

# BENEFIT INCREASE OPTIONS (BIO) FOR ALL YOUR CLIENTS

***Inflation protection*** may be the most important benefit to have in a long term care insurance policy.

Because many policy holders will own their policy for 10, 20, or even 30+ years before they file a claim, they need a policy with benefits that can keep up with the cost of inflation. But traditional compound benefit options may be too expensive for all your clients. Working with a company that can provide your clients LTCi solutions with inflation protection that they can afford ***is worth learning about.***

## **Step Rated BIO**

With a **Step-Rated** BIO, your clients start with lower initial premiums than with a traditional compound BIO. Benefits and premiums automatically increase (step up) at a 3% or 5% compound rate each year. This flexible BIO gives your clients the control to temporarily or permanently stop the coming year's increases.



**SALES IDEA:** *especially suited for your cost-conscious clients. Emphasize the stop/start flexibility and savings in the early years and lower starting premiums.*

## **Tailored BIO\***

A **Tailored** BIO automatically adjusts the way benefits are increased as your clients enter different stages of life. Prior to age 61, benefit amounts will increase on the policy anniversary by 5% compound. Between ages 61-76, benefit amounts will increase by 3% compound. And benefit amounts will not increase after your client's 76th birthday. *\*Available for TransCare III® policies only.*



**SALES IDEA:** *especially suited for younger clients who want to lock in higher growth in the earlier years and who prefer premiums designed to be level.*

## **Deferred BIO**

If your clients don't select a BIO Rider at policy issue, they have the option to add a BIO later without evidence of insurability, as long as they have not had a claim and are not currently eligible to claim. Deferred BIO is automatically included if no BIO Rider is selected. Policy holders will have the option to select a BIO within 90 days prior to the first, third, and fifth anniversary of their policy.



**SALES IDEA:** *especially suited for your clients who may want to add inflation protection later.*



### Tailored BIO

Tailored BIO is especially suited for clients who want to lock in higher growth in the earlier years and who prefer premiums designed to be level. In the example below, a Couple Age 40 will pay a level annual premium of \$1,736.89. **By age 75, the couple will have accumulated a total benefit pool of more than \$905,000 for less than \$65,000 in premium.**



### Step-Rated BIO

Step-Rated BIO is especially suited for cost-conscious clients who prefer lower initial premiums that grow over the life of the policy. **In the example below, a Couple Age 40 will pay an initial annual premium of \$936.91 - almost half the cost of other BIO options.** By age 75, the couple will have accumulated a total benefit pool of more than \$615,000 for less than \$60,000 in premium.

## TransCare III® Alabama rates with \$100 daily benefit for 3 years

Couple Age 40*		
	Tailored BIO	3% Step-Rated BIO
Total annual premium for a couple	1,736.89	936.91
Total benefit at age 40	219,000.00	219,000.00
Total annual premium for both at age 75	1,736.89	2,636.30
<b>Total premium paid by age 75 for both</b>	<b>62,528.04</b>	<b>59,283.53</b>
Daily Benefit at age 75 for each person	413.38	281.39
<b>Total benefit at age 75 for both</b>	<b>905,291.56</b>	<b>616,235.88</b>

Single Male Age 40	
	3% Step-Rated BIO
Tailored BIO	983.38
Total benefit at age 40	109,500.00
Total annual premium for both at age 75	1,492.58
<b>Total premium paid by age 75 for both</b>	<b>35,401.68</b>
Daily Benefit at age 75 for each person	413.38
<b>Total benefit at age 75 for both</b>	<b>452,645.78</b>

Single Female Age 40	
	3% Step-Rated BIO
Tailored BIO	1,498.25
Total benefit at age 40	109,500.00
Total annual premium for both at age 75	2,274.11
<b>Total premium paid by age 75 for both</b>	<b>53,937.00</b>
Daily Benefit at age 75 for each person	413.38
<b>Total benefit at age 75 for both</b>	<b>452,645.78</b>

Couple Age 45*		
	Tailored BIO	3% Step-Rated BIO
Total annual premium for a couple	1,921.51	1,094.43
Total benefit at age 45	219,000.00	219,000.00
Total annual premium for both at age 75	1,921.51	2,656.44
<b>Total premium paid by age 75 for both</b>	<b>59,566.81</b>	<b>54,723.89</b>
Daily Benefit at age 75 for each person	323.89	242.73
<b>Total benefit at age 75 for both</b>	<b>709,319.62</b>	<b>531,570.48</b>

Single Male Age 45	
	3% Step-Rated BIO
Tailored BIO	1,087.58
Total benefit at age 45	109,500.00
Total annual premium for both at age 75	1,503.54
<b>Total premium paid by age 75 for both</b>	<b>33,714.98</b>
Daily Benefit at age 75 for each person	323.89
<b>Total benefit at age 75 for both</b>	<b>354,659.81</b>

Single Female Age 45	
	3% Step-Rated BIO
Tailored BIO	1,657.38
Total benefit at age 45	109,500.00
Total annual premium for both at age 75	2,291.27
<b>Total premium paid by age 75 for both</b>	<b>51,378.78</b>
Daily Benefit at age 75 for each person	323.89
<b>Total benefit at age 75 for both</b>	<b>354,659.81</b>

Couple Age 50*		
	Tailored BIO	3% Step-Rated BIO
Total annual premium for a couple	1,978.37	1,288.95
Total benefit at age 50	219,000.00	219,000.00
Total annual premium for both at age 75	1,978.37	2,698.75
<b>Total premium paid by age 75 for both</b>	<b>51,437.62</b>	<b>49,692.44</b>
Daily Benefit at age 75 for each person	253.78	209.38
<b>Total benefit at age 75 for both</b>	<b>555,770.48</b>	<b>458,537.36</b>

Single Male Age 50	
	3% Step-Rated BIO
Tailored BIO	1,119.85
Total benefit at age 50	109,500.00
Total annual premium for both at age 75	1,527.60
<b>Total premium paid by age 75 for both</b>	<b>29,116.10</b>
Daily Benefit at age 75 for each person	253.78
<b>Total benefit at age 75 for both</b>	<b>277,885.24</b>

Single Female Age 50	
	3% Step-Rated BIO
Tailored BIO	1,706.60
Total benefit at age 50	109,500.00
Total annual premium for both at age 75	2,328.01
<b>Total premium paid by age 75 for both</b>	<b>44,371.60</b>
Daily Benefit at age 75 for each person	253.78
<b>Total benefit at age 75 for both</b>	<b>277,885.24</b>

\*Rates shown are for married couples and does not included the Shared Care Benefit.

