

SERFF Tracking Number: PHYS-125472471 State: Arkansas
Filing Company: Physicians Mutual Insurance Company State Tracking Number: 38136
Company Tracking Number:
TOI: LTC06 Long Term Care - Other Sub-TOI: LTC06.000 Long Term Care - Other
Product Name: B324 et al
Project Name/Number: B324 et al/B324 et al

Filing at a Glance

Company: Physicians Mutual Insurance Company

Product Name: B324 et al SERFF Tr Num: PHYS-125472471 State: ArkansasLH
TOI: LTC06 Long Term Care - Other SERFF Status: Closed State Tr Num: 38136
Sub-TOI: LTC06.000 Long Term Care - Other Co Tr Num: State Status: Approved-Closed
Filing Type: Form Co Status: Reviewer(s): Marie Bennett, Harris Shearer
Author: Kathryn Gurnett Disposition Date: 05/22/2008
Date Submitted: 02/11/2008 Disposition Status: Approved
Implementation Date Requested: On Approval Implementation Date:

State Filing Description:

General Information

Project Name: B324 et al Status of Filing in Domicile: Authorized
Project Number: B324 et al Date Approved in Domicile: 01/23/2008
Requested Filing Mode: Review & Approval Domicile Status Comments:
Explanation for Combination/Other: Market Type: Individual
Submission Type: New Submission Group Market Size:
Overall Rate Impact: Group Market Type:
Filing Status Changed: 05/22/2008
State Status Changed: 05/22/2008 Deemer Date:
Corresponding Filing Tracking Number:
Filing Description:

RE: Physicians Mutual Insurance Company - NAIC 80578, FEIN 47-0270450

Individual Long-Term Care

B324 3% Compound Inflation Protection Benefit Rider

B325 4% Compound Inflation Protection Benefit Rider

B326 3% Compound Inflation Protection Benefit Rider

B327 4% Compound Inflation Protection Benefit Rider

Actuarial Memorandum and Rate Schedules

SERFF Tracking Number: *PHYS-125472471* State: *Arkansas*
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The above-captioned rider forms, actuarial memorandum and new rate schedules are being submitted for your review and approval for use with previously approved Long-Term Care Policies listed below.

The forms are new and do not replace any forms previously approved by your department. To the best of my knowledge, these forms comply with all state laws and regulations.

The Compound Inflation Protection Benefit Riders will be available, at issue only, with the following previously approved Long-Term Care policies:

Rider	LTC Policy	Policy Approved
B324, B325	P145 and P146	August 11, 2004
B326, B327	P147 and P148	August 11, 2004

The 5% Simple Inflation Protection Benefit Riders, B184 and B205, approved with the above policies, will no longer be offered. We will continue to offer previously approved 5% Compound Inflation Protection Benefit Riders.

Additionally, a new rate is being filed for new business. The new business rates are being increased primarily due to changes in pricing assumptions and to strengthen the ability to withstand moderately adverse experience. You may be assured that no benefits or policy forms have been changed from the previously approved forms.

Subject to your approval, we intend to implement our new rate schedules for new policies issued on or after the later of May 1, 2008, or a date when a significant majority of states are approved.

It is important to note that no rate change will be imposed on existing policyholders. The new business rates will apply only to new policyholders issued after the implementation date.

The Actuarial memo and rates also reflect the addition of a List Bill Discount.

This filing was approved by our state of domicile, Nebraska, on January 23, 2008.

We reserve the right to alter the format of the forms submitted without refiling due to future technology changes, i.e. paper size, font, font type, line ending or page ending changes. Be assured that any minimum font-size requirements

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will be met. Any changes to wording or content would be filed for prior approval.
If you have any questions, please contact me at the phone number or e-mail listed below.

