



[Mailing Date]

**Important Notice:
 Upcoming Long Term Care
 Premium Rate Increase**

[Policyholder Name]
 [Address]
 [City, State and Zip]

Policy Number: []

This is not a bill - you do not need to send any payment to us at this time.

Dear [Policyholder Name]:

We are grateful to have earned your trust in us over the years, and we are committed to providing you with quality long term care coverage as cost-effectively as possible. This means ensuring the benefits will be there for claims that arise for our policyholders. As such, LifeSecure regularly reviews its long term care insurance policies to ensure that it has the ability to administer future claims. Our recent review confirmed it is necessary to increase premiums on certain policy series to reflect the future claims expected on these policies.

This increase was a difficult decision and one we do not take lightly. **Please be assured this premium increase impacts a broad group of policyholders in the state that your policy was issued and is not due to changes in your age, personal health or claims history.** We also want to assure you this premium adjustment was not caused by the COVID-19 pandemic. Implementing this increase now will allow us to deliver strong protection you and all our policyholders need today and in the future.

Premium increases have occurred industry wide and are not isolated to LifeSecure. You can rest assured LifeSecure is strong and financially viable. We are a majority-owned subsidiary of the largest health insurance company in Michigan and market long term care insurance nationally in 45 states (plus D.C.). The rate increase was filed in accordance with the laws and regulations of the state in which your policy was issued. We maintain the right to raise premiums in the future as stated in your policy, and any such increase would be in accordance with applicable laws and regulations.

What this means to you:

- After the third increase, your premium will not increase again before 2029.
- The enclosed Selection Option Form outlines options that are available to you. If you decide not to choose an option by the effective date shown below, your new premium shown below will go into effect. [Additional options may also be available to you to reduce premium, and we encourage you to call us to discuss these options or any questions you may have.]

If your premium is currently being waived because of your claim status, you will not be affected by this rate increase until your premium is no longer being waived. If you have received, recently accepted, or are expecting to receive a Guaranteed Future Purchase Offer or made any other changes to your policy, the new premium shown below may not reflect the recent changes.

| Your Current Premium | Your New Premium | Percentage of Increase | Increase Effective Date |
|---|---|------------------------|-------------------------|
| [Current Premium] [Current Premium Mode] | [New Premium] [Current Premium Mode] | [%] | [Effective Date] |



LifeSecure Insurance Company
Policyholder Support
P.O. Box 0300 New Hudson, MI 48165
Fax: 877.226.0925

If your current plan meets the requirements for Partnership Plan Certification in your state, reducing coverage may disqualify your eligibility.

We hope you keep your long term care policy. It provides great peace of mind in knowing that if you need long term care, you won't have to bear the cost burden all on your own. We are happy to answer any questions you might have. Please call our Policyholder Support team at 888.575.8246 or e-mail us at phs@yourlifesecond.com.

Sincerely,

LifeSecure Policyholder Support

SAMPLE

PREMIUM INCREASE SELECTION OPTION FORM

[Insured's Name]

Policy Number: []

Please review the following options available to you regarding the increase to your current long term care insurance premium and carefully evaluate your options below before making your selection.

Option #1 Keep my current benefit levels

Do nothing. The increased modal premium stated in the letter will take effect on the date indicated. *(Do not return this form.)*

OR

Option #2 Offset the increased premium by otherwise reducing my level of benefits

You have the option to lessen your premium increase by reducing your coverage. To choose this option, check the box(es) below for the options you prefer. Complete, sign and return this form within 30 days from the date of the letter so that we may apply this change before your next payment due date.

If this form is received after 30 days from the date of this letter, your next payment due amount may not reflect your revised benefit amount and premium but will be reflected in your premium due amount going forward once your completed form is received. Your completed and signed form should be returned to us at the address above or by secured fax at 877.226.0925.

