LIVINGCARE®

# Advisor guide to LivingCare

THE MANUFACTURERS LIFE INSURANCE COMPANY

Manulife
Insurance

Canadians have told us that they don't want to be a burden on their families and, overwhelmingly, they want to do the responsible thing[1]

# Why is it the time right for long term care insurance?

Consider the following:

- According to the 2006 Canadian Census, the number of Canadians aged 65 and older increased by 11.5% compared to 2001, and has almost quadrupled since 1956. The proportion of seniors in the Canadian population could nearly double within the next 25 years.[1]
- The average life span has steadily increased over the last century, due in large part to better detection and treatment of illness.
- Diseases of old age remain prevalent and are costly to treat.
- Frailty makes the elderly more vulnerable to accident and disease: a simple fall can lead to life-threatening complications.

Reports show that Canada's health care system is challenged. The shifting demographics and the realities of aging will place severe challenges on the government's ability to provide adequate publicly funded long term care.

**In order for your clients to get the quality of care they want and need, there is a solution: long term care insurance.**

[1] Statistics Canada, Portrait of the Canadian Population in 2006, by Age and Sex: National portrait.

Women are an important market for long term care insurance. Here's why:

- 77%[2] of family caregivers are women. Women are thus more likely to see long term care situations first hand and are more likely to appreciate the need for insurance.
- 74%[3] of nursing home residents are women. Women tend to outlive men by several years, and therefore face a much higher likelihood of entering a nursing home after age 65.

Research conducted by Manulife and John Hancock identified key messages that connect with consumers:

- "Preparing for long term care is the responsible thing to do"
- "Not be a burden on your family"
- "Quality time for you and your family"
- "Have the option of choosing where to receive care"
- "Make sure you have control over decisions about your care"
- "Protect your retirement"
- "More than financial support – care planning expertise, advice and resources"

## To establish the need for insurance, different messages will resonate depending on your audience

| Talking points | Boomers (ages 40–64) | Seniors (ages 65+) | Women |
|---|---|---|---|
| Not wanting to burden family with cost and care giving responsibilities | ✓ | ✓ | ✓ |
| Maintaining quality of life for the family, whether providing care or receiving it | | | ✓ |
| Preserving independence | ✓ | ✓ | ✓ |
| Staying home as long as possible | ✓ | ✓ | ✓ |
| Having long term care insurance as part of a complete financial plan is the responsible thing to do | ✓ | ✓ | ✓ |
| Buying at a younger age means greater affordability | ✓ | | ✓ |
| Quality of life depends on ability to obtain care in the environment and manner your client prefers | ✓ | ✓ | ✓ |
| Protecting retirement assets and maintaining current standard of living | | ✓ | |

[2]Health Canada, National Profile of Family Caregivers In Canada, Final Report, 2002.
[3]Statistics Canada, Health Reports, Spring 2000, Vol. 11, No. 4.

# Plan highlights

## Target markets

- Retirees and pre-retirees concerned about:
  - Not becoming a burden on their family
  - Maintaining quality of life for themselves and their family
  - Protecting retirement savings
  - Preserving their estate
- Couples (married or common law) who want an innovative way to pool their long term care insurance needs.
- People (often women) who have had a caregiving experience and understand the challenges this can present.
- Children of aging parents who want to help them prepare for their long term care needs.
- Employers looking to improve employee benefits.

## LivingCare at a glance

- The monthly Care Benefit depends on the selected Amount of Insurance, Benefit Option and the care setting. It does not depend on the actual cost of care.
- Care Benefits are payable after the waiting period is satisfied while the insured person is functionally dependent, meaning they require substantial assistance with two or more Activities of Daily Living (bathing, eating, dressing, toileting, transferring, maintaining continence) or substantial supervision due to a cognitive impairment, and are under the regular care of a physician.
- Choice of Single Life Coverage or Shared Coverage between couples (married, common law partners).
- Premiums are designed to remain level. Once a policy is inforce, premiums may change on or after the fifth coverage anniversary to reflect changes in our cost of providing long term care insurance, but not after the coverage anniversary nearest the 75th birthday or the 20th coverage anniversary (whichever is later).