Sincerely,

Kathryn R. Gurnett, MBA, CPCU, CLU, HIA, AAPA, AIRC, FLMI, CCP
Policy Approval and Compliance Coordinator
Government and Industry
Voice: (402) 633-1188
Fax: (402) 633-1096
E-mail: katie.gurnett@physiciansmutual.com

Company and Contact

Filing Contact Information

Kathryn Gurnett, Policy Approval & Compliance katie.gurnett@physiciansmutual.com
Coordinator
2600 Dodge Street (402) 633-1188 [Phone]
Omaha, NE 68131 (402) 633-1096[FAX]

Filing Company Information

Physicians Mutual Insurance Company CoCode: 80578 State of Domicile: Nebraska
2600 Dodge Street Group Code: 367 Company Type:
Omaha, NE 68131 Group Name: State ID Number:
(402) 633-1188 ext. [Phone] FEIN Number: 47-0270450

Filing Fees

Fee Required? Yes
Fee Amount: \$360.00
Retaliatory? No
Fee Explanation: 8 forms at \$20 per form
 4 rates at \$50 per rate
Per Company: No

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COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Physicians Mutual Insurance Company	\$360.00	02/11/2008	17908264

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Marie Bennett	05/22/2008	05/22/2008

Amendments

Item	Schedule	Created By	Created On	Date Submitted
3% COMPOUND INFLATION PROTECTIO N BENEFIT RIDER	Form	Kathryn Gurnett	02/15/2008	02/15/2008
4% COMPOUND INFLATION PROTECTIO N BENEFIT RIDER	Form	Kathryn Gurnett	02/15/2008	02/15/2008
3% COMPOUND INFLATION PROTECTIO N BENEFIT RIDER	Form	Kathryn Gurnett	02/15/2008	02/15/2008
4% COMPOUND INFLATION PROTECTIO N BENEFIT RIDER	Form	Kathryn Gurnett	02/15/2008	02/15/2008

SERFF Tracking Number: *PHYS-125472471* State: *Arkansas*
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Project Name/Number: *B324 et al/B324 et al*

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Status Update Request	Note To Reviewer	Kathryn Gurnett	05/07/2008	05/07/2008

SERFF Tracking Number: *PHYS-125472471* State: *Arkansas*
Filing Company: *Physicians Mutual Insurance Company* State Tracking Number: *38136*
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Product Name: *B324 et al*
Project Name/Number: *B324 et al/B324 et al*

Disposition

Disposition Date: 05/22/2008

Implementation Date:

Status: Approved

Comment:

Rate data does NOT apply to filing.

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 Project Name/Number: *B324 et al/B324 et al*

Item Type	Item Name	Item Status	Public Access
Supporting Document	Certification/Notice		Yes
Supporting Document	Application		Yes
Supporting Document	Health - Actuarial Justification		No
Supporting Document	Outline of Coverage		Yes
Form (revised)	3% COMPOUND INFLATION PROTECTION BENEFIT RIDER		Yes
Form	3% COMPOUND INFLATION PROTECTION BENEFIT RIDER		No
Form (revised)	4% COMPOUND INFLATION PROTECTION BENEFIT RIDER		Yes
Form	4% COMPOUND INFLATION PROTECTION BENEFIT RIDER		No
Form (revised)	3% COMPOUND INFLATION PROTECTION BENEFIT RIDER		Yes
Form	3% COMPOUND INFLATION PROTECTION BENEFIT RIDER		No
Form (revised)	4% COMPOUND INFLATION PROTECTION BENEFIT RIDER		Yes
Form	4% COMPOUND INFLATION PROTECTION BENEFIT RIDER		No
Rate	LTC RATE FILING		Yes

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Product Name: *B324 et al*
Project Name/Number: *B324 et al/B324 et al*

Note To Reviewer

Created By:

Kathryn Gurnett on 05/07/2008 10:45 AM

Subject:

Status Update Request

Comments:

Could you let me know the status of this filing? Any information would be appreciated.

Thank you,

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 Project Name/Number: *B324 et al/B324 et al*

Amendment Letter

Amendment Date:
 Submitted Date: *02/15/2008*

Comments:

Upon review of the B324, B325, B326 and B327, we found that the last paragraph of the Termination provision needed some clarification. Therefore, a sentence was added to this paragraph. No other changes were made to the form.