Reduce my Monthly Benefit and Benefit Bank amounts so that my new premium payments will stay approximately the same as my current payment

If you want to keep your premium payment close to the amount it is now, you can reduce your Monthly Benefit from [\$ current MB] to [\$ new MB]. [Your Benefit Bank will be reduced from [\$ current BB] to [\$ new BB]. Please note that the Benefit Bank shown has not been reduced by any claims that have been paid or are payable.] Your new premium would be [\$ new premium] [payment mode].

Note: You will not be able to increase your benefits back to the prior amounts after selecting this option. If there has been a recent change in your benefits, the Monthly Benefit and Benefit Bank amounts may be different than those shown above.

Exercise the Contingent Non-Forfeiture Benefit

You have the option to convert your coverage to a "paid-up" status with a lesser Benefit Bank through the option below.

Standard Option

Your Benefit Bank will be reduced to the greater of: (a) one hundred percent (100%) of the sum of all premiums paid, excluding any waived premiums; or (b) one times (1x) your Monthly Benefit in effect at the time of conversion. The revised Benefit Bank is reduced by the sum of all benefits previously paid to you. Your Monthly Benefit will remain at the dollar amount in effect at the time of conversion, restricted only by the amount of your revised Benefit Bank.]

Limited Pay Option

Your Benefit Bank will be determined by multiplying the benefit bank by the ratio of the number of years (and partial years) paid less one divided by the number of years in the premium paying period less one times the policy benefits at the time of policy termination. The revised Benefit Bank is reduced by the sum of all benefits previously paid to you.]

If you elect to exercise this benefit, all riders and options you may have become void, including but not limited to Guaranteed Future Purchase Offers, automatic inflation increases and Shared Care Benefit Rider benefits. Premium payments will no longer be accepted, and benefits cannot be increased. If your coverage lapses due to cancellation or nonpayment of premium any time between the date of this letter and 120 days following the due date of the first increased premium, this option will be deemed elected, whether or not you selected it on this form.]

Additional options may also be available to you to reduce premium, and we encourage you to call us to discuss these options or any questions you may have.

I have carefully reviewed the enclosed information and understand my options. I authorize LifeSecure to amend my coverage as indicated on this form.

| | |
|---------------------------------|---|
| Policyholder's Signature | Policyholder's Printed Name |
| Date | Current Email Address (Optional) |
| Current Street Address | City, State and Zip |
| | Current Telephone Number |

SAMPLE

Frequently Asked Questions **Premium Increase**

1. Why is my Long Term Care Insurance Policy premium increasing?

LifeSecure is committed to providing you with quality long term care coverage as cost-effectively as possible, and we regularly review our long term care insurance policies to ensure the ability to administer future claims. Our recent careful review confirmed it is necessary to increase premiums on certain policy series in the state in which your policy was issued to reflect the future claims expected on those policies.

This increase was a difficult decision and one we do not take lightly. **Please be assured this premium increase impacts a broad group of policyholders in the state that your policy was issued and is not due to changes in your age, personal health or claims history.** We also want to assure you this premium adjustment was not caused by the COVID-19 pandemic. Implementing this increase now will allow us to deliver strong protection you and all our policyholders need today and in the future. Premium increases have occurred industry wide and are not isolated to LifeSecure. The increase was filed in accordance with the legal requirements of the state in which your policy was issued.

2. Will there be additional premium increases in the future?

It is possible that long term care premiums could increase in the future, as your policy states. We will continue to monitor the factors that impact premium rates and will notify you if any other adjustments are needed. After your third increase, your premium will not increase again before 2029. Any increase to your premiums would be filed and approved in accordance with the legal requirements of the state in which your policy was issued.