### Built-in features

**Satisfying the waiting period** – non-consecutive days of functional dependence from the same or related causes can be added together if separated by 180 days or less

**Recurrent claims** – benefits resume immediately if functional dependence from the same or related causes recurs within 180 days of a previous claim

**Waiver of premium on claim benefit** – Manulife will waive the premiums while Care Benefits are being paid or payable

**Care Support Services** – once a year, provides your client with additional information on the care they need, information on community services and help with locating the appropriate care provider(s).

### Optional riders

**Inflation Protection Rider** – increases the Care Benefits and remaining Benefit Balance by 2% compounded annually, whether on claim or not.

**Return of Premium on Death Rider** – refunds a percentage of eligible premiums at death, less any claims paid. For Shared Coverage, the benefit is payable on last death.

# Plan design

LivingCare offers innovative long term care insurance on either a Single Life basis or as Shared Coverage between couples (married, common law).

We cannot cancel a valid policy or change the benefit provisions as long as the required premiums are paid on time. We do reserve the right to increase premiums during the premium paying period as described in the Premiums section.

Benefits are payable after the waiting period is satisfied while the client requires substantial assistance from another person to perform the Activities of Daily Living, or requires substantial supervision because of a cognitive impairment. The amount paid each month depends on three factors.

- The **Amount of Insurance** selected at issue creates a pool of money referred to as the Benefit Balance. Each Care Benefit paid by us reduces the Benefit Balance dollar for dollar. Coverage terminates when the Benefit Balance reaches zero.
- The **Benefit Option** percentage selected at issue impacts how much will be paid from the Benefit Balance each month during a claim. The lower the percentage, the lower the amount paid out each month, meaning the benefits would last longer.
- The **care setting** also impacts the Care Benefit amount and how long benefits will be payable, since we pay double the monthly benefit amount if the insured is residing in a long term care facility.

LivingCare has other flexible features to help you meet your clients' coverage needs and financial circumstances. For instance, to control costs you might consider lengthening the waiting period, keeping in mind that your clients would then have to wait longer before becoming entitled to Care Benefits. You can also enhance the product with the optional Inflation Protection and Return of Premium on Death Riders. Finally, our Shared Coverage option gives couples an affordable long term care insurance plan that's simple and flexible.

# Plan details

## Pre-screening

It's important to determine in advance whether or not your client is a good candidate for long term care. Your client will not be eligible for LivingCare if he or she:

- Is not a Canadian citizen or permanent resident/ landed immigrant
- Has been living in Canada for less than 12 months
- Is unable to speak English or French
- Requires assistance with **any** Activity of Daily Living (ADL) – Bathing, dressing, eating, toileting, transferring, maintaining continence
- Requires assistance with **more than one** of the following routine daily activities – Laundry, cooking/meal preparation, housekeeping, arranging transportation, shopping, handling personal finances, taking medication, using the telephone. Individual consideration will be given if unable to perform **one** of these activities.
- Demonstrates cognitive difficulties such as disorientation, confusion, loss of memory, lack of judgment.

We recommend using the Pre-underwriting checklist available on Repsource prior to taking an application to screen for other situations where the client will not be eligible.

## Currency

Only Canadian dollar policies and premiums are allowed for LivingCare.

## Ownership and payment of benefits

In most cases, the policy owner and the insured person will be the same person and, unless we're otherwise directed, this person will receive the Care Benefit. In the case of Shared Coverage, the policy would normally be jointly owned by two insured people.

We will also allow a third party with insurable interest such as a child or employer to own the policy. The policy owner must be a Canadian resident at time of issue. By default, the Care Benefits are payable to the insured person; however, the owner has the right to designate a different payee at any time.*

Any Return of Premium on Death benefit would normally be payable to the owner or the owner's estate.*

### Coverage types

- Single Life Coverage (one life per policy); or
- Shared Coverage – available for couples (married, common law partners) who, instead of having two separate policies with separate amounts of insurance, have one policy with a common amount of insurance from which they can both draw. For further details, see the section on Shared Coverage.

