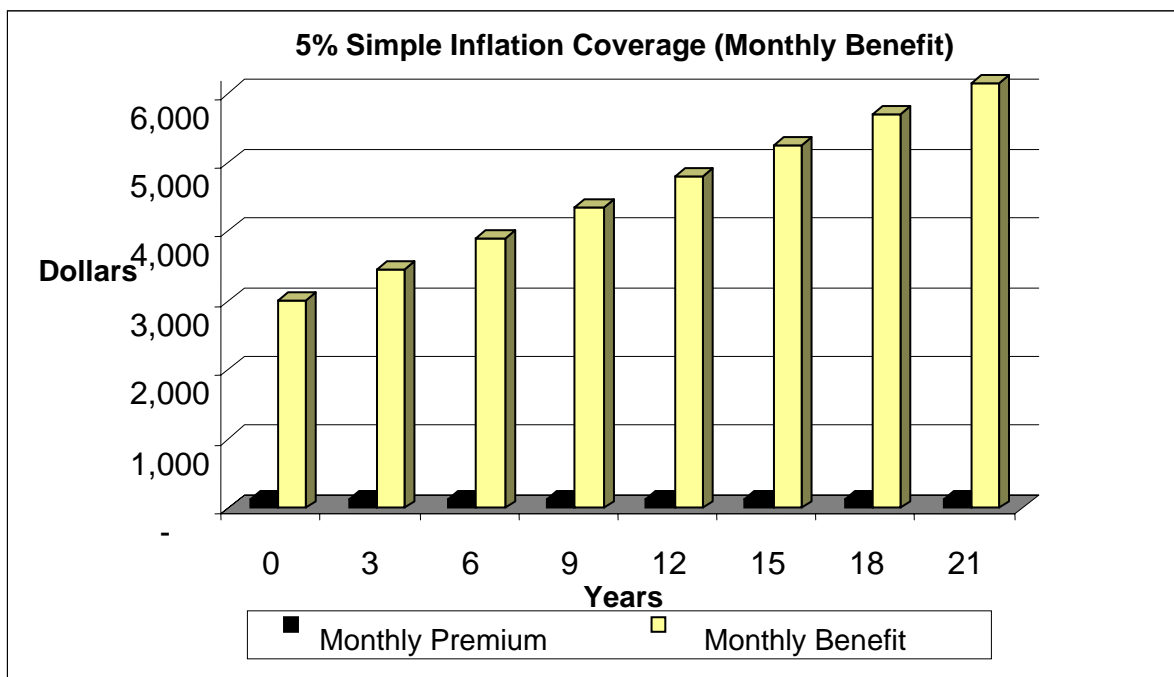
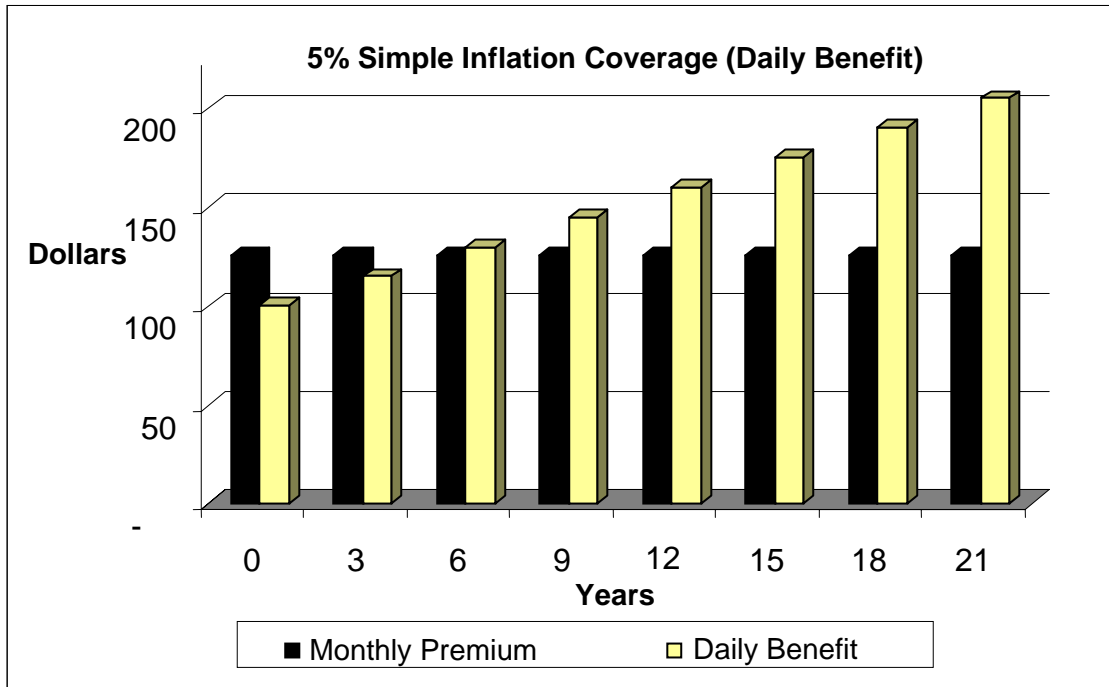
We must receive Your written election within 31-days after the applicable Option Date or Your right to elect that increase will expire. The premium for any increase under this Guaranteed Increase Option (including any corresponding premium for any optional benefit riders/endorsements that You have elected and are part of Your Policy) will be based on Your age on the Option Date and the premium rates then in effect. The increase on any Option Date will not be available to You (and, if requested, will not take effect) if: any benefits have been payable under Your Policy during the two year period prior to the Option Date; or the Option Date occurs on or after Your 91st birthday.