<b>Couple Age 55*</b>		
	<b>Tailored BIO</b>	<b>3% Step-Rated BIO</b>
Total annual premium for a couple	2,016.88	1,533.29
Total benefit at age 55	219,000.00	219,000.00
Total annual premium for both at age 75	2,016.88	2,769.30
<b>Total premium paid by age 75 for both</b>	<b>42,354.48</b>	<b>43,969.37</b>
Daily Benefit at age 75 for each person	198.84	180.61
<b>Total benefit at age 75 for both</b>	<b>435,460.72</b>	<b>395,538.36</b>

<b>Single Male Age 55</b>	
	<b>3% Step-Rated BIO</b>
<b>Tailored BIO</b>	<b>3% Step-Rated BIO</b>
1,141.49	867.80
109,500.00	109,500.00
1,141.49	1,567.35
<b>23,971.29</b>	<b>24,885.39</b>
198.84	180.61
<b>217,730.36</b>	<b>197,769.18</b>

<b>Single Female Age 55</b>	
	<b>3% Step-Rated BIO</b>
<b>Tailored BIO</b>	<b>3% Step-Rated BIO</b>
1,739.65	1,322.54
109,500.00	109,500.00
1,739.65	2,388.66
<b>36,532.65</b>	<b>37,925.67</b>
198.84	180.61
<b>217,730.36</b>	<b>197,769.18</b>

<b>Couple Age 60*</b>		
	<b>Tailored BIO</b>	<b>3% Step-Rated BIO</b>
Total annual premium for a couple	2,335.36	2,124.53
Total benefit at age 60	219,000.00	219,000.00
Total annual premium for both at age 75	2,335.36	3,309.93
<b>Total premium paid by age 75 for both</b>	<b>37,365.76</b>	<b>42,823.60</b>
Daily Benefit at age 75 for each person	155.80	155.80
<b>Total benefit at age 75 for both</b>	<b>341,194.86</b>	<b>341,194.86</b>

<b>Single Male Age 60</b>	
	<b>3% Step-Rated BIO</b>
<b>Tailored BIO</b>	<b>3% Step-Rated BIO</b>
1,321.80	1,202.48
109,500.00	109,500.00
1,321.80	1,873.41
<b>21,148.80</b>	<b>24,238.08</b>
155.80	155.80
<b>170,597.43</b>	<b>170,597.43</b>

<b>Single Female Age 60</b>	
	<b>3% Step-Rated BIO</b>
<b>Tailored BIO</b>	<b>3% Step-Rated BIO</b>
2,014.24	1,832.40
109,500.00	109,500.00
2,014.24	2,854.85
<b>32,227.84</b>	<b>36,935.65</b>
155.80	155.80
<b>170,597.43</b>	<b>170,597.43</b>

\*Rates shown are for married couples and does not included the Shared Care Benefit.



## sales idea | immediate benefit protection today

Adding a Compound Benefit Increase Option (CBIO) is a great way to help your client's policy keep up with increasing costs. But what do you do when your client is concerned about the cost associated with a benefit increase option?

Consider offering a plan that provides a larger daily benefit for a shorter benefit period. It's a great way to provide immediate protection with the confidence of knowing the exact size of the benefit pool of money.

*Starting your clients with a large daily benefit can offer them more protection today at a lower cost than waiting for that benefit to grow with traditional compounding.*

Let's look at what a \$400 maximum daily benefit with at a 2 year benefit period could do for your client today. This would give them a \$292,000 total benefit pool of money for a lower premium than a policy with a traditional CBIO rider. A plan design that provides a larger daily benefit for a shorter duration could help you close more sales and offer your clients the protection they lack.

### HELP PROTECT YOUR CLIENTS, STAY WITHIN THEIR BUDGET CLOSE THE SALE

Individual Long Term Care insurance policy underwritten by Transamerica Life Insurance Company, Cedar Rapids, IA and Transamerica Financial Life Insurance Company in NY. Policy Series ICC10 TLC-3, TLC 2-P 0410, TFL 2-P NY 0410, TFL 2-P NYAF 0410, TFL 2-P NYF 0410, ICC13 TLC-4 and TLC 3-P 0313. Qualifying for benefits is required. Benefit options not available in all states. Policy features may be named differently depending on state. Exclusions and limitations apply. Premiums and benefits vary based upon plan selected.

### consider this...

Bob, age 57 and Sue, age 55 want help protecting their assets and family from the financial toll of a long term care event. They are in good health and want an affordable plan to help protect them today and in the future. They were shown a proposal for Long Term Care insurance with a compound benefit increase, but looked at the price and decided Long Term Care insurance wasn't affordable for them.

Their Transamerica Agent took a different approach and showed them a new design providing a larger daily benefit today computed with a shorter benefit period. They really liked knowing exactly what their benefit protection would be.

*They chose the plan design providing them insurance protection within their budget and their Transamerica Agent closed the sale.*