## Issue ages

- 18 to 80 (age at nearest birthday)

For Shared Coverage, the two ages must be within 10 years of each other.

## Smoker status

The rates for LivingCare do not depend on the client's smoker status. However, smoking habits may be part of the risk assessment, particularly if your client has a history of diabetes, cardiac, lung or vascular disease.

## Issue limits – amount of insurance

Single Life Coverage: $25,000 to $1,000,000
Shared Coverage: $50,000 to $2,000,000

The amount we will issue is also subject to the Care Benefit Issue Limits (see below) and our Financial Underwriting Guidelines For full details, see the Underwriting Guide for LivingCare.

*In Alberta, British Columbia, Manitoba and Quebec, a beneficiary may be designated.

## Benefit Options

Single Life Coverage: 0.5%, 1%, 2%
Shared Coverage: 0.25%, 0.5%, 1%

The Benefit Option percentage (in conjunction with the care setting) determines how much is paid out each month, which in turn determines how long the Benefit Balance will last.

## Care Benefits

The Care Benefit is the amount payable for each month of functional dependence after the selected waiting period is satisfied. The amount is a combination of the selected Amount of Insurance, the selected Benefit Option and the care setting. The two care settings are:

- Care Benefit when the care setting is a facility – This means your client is living in a long term care facility, such as a nursing home or qualified assisted living facility. The benefit amount equals the selected Amount of Insurance times the selected Benefit Option percentage times two. For example, if the Amount of Insurance is $300,000 and the selected Benefit Option is 0.5%, the facility Care Benefit would be $3,000 per month.
- Care Benefit when the care setting is not a facility – This means your client is living in a setting other than a facility, most commonly at home. The benefit amount equals the selected Amount of Insurance times the selected Benefit Option percentage. For example, if the Amount of Insurance is $300,000 and the selected Benefit Option is 0.5%, the non facility Care Benefit would be $1,500 per month.

The Care Benefits increase over time if the Inflation Protection Rider is included.

## Care Benefit issue limits

The Amount of Insurance we issue will be limited such that the monthly Care Benefits from all insurance coverage, inforce and applied for, does not exceed:

- $5,000 for non-facility care
- $10,000 for facility care

The amount we issue is also subject to our Financial Underwriting Guidelines. For full details, see the Underwriting Guide for LivingCare.

## Benefit Balance

The Amount of Insurance is selected at issue and is used to determine the premiums payable. At issue, the Benefit Balance is equal to the Amount of Insurance. The Benefit Balance will then increase if the Inflation Protection Rider is selected and decreases as Care Benefits are paid. When the Benefit Balance reaches zero, the coverage terminates.

## Waiting periods

- 90 or 180 days of functional dependence

The waiting period is the number of days of functional dependence that must elapse before benefits are payable. The waiting period normally begins when a Care Advisor conducts an assessment. However, if the assessment cannot be conducted promptly due to your client's health status, the waiting period will begin on the date of a documented major event (such as a severe stroke, accident, or admittance to a hospital for a prolonged period) for which medical evidence is available that clearly documents your client's functional dependence.

The waiting period must normally be satisfied with consecutive days of functional dependence. However, nonconsecutive days of functional dependence will be added together provided they are (a) separated by 180 days or less, and (b) the result of the same or related cause.

## Functional dependence

LivingCare provides benefits if your client is functionally dependent and satisfies the required waiting period. Functional dependence means that even with the use of medications, assistive devices, appliances or other aids:

- Your client cannot do two or more of the Activities of Daily Living without substantial assistance from another person; or
- Due to a Cognitive Impairment, your client needs substantial supervision to protect them from threats to their health or safety.

Your client must also be under the regular care of a physician, following recommended treatments and using appropriate assistive devices for their condition.

The capitalized words are explained in the Key Terminology section.