The graphs below show the change in the daily or monthly Benefit Amount and the monthly premium under three possible scenarios – increases in coverage assuming a constant 2%, 4% or 6% change in the CPI. The graphs illustrate a policy which has been issued to a person who is age 50 and has chosen a monthly Long Term Care Benefit Amount of \$3,000 or daily Long Term Care Benefit Amount of \$100, and a 3-year Benefit Period.



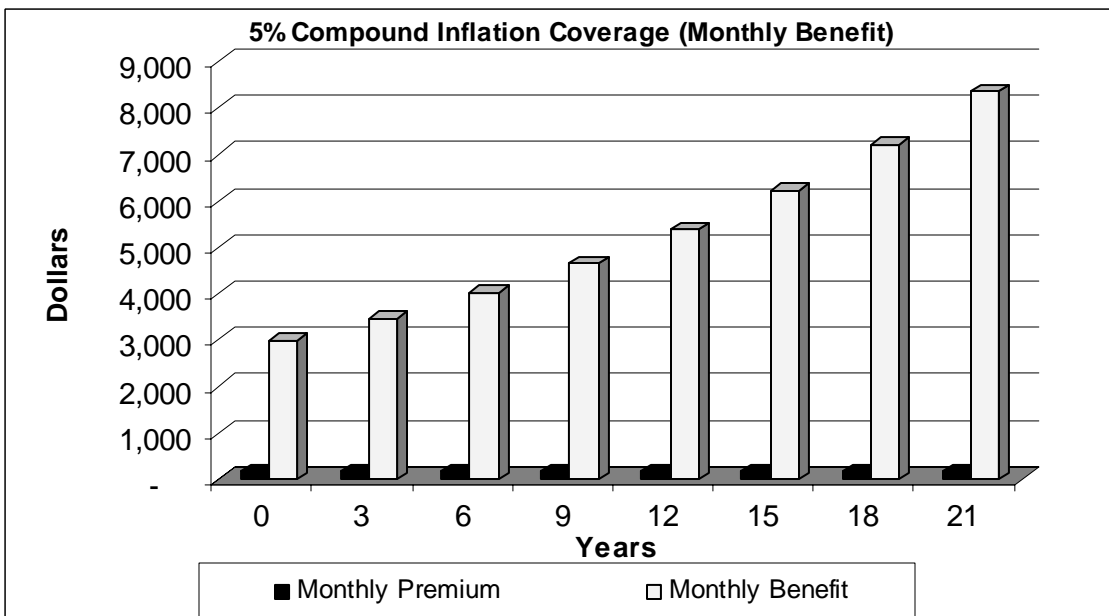
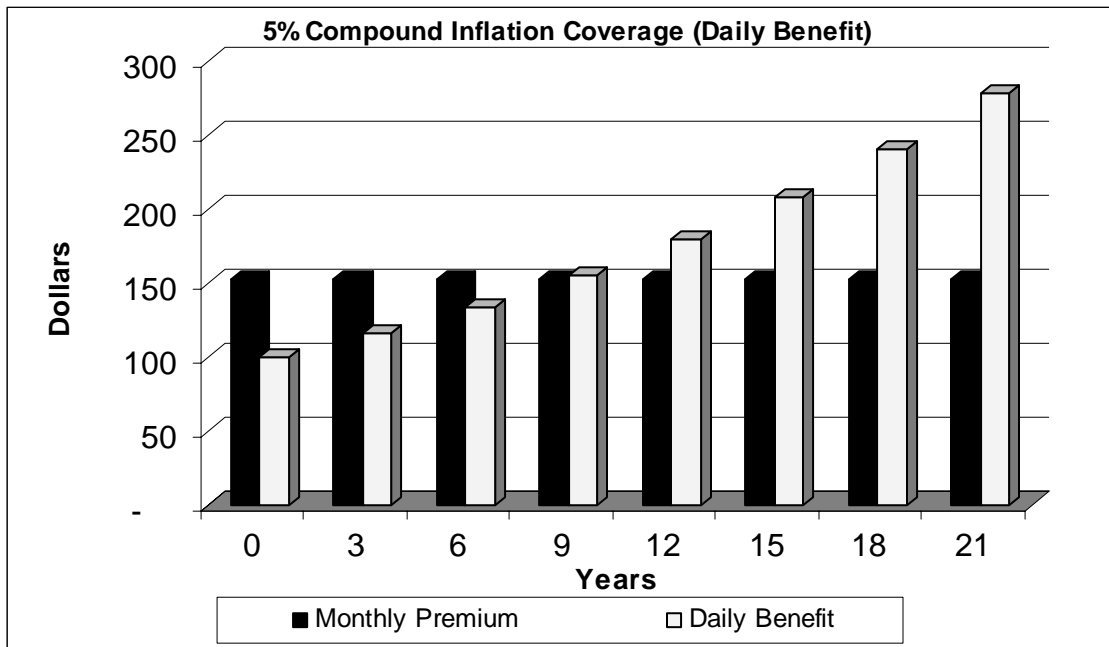
5% Simple Inflation Coverage. Your Long-Term Care Benefit Amount will increase by an amount equal to 5% of the Long-Term Care Benefit Amount in effect when the Policy was issued. This annual increase is automatic and will occur on each Policy anniversary. The premium for Simple Inflation Coverage is included in the Policy premium. Your premium will not change, except as described in the Policy.