Changed Items:

Form Schedule Item Changes:

Form Schedule Item Changes:

Form Number	Form Type	Form Name	Action	Form Action Other	Previous Filing #	Replaced Form #	Readability Score	Attachments
B324	Policy/Contr act/Fraternal Certificate: D Amendment, INFLATION Insert Page, Endorsemen t or Rider	3% COMPOUN	Initial				51	B324.pdf

Form Schedule Item Changes:

Form Number	Form Type	Form Name	Action	Form Action Other	Previous Filing #	Replaced Form #	Readability Score	Attachments
B325	Policy/Contr act/Fraternal Certificate: D Amendment, INFLATION Insert Page, Endorsemen t or Rider	4% COMPOUN	Initial				51	B325.pdf

Form Schedule Item Changes:

Form Number	Form Type	Form Name	Action	Form Action	Previous Filing #	Replaced Form #	Readability Score	Attachments
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 Project Name/Number: *B324 et al/B324 et al*

Other

B326 Policy/Contr 3% Initial 51 B326.pdf
 act/Fraternal COMPOUN
 Certificate: D
 Amendment, INFLATION
 Insert PROTECTIO
 Page, N BENEFIT
 Endorsemen RIDER
 t or Rider

Form Schedule Item Changes:

Form Number	Form Type	Form Name	Action	Form Action	Previous Filing #	Replaced Form #	Readability Score	Attachments
B327	Policy/Contr 4%	Initial		Other			51	B327.pdf

B327 Policy/Contr 4% Initial 51 B327.pdf
 act/Fraternal COMPOUN
 Certificate: D
 Amendment, INFLATION
 Insert PROTECTIO
 Page, N BENEFIT
 Endorsemen RIDER
 t or Rider

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 Project Name/Number: *B324 et al/B324 et al*

Form Schedule

Lead Form Number: B324

Review Status	Form Number	Form Type Form Name	Action	Action Specific Data	Readability	Attachment
	B324	Policy/Cont 3% COMPOUND ract/Fratern INFLATION al PROTECTION Certificate: BENEFIT RIDER Amendmen t, Insert Page, Endorseme nt or Rider	Initial		51	B324.pdf
	B325	Policy/Cont 4% COMPOUND ract/Fratern INFLATION al PROTECTION Certificate: BENEFIT RIDER Amendmen t, Insert Page, Endorseme nt or Rider	Initial		51	B325.pdf
	B326	Policy/Cont 3% COMPOUND ract/Fratern INFLATION al PROTECTION Certificate: BENEFIT RIDER Amendmen t, Insert Page, Endorseme nt or Rider	Initial		51	B326.pdf
	B327	Policy/Cont 4% COMPOUND ract/Fratern INFLATION al PROTECTION Certificate: BENEFIT RIDER Amendmen	Initial		51	B327.pdf

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nt or Rider

3% COMPOUND INFLATION PROTECTION BENEFIT RIDER

This Rider is part of the Policy and subject to its limitations, definitions and other provisions not in conflict with this Rider.

RIDER EFFECTIVE DATE

If the Rider premium has been paid, this Rider is effective the same date as the Policy.

RIDER PREMIUMS

Rider premiums are included in the premiums shown in Your Policy's Schedule.

CONSIDERATION

This Rider is issued in consideration of the First Premium paid and the statements made in the attached copy of the Application.

BENEFITS

On each anniversary of the Policy Effective Date, for as long as You own this Policy and Rider, We will increase the benefits listed under Covered Services in Your Policy and remaining Maximum Benefit by 3%, compounded annually. Benefits will continue to increase annually while Your Policy is in force, including while you are receiving benefits under Your Policy. There is no limit on the maximum amounts available under the provisions of this Rider.

Each annual increase will apply to each day for which benefits are payable on or after the date of the increase.

TERMINATION

This Rider terminates upon the earlier of:

- (1) Termination of the Policy; or
- (2) Your failure to pay the Renewal Premium for this Rider before the Grace Period ends.

The termination of this Rider will not automatically terminate the Policy to which it is attached. If the Rider is terminated, it cannot be reinstated, and the benefits listed under Covered Services in Your Policy and Maximum Benefit will remain at Your current benefit levels. Your Renewal Premium will be changed to equal the amount that would be charged for the current benefit levels based on Your original issue age.

PHYSICIANS MUTUAL INSURANCE COMPANY



President

4% COMPOUND INFLATION PROTECTION BENEFIT RIDER

This Rider is part of the Policy and subject to its limitations, definitions and other provisions not in conflict with this Rider.