## Coverage for life

Once the policy is issued:

- We cannot cancel a valid policy; and
- We cannot make any changes to the terms of a valid contract.

We reserve the right to increase premiums. See the section on Premiums for further details.

Here is a list of the main reasons* a LivingCare coverage will terminate:

- After we receive a written request from the owner to cancel the coverage
- For Single Life Coverage, on death of the insured person
- For Shared Coverage, on death of both insured people
- When the Benefit Balance reaches zero
- If required premiums are not paid within the grace period.

## What if functional dependence recurs?

If an insured person who was previously eligible for Care Benefits becomes functionally dependent again, a new waiting period must normally be satisfied. However, we will consider the new claim to be a continuation of the first if it begins within 180 days of the prior claim and results from the same or related causes. Benefits will be payable from the date of the recurrence.

Monthly Care Benefits for the subsequent claim will continue while functional dependence lasts, until the Benefit Balance is exhausted.

We recommend using the Pre-underwriting checklist available on Repsource prior to taking an application to screen for other situations where the client will not be eligible.

*The contract provides a complete list.

## Care Support Services

If your client is functionally dependent, they have the option to use our Care Support Services once every 12 months.* The Care Advisor designated by us can help your client's family navigate the long term care delivery system in their local area. Drawing on their expertise in long term care situations, the Care Advisor can:

- Provide written recommendations as to the type, frequency and duration of long term care services needed.
- Help your client secure the recommended services in their local area.
- Review the care your client is receiving and suggest changes that could improve their health and well-being. For example, maybe the client would benefit from some assistive devices or home modifications.
- Prepare a list of local resources, community programs and health information resources. For example, there may be local programs sometimes referred to as Adult Day Care that allow the normal caregiver some free time while giving your client more social contact.

We will pay for the cost of the consultation with the Care Advisor, although we reserve the right to put reasonable limits on the time. Your client is responsible for paying any other costs.

## Waiver of premium

We will waive premiums month to month while a Care Benefit is being paid on the policy. Any required premium payments made during the waiting period will be refunded.

Note that for Shared Coverage, the entire policy premium is waived if either insured person is on claim.

## Exclusions

No benefits are payable for a functional dependence that results, while sane or insane, from intentionally selfinflicted injury, commission of a criminal act, driving while intoxicated, use of prescription drugs other than as instructed by a physician, use of non prescription drugs other than as recommended by the manufacturer, use of illegal drugs or narcotics, or intake of poison or intoxicants. During our underwriting process, we may add an exclusion for any existing condition that would make your client otherwise uninsurable.

Your client will not be considered functionally dependent and no benefits are payable while they reside in a country other than Canada or the continental United States (including Alaska) and Hawaii.

Refer to the contract for more details on exclusions.

## Tax-free benefits

Long term care benefit payments are free of personal taxes if the premiums have been paid with after-tax dollars. When the LivingCare policy is being set up as an employee benefit, please see the Tax Topic available on Repsource for further details.

*If a client is receiving monthly Care Benefits and their Benefit Balance is projected to reach $0 within three months, they can ask to have the Care Advisor conduct a final review of their care.

# Key terminology

## Care Advisor

The Care Advisor is a licensed professional (such as a nurse, occupational therapist or social worker).

## Assessment

An Assessment is an on-site, face-to-face evaluation by a Care Advisor that helps us to determine:

a) your client's ability to do Activities of Daily Living; or

b) if your client has a cognitive impairment.

The Assessment encompasses a wide range of factors that are relevant to your client's situation, such as their functional, cognitive, behavioral, and emotional well-being, as well as family support and the safety of the environment. An Assessment uses professionally accepted tests that provide objective measures and produce verifiable results.

