

The Power of Inflation Protection

These numbers represent both:

(1) the rising cost of services if care increases at a **5% (compounded)** rate annually, and

(2) the rising value of long term care insurance benefits with an automatic **5% compounded**, or **5% simple**, or **3% compounded** annual increase.

<u>In today's dollars</u>	<u>In 10 yrs.</u>	<u>In 20 yrs.</u>	<u>In 30 yrs.</u>	<u>In 40 yrs.</u>
\$190 daily cost/benefit				
5% compound	\$309.49	\$504.13	\$821.17	\$1,337.60
5% simple	\$285.00	\$380.00	\$475.00	\$ 570.00
3% compound	\$255.34	\$343.16	\$461.18	\$ 619.79
 x 4 yrs = \$277,400				
5% compound	\$451,855	\$736,030	\$1,198,908	\$1,952,896
5% simple	\$416,100	\$554,800	\$693,500	\$ 832,200
3% compound	\$372,796	\$501,014	\$673,323	\$ 904,893
 \$200 daily cost/benefit				
5% compound	\$325.78	\$530.66	\$864.39	\$1,408.00
5% simple	\$300.00	\$400.00	\$500.00	\$ 600.00
3% compound	\$268.78	\$361.22	\$485.45	\$ 652.41
 x 4 yrs = \$292,000				
5% compound	\$475,638	\$774,763	\$1,262,009	\$2,055,680
5% simple	\$438,000	\$584,000	\$ 730,000	\$ 876,000
3% compound	\$392,418	\$527,381	\$ 708,757	\$ 952,518
 \$210 daily cost/benefit				
5% compound	\$342.07	\$557.19	\$907.61	\$1478.40
5% simple	\$315.00	\$420.00	\$525.00	\$630.00
3% compound	\$282.22	\$379.28	\$509.73	\$685.03
 x 4 yrs = \$306,600				
5% compound	\$499,422	\$813,497	\$1,325,111	\$2,158,464
5% simple	\$459,900	\$613,200	\$766,500	\$919,800
3% compound	\$412,041	\$553,749	\$774,206	\$1,000,144
 \$220 daily cost/benefit				
5% compound	\$358.36	\$583.73	\$950.83	\$1548.80
5% simple	\$330.00	\$440.00	\$550.00	\$660.00
3% compound	\$295.66	\$397.34	\$534.00	\$717.65