3. What do I need to do to notify LifeSecure about my level of coverage decision?

Evaluate your options carefully. If you want to keep your current benefit levels, no action is required. Your new modal premium stated in the letter will take effect on the date indicated. *(Do not return the Selection Option Form if included with your letter and you elect to make no changes to your policy.)*

You may have the option to lessen your premium increase by reducing your coverage if a Selection Option Form is enclosed with your rate increase letter. If you decide to elect one of the options available to you, return your completed and signed Selection Option Form within 30 days from the date of your letter so that we may apply the change before your next payment due date. After the 30 days, you may still make changes, but the first premium due on or after the rate increase effective date may not show the premium resulting from your change.

Whether or not a Selection Option Form is enclosed with your letter, you may have other options available. We are happy to discuss all your coverage options. Our contact information is at the end of this document.

4. What happens if I decide to pay the increased premiums and keep my current coverage at the same level?

Simply pay the new premium that is due when the rate increase becomes effective on your policy.

- If you pay by direct bill, your new premium will be shown in the first bill that reflects the rate increase.
- If you pay premium with an electronic funds transfer (EFT) from a checking or savings account or pay with a credit card, the increased premium will be included in the first draft that includes the rate increase.
- If you pay your premium through payroll deduction, your employer will be notified of the new premium amount, beginning with the first bill that reflects the rate increase.

5. What is the “Contingent Non-Forfeiture Benefit?”

The Contingent Non-Forfeiture Benefit allows you to convert your coverage to a paid-up status with a lesser Benefit Bank. If this option is available to you, it will appear on your Selection Option Form. The revised Benefit Bank is reduced by the sum of all benefits previously paid to you. Your Monthly Benefit will remain at the dollar amount in effect at the time of conversion, restricted only by the amount of your revised Benefit Bank.

If you elect to exercise this benefit, all riders and options you may have become void, including but not limited to Guaranteed Future Purchase Offers, automatic inflation increases and Shared Care Benefit Rider benefits. Premium payments will no longer be accepted, and your remaining Benefit Bank cannot be increased. If your coverage lapses due to cancellation or nonpayment of premium any time between the date of your letter and 120 days following the due date of the first increased premium, this option will be deemed elected, whether or not you selected it on this form.

6. *What options do I have for the premium I have paid into my policy if I choose to cancel my policy?*

If you choose to discontinue your coverage and not pay the increased premium by its due date, we will begin the process of terminating your policy unless: (1) You have previously purchased lapse protection through the Nonforfeiture Benefit Rider, it appears on the enclosed Selection Option Form and you have selected this option OR (2) the Contingent Non-Forfeiture Benefit is available and it appears on the enclosed Selection Option Form.

If you selected the Nonforfeiture Benefit Rider and the Nonforfeiture Benefit Rider is also available to you, you will receive the rider benefit that provides you the larger Benefit Bank amount.

7. *Do I have the option to reduce coverage so that I can keep my current premium payments at around the same level?*

You may have the option to reduce your Benefit Bank in order to keep your premium at about the same level it is now. If this option is available, it will appear on your Selection Option Form. Whether or not this option is available, you may have other options available that will allow you to reduce your coverage. We want to answer any questions you might have. Our contact information is at the end of this document.

8. *If I have a Compound Inflation Benefit Rider, how will it be affected if I elect to reduce my coverage?*

If your policy includes the 3% or 5% Compound Inflation Benefit Rider, your Monthly Benefit and Benefit Bank increases on each policy anniversary at either 3% or 5% for as long as the Compound Inflation Benefit Rider is in force. If you elect to reduce the amount of your Monthly Benefit and Benefit Bank, the automatic increase on your next policy anniversary will be calculated based on the reduced amounts.

9. *My premium is currently being waived because I am receiving benefits under the policy. How will this premium increase impact me?*

If your premiums are currently being waived, you will not be affected by this rate increase until your premiums are no longer waived. Your claims will continue to be paid according to your current coverage. Once your premium is no longer being waived, your premium due will resume at the higher adjusted level.

Contact Us

Please contact us at 888.575.8246, by e-mail at phs@yourlifesecure.com, or by fax at 877.226.0925. We are standing by to help.