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CONSIDERATION

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BENEFITS

On each anniversary of the Policy Effective Date, for as long as You own this Policy and Rider, We will increase the benefits listed under Covered Services in Your Policy and remaining Maximum Benefit by 4%, compounded annually. Benefits will continue to increase annually while Your Policy is in force, including while you are receiving benefits under Your Policy. There is no limit on the maximum amounts available under the provisions of this Rider.

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PHYSICIANS MUTUAL INSURANCE COMPANY



President

3% COMPOUND INFLATION PROTECTION BENEFIT RIDER

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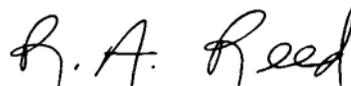
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PHYSICIANS MUTUAL INSURANCE COMPANY



President

4% COMPOUND INFLATION PROTECTION BENEFIT RIDER

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RIDER EFFECTIVE DATE

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RIDER PREMIUMS

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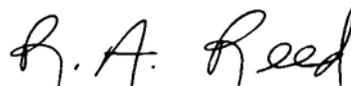
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PHYSICIANS MUTUAL INSURANCE COMPANY



President

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Rate Information

Rate data does NOT apply to filing.

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Rate/Rule Schedule

Review Status:	Document Name:	Affected Form Numbers: (Separated with commas)	Rate Action:	Rate Action Information:	Attachments
	LTC RATE FILING	P145AR, P146AR, P147AR, P148AR	New		AR Rates.pdf

Physicians Mutual Insurance Company
Long Term Care Policy Form P145 - Arkansas
2008 New Business Premium Rates

Monthly Premium Rates Per \$100 Facility Care Benefit	Premium Factors	Limited Payment Options Premium Factors	Premium Discounts
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Issue Age	Unlimited Maximum Benefit 90 Day Elimination Period	Issue Age	Unlimited Maximum Benefit 90 Day Elimination Period		Issue Age	10 Pay	20 Pay	Paid Up at age 65	Married Discounts
18-30	\$1.93	85	\$44.30	Maximum Benefit Multiplier 2 0.49 3 0.61 4 0.68 5 0.78 8 0.86 Unlimited 1.00	18-30	3.75	2.05	1.50	1 Policy Issued (B200) 10%
31	\$1.94	86	\$48.07		31	3.68	2.04	1.51	
32	\$1.95	87	\$51.91		32	3.61	2.03	1.52	2 Policies Issued (B198) 30%
33	\$1.97	88	\$55.81		33	3.54	2.02	1.53	
34	\$1.98	89	\$59.72		34	3.47	2.01	1.54	Franchise Group Discounts 5% 10%
35	\$2.00	90	\$63.60		35	3.40	2.00	1.55	
36	\$2.01	91	\$67.41		Elimination Period 0 Days 1.40 30 Days 1.17 60 Days 1.09 90 Days 1.00 180 Days 0.90 365 Days 0.80	36	3.36	1.99	1.56
37	\$2.03	92	\$71.12			37	3.32	1.98	1.57
38	\$2.06	93	\$74.68	Home and Community Care Benefit Options 50% 0.94 75% 0.98 100% 1.00	38	3.28	1.97	1.58	List Bill Discount 5%
39	\$2.09	94	\$78.04		39	3.24	1.96	1.59	
40	\$2.11	95	\$81.16	Waiver of Home and Community Care Elimination Period (B192) 30 Days 1.04 60 Days 1.05 90 Days 1.06 180 Days 1.13 365 Days 1.19	40	3.20	1.95	1.60	LTC & Medicare Supplement Discount 5% (First Year Only)
41	\$2.16	96	\$84.00		41	3.18	1.93	1.65	
42	\$2.23	97	\$86.52	Risk Classes Preferred 0.85 Standard 1.00 Rated 1 1.25 Rated 2 1.50 Rated 3 1.75 Rated 4 2.00	42	3.16	1.91	1.70	Family Member Discount (B211) 10%
43	\$2.28	98	\$89.12		43	3.14	1.89	1.75	
44	\$2.35	99	\$90.90	Shared Care Benefit Rider (B193) Benefit Multiplier 2 1.23 3 1.22 4 1.22 5 1.18 8 1.14	44	3.12	1.87	1.80	
45	\$2.40	100+	\$92.72		45	3.10	1.85	1.85	
46	\$2.46	Premium rates for ages 85+ are only to be used with the Guaranteed Purchase Option Rider		46	3.08	1.83	1.93	2.75	
47	\$2.53	Premium Modal Factors Monthly ABW 1 Quarterly 3 Semi-Annual 6 Annual 12		47	3.06	1.81	2.01		
48	\$2.58	For monthly direct bill add \$5 to the total monthly ABW premium		48	3.04	1.79	2.09		
49	\$2.65			49	3.02	1.77	2.17		
50	\$2.70			50	3.00	1.75	2.25		
51	\$2.83			51	2.95	1.73	2.35		
52	\$2.98			52	2.90	1.71	2.45		
53	\$3.13			53	2.85	1.69	2.55		
54	\$3.27			54	2.80	1.67	2.65		
55	\$3.42			55	2.75	1.65	2.75		
56	\$3.64			56	2.68	1.62			
57	\$3.88			57	2.61	1.59			
58	\$4.11			58	2.54	1.56			
59	\$4.34			59	2.47	1.53			
60	\$4.57			60	2.40	1.50			
61	\$4.95			61	2.34	1.48			
62	\$5.34			62	2.28	1.46			
63	\$5.74			63	2.22	1.44			
64	\$6.13			64	2.16	1.42			
65	\$6.54			65	2.10	1.41			
66	\$7.29			66	2.02	1.39			
67	\$8.09			67	1.94	1.37			
68	\$8.87			68	1.86	1.34			
69	\$9.66			69	1.78	1.31			
70	\$10.48			70	1.70	1.28			
71	\$11.96			71	1.65	1.26			
72	\$13.52			72	1.60	1.23			
73	\$15.06			73	1.55	1.20			
74	\$16.60			74	1.50	1.18			
75	\$18.21			75	1.45	1.16			
76	\$19.75			76	1.40	1.14			
77	\$21.36			77	1.35	1.12			
78	\$23.03			78	1.30	1.11			
79	\$24.70			79	1.25	1.09			
80	\$26.44			80	1.20	1.08			
81	\$29.85			81	1.18	1.07			
82	\$33.26			82	1.16	1.06			
83	\$36.96			83	1.14	1.05			
84	\$40.64			84	1.12	1.03			