## Activities of Daily Living

<table>
<tr><th></th><th>Definition</th><th>Comments</th></tr>
<tr><td>Bathing</td><td>Bathing means washing their body in a bathtub (including getting into or out of the bathtub), or in a shower (including getting into or out of the shower), or by a sponge bath. Bathing does not include the insured person's ability to wash their hair or to reach their back or feet.</td><td rowspan="6">Activities of Daily Living (ADLs) are basic tasks of everyday life that we tend to take for granted. When people cannot do them on their own, they can sometimes use assistive devices or make other adaptations in order to cope. If the condition is more severe, they need assistance from another person. Functional Dependence exists when they need hands-on or stand-by assistance with two or more ADLs.<br><br>There are many reasons why people develop problems performing the ADLs. Some of the most common reasons are arthritis, osteoporosis and stroke. Depending on the cause of the loss, it may be possible to recover independence with appropriate therapy.</td></tr>
<tr><td>Dressing</td><td>Dressing means putting on and taking off all necessary items of clothing and any medically necessary braces, surgical appliances, or artificial limbs. A "necessary item of clothing" is any item of clothing that can be made, purchased, or purchased and altered, and that is reasonable for the insured person's health, comfort and dignity in the environment in which they normally live.</td></tr>
<tr><td>Eating</td><td>Eating means feeding themselves from a cup, bowl or plate, or by a feeding tube. Eating does not include preparing or serving their meals.</td></tr>
<tr><td>Toileting</td><td>Toileting means getting to and from, and on and off the toilet, and performing the associated personal hygiene.</td></tr>
<tr><td>Transferring</td><td>Transferring means moving into or out of a bed, chair, or wheelchair.</td></tr>
<tr><td>Maintaining continence</td><td>Maintaining continence means controlling their bowel and bladder function or, if they cannot maintain control, performing the associated personal hygiene (including the use of incontinence products and caring for a catheter or colostomy bag).</td></tr>
</table>

## Cognitive impairment

| Definition | Comments |
|---|---|
| A cognitive impairment is a loss of, or deterioration in, intellectual capacity. The insured person's loss or deterioration must be:<br>1. comparable to (and includes) Alzheimer's Disease and similar forms of irreversible dementia, or the result of severe brain injury, and<br>2. demonstrated by impairment in:<br>a. short-term or long-term memory<br>b. orientation as to people, places, or time<br>c. deductive or abstract reasoning, or<br>d. judgment as it relates to the insured person's awareness of their own safety and the safety of others and<br>3. confirmed and measured by clinical evidence and standardized tests.<br>A cognitive impairment does not include any mental or nervous disorder, including but not limited to anxiety disorders, mood disorders, sleep disorders, pain disorders, personality disorders and psychotic disorders. | The cognitive impairment may be due to either a degenerative brain disease (such as Alzheimer's disease) or severe brain injury (such as stroke or trauma). In either case, functional dependence exists when a person requires substantial supervision to maintain their health and safety. For example, wandering is a common symptom of more advanced Alzheimer's disease, so people at this stage need to be constantly monitored for their safety. |

## Substantial assistance

By substantial assistance, we mean that your client usually and regularly needs either hands-on assistance or stand-by assistance to safely complete the Activities of Daily Living.

- Hands-on assistance is the physical assistance of another person.
- Stand-by assistance is the presence of another person within arm's reach so they can physically intervene if necessary to prevent your client from becoming injured. For example, a person providing stand-by assistance would be ready to catch your client if they fell while getting into or out of the bathtub, or would be ready to remove food from your client's throat if they were choking while eating.

## Substantial supervision

By substantial supervision we mean continual supervision by a responsible adult who is willing and able to take the actions or provide the directions needed to protect the insured person from threats to their health or safety.

# Premiums

## Premium duration

Pay to attained age 100.

## Premium changes after Issue

Premiums for LivingCare are designed to remain level and will not change before the fifth coverage anniversary. On or after the fifth coverage anniversary, we reserve the right to periodically increase or decrease premiums to reflect changes in the cost of providing long term care insurance. We may make such changes annually for the balance of the premium duration. However, the last time we may change rates is the later of the coverage anniversary nearest the insured persons 75th birthday and the 20th coverage anniversary.

A change will only occur if we change the premium for all similar coverage in force with us. An individual client's health or ability to function independently at the time of the premium change will not be considered in determining their new premium.