The graphs below show the change in the daily and monthly Benefit Amount and the monthly premium under Simple Inflation Coverage. The graphs illustrate a policy which has been issued to a person who is age 60 and has chosen a monthly Long-Term Care Benefit Amount of \$3,000 or daily Long-Term Care Benefit Amount of \$100, and a 4-year Benefit Period.



5% Compound Inflation Coverage. Your Long-Term Care Benefit Amount will increase by an amount equal to 5% of the Long-Term Care Benefit Amount in effect during the prior Policy year. The annual increase is automatic and will occur on each Policy anniversary. The premium for Compound Inflation Coverage is included in the Policy premium. Your premium will not change, except as described in the Policy.

The graphs below show the change in the daily or monthly Benefit Amount and the monthly premium under Compound Inflation Coverage. The graphs illustrate a policy which has been issued to a person who is age 60 and has chosen a monthly Long-Term Care Benefit Amount of \$3,000 or daily Long-Term Care Benefit Amount of \$100, and a 4-year Benefit Period.



Guaranteed Purchase Option. Every 3 years You will be provided with an opportunity to increase Your Long-Term Care Benefit Amount in an amount equal to 5, 10 or 15% of the original Long-Term Care Benefit Amount. The premium for any increase will be based on attained age. No additional underwriting will be required. You will be provided with the opportunity to increase Your Long-Term Care Benefit Amount as of the third anniversary of the Effective Date of Coverage and every third anniversary thereafter (the Option Dates). No offers will be made if any benefits have been paid within the past 2 years or You are older than 91. If You decline all or any portion of an increase when offered, such increase will not be available on any future Option Date. The premium for each increase will be based on Your age on the Option Date and the premium rates then in effect. We will make You a one-time written offer on Your Policy anniversary which falls on or after Your 65th birthday to switch Your Guaranteed Purchase Option to CPI Compound or 5% Compound Inflation Coverage. This offer will be available to You for a period of 60 days. Your premium will be equal to the difference between the premium for CPI Compound or 5% Compound Inflation Coverage and Your Guarantee Purchase Option coverage at your attained age for Your then current benefits. If You elect to switch to CPI Compound or 5% Compound Inflation Coverage, You will not receive any future Guaranteed Purchase Option offers.

The graphs below show the change in the daily or monthly Benefit Amount and the monthly premium if You elect all increases available to You. The graphs illustrate a policy which has been issued to a person who is age 60 and has chosen a monthly Long-Term Care Benefit Amount of \$3,000 or daily Long-Term Care Benefit Amount of \$100, and a 4-year Benefit Period. Assume the person has elected a 15% increase on each Option Date. *(Assume that You did not elect the one-time offer to switch Your coverage to CPI Compound or 5% Compound Inflation Coverage.)*