## Modal factors

- 0.54 semi-annual
- 0.27 quarterly
- 0.09 monthly (automatic)

## Minimum premium

- Annual mode: $120
- Monthly mode: $10

## Policy fee

The annual policy fee is $75.

## Ratings

Substandard ratings are not used on LivingCare. Policies are either issued with standard premiums or declined.

# Shared Coverage

Shared Coverage is an innovative feature that allows couples to access a common pool of insurance.

## How it works

Shared Coverage is available to married or common law couples (same sex or opposite sex) who wish to share access to the Benefit Balance. It's like a pool of money that can be used by one or both insured people if they become functionally dependent and satisfy the waiting period.

For example, Rob and Pat Young purchase a coverage amount of $1,000,000 and select the 0.5% Benefit Option with a waiting period of 90 days. Here's how they might share the coverage.

| Scenario | Benefits for Rob ($) | Benefits for Pat ($) | Benefit balance remaining ($) |
|---|---|---|---|
| Rob becomes functionally dependent and receives 24 months of home care | 21* X 5,000 = 105,000 | | 895,000 |
| Rob's condition worsens and he requires facility care for 6 months before passing away | 6** X 10,000 = 60,000 | | 835,000 |
| Pat later becomes functionally dependent and requires 36 months of home care | | 33* X 5,000 = 165,000 | 670,000 |
| Pat then enters a facility and receives 36 months of care | | 36** X 10,000 = 360,000 | 310,000 |

*Benefits begin after waiting period of 90 days. **When the care setting changes, the monthly Care Benefit is recalculated. The waiting period does not need to be satisfied again.

Note that if Rob and Pat had originally purchased traditional Single Life Coverage for $500,000 each, Pat's Benefit Balance would have already been exhausted. Instead, Pat has been able to tap into the larger shared pool, and still has a high enough Benefit Balance to provide 31 more months of facility coverage.

## Premiums

In the illustration software, the premiums shown in the Plan Details report assume both insured people are alive throughout the premium paying period. If one of the insured people dies during the premium paying period, the survivor retains access to the full remaining Benefit Balance, and their premium will be recalculated on a Single Life basis. The premiums for the new Single Life Coverage will be based on the original age and rate scale, adjusted by any intervening premium changes applicable to such coverage.

## Splitting the policy

A Shared Coverage policy can be split into two Single Life policies in the event the couple separates. The Amount of Insurance of each Single Life Coverage will be half that of the corresponding Shared Coverage and the Benefit Balance will also be split in two. The Benefit Option of each Single Life Coverage will be set at twice that of the corresponding Shared Coverage. For example, a policy with Shared Coverage of $300,000 and a 1% Benefit Option would be split into two policies with Single Life Coverage of $150,000 each and a Benefit Option of 2%. Note that the Care Benefit amounts do not change as a result of the split. The waiting period also remains the same.

If an Inflation Protection Rider is attached to the Shared Coverage, it will be included with the corresponding Single Life Coverages. However, any Return of Premium on Death (ROPD) on the original Shared Coverage will be terminated and may not be added to the corresponding Single Life Coverages.

The premiums for the new Single Life Coverage will be based on the original age and rate scale, adjusted by any intervening premium changes applicable to such coverage.

The policy owner(s) may then make changes to the coverage, subject to our then current administrative rules. If the change requires evidence of insurability, new contestability periods may apply to the coverage(s) impacted by the change.

Policy splits are not permitted if either insured person:

- is currently on claim
- has been on claim in the past 180 days, or
- is in the process of satisfying the Waiting Period.

> Our Shared Coverage option gives couples an affordable long term care insurance plan that's simple and flexible.

# Riders

## Inflation Protection Rider (IPR)

This rider increases the monthly Care Benefits on each coverage anniversary by 2% compounded annually. The purpose is to offset the e ffects of inflation. The increases occur whether the client is on claim at the time or not. The Benefit Balance is also indexed by the same percentage, to help protect the Benefit Balance from the negative effects of inflation. To illustrate how it works, consider the following example.

**Example:**

**Amount of Insurance**: $300,000. **Benefit Option:** 0.5%. **Waiting period:** 90 days. **Age at issue:** 60 becomes functionally dependent at age 65, then recovers after 24 months. **Care setting:** home at age 70, becomes functionally dependent, then recovers after 60 months. **Care setting:** facility Premiums do not increase when the coverage increases occur.

| Policy year | Age at beginning of year | Benefit balance at beginning of year ($) | Care Benefit ($) (non-facility) | Care Benefit ($) (facility) | Claim payments made during year ($) | |
|---|---|---|---|---|---|---|
| 1 | 60 | 300,000 | 1,500.00 | 3,000.00 | | |
| 2 | 61 | 306,000 | 1,530.00 | 3,060.00 | | |
| 3 | 62 | 312,120 | 1,560.60 | 3,121.20 | | |
| 4 | 63 | 318,363 | 1,591.82 | 3,183.64 | | |
| 5 | 64 | 324,731 | 1,623.66 | 3,247.32 | | |
| 6 | 65 | 331,226 | 1,656.13 | 3,312.26 | 14,905.17 | =$1,656.13 X 9* |
| 7 | 66 | 322,648 | 1,689.26 | 3,378.52 | 20,271.12 | = $1,689.26 X 12 |
| 8 | 67 | 308,425 | 1,723.05 | 3,446.10 | | |
| 9 | 68 | 314,594 | 1,757.51 | 3,515.02 | | |
| 10 | 69 | 320,886 | 1,792.67 | 3,585.34 | | |
| 11 | 70 | 327,304 | 1,828.52 | 3,657.04 | 32,913.36 | = $3,657.04 X 9* |
| 12 | 71 | 300,279 | 1,865.10 | 3,730.20 | 44,762.40 | = $3,730.20 X 12 |
| 13 | 72 | 260,627 | 1,902.40 | 3,804.80 | 45,657.60 | = $3,804.80 X 12 |
| 14 | 73 | 219,269 | 1,940.45 | 3,880.90 | 46,570.80 | = $3,880.90 X 12 |
| 15 | 74 | 176,153 | 1,979.26 | 3,958.52 | 47,502.24 | = $3,958.52 X 12 |
| 16 | 75 | 131,224 | 2,018.85 | 4,037.70 | | |

* In the first year of each claim, benefits are not payable for the waiting period of 90 days.

Note that the illustration software will allow you to do customized examples for your client using the claims demonstration report. Premiums do not increase when the coverage increases occur.

## Return of Premiums on Death Rider (ROPD)

On death,* this rider refunds a percentage of eligible premiums, less any Care Benefits paid under the insurance coverage to which the rider is attached. Eligible premiums refer to the premiums paid for this rider, the insurance coverage to which this rider is attached and any associated Inflation Protection Rider in effect at the time. The policy fee will also be included in the eligible premiums. Eligible premiums do not include premiums that were waived while benefits were being paid. The refund amount cannot exceed the Benefit Balance at time of death.

The percentage of eligible premiums refunded depends on the number of complete years that elapse between the coverage effective date and date of death, as follows:

| Number of completed years | Percentage of eligible premiums refunded (%) |
|---|---|
| Less than 1 year | 0 |
| 1 year | 5 |
| 2 years | 10 |
| 3 years | 15 |
| 4 years | 20 |
| 5 years | 25 |
| 6 years | 30 |
| 7 years | 35 |
| 8 years | 40 |
| 9 years | 45 |
| 10 years | 50 |
| 11 years | 55 |
| 12 years | 60 |
| 13 years | 65 |
| 14 years | 70 |
| 15 years | 75 |
| 16 years | 80 |
| 17 years | 85 |
| 18 years | 90 |
| 19 years | 95 |
| 20 or more years | 100 |

*For Shared Coverage, the ROPD benefit is payable on the last death of the insured people.

Want to learn more? Contact your Manulife Insurance wholesaler for more information.

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