Physicians Mutual Insurance Company
Long Term Care Policy Form P145 - Arkansas
2008 New Business Premium Rates

Benefit Increase Rider Factors

Issue Age	5% Comp Inflation: 2 - 8 Benefit Multipliers B182Z	5% Comp Inflation: Unlimited Benefit B182Z	4% Comp Inflation: 2 - 8 Benefit Multipliers B325	4% Comp Inflation: Unlimited Benefit B325	3% Comp Inflation: 2 - 8 Benefit Multipliers B324	3% Comp Inflation: Unlimited Benefit B324	5% Compound Inflation 2X: 2 - 8 Benefit Multipliers B183Z	5% Compound Inflation 2X: Unlimited Benefit B183Z	Guaranteed Purchase Option B185
18-30	3.10	3.56	2.48	2.78	1.98	2.16	1.91	2.23	1.05
31	3.10	3.56	2.48	2.78	1.98	2.16	1.91	2.23	1.05
32	3.09	3.56	2.48	2.78	1.98	2.16	1.91	2.23	1.05
33	3.08	3.56	2.47	2.78	1.98	2.16	1.91	2.23	1.05
34	3.07	3.56	2.46	2.78	1.97	2.16	1.91	2.23	1.05
35	3.06	3.56	2.46	2.78	1.97	2.16	1.91	2.23	1.05
36	3.06	3.55	2.46	2.77	1.97	2.15	1.91	2.23	1.05
37	3.05	3.53	2.45	2.76	1.97	2.15	1.91	2.23	1.05
38	3.04	3.52	2.44	2.75	1.96	2.14	1.90	2.21	1.05
39	3.03	3.51	2.44	2.74	1.96	2.14	1.90	2.20	1.05
40	3.01	3.49	2.42	2.73	1.95	2.13	1.90	2.20	1.05
41	3.00	3.47	2.42	2.72	1.95	2.12	1.90	2.20	1.05
42	2.98	3.46	2.41	2.71	1.94	2.12	1.90	2.20	1.05
43	2.96	3.44	2.39	2.70	1.93	2.11	1.87	2.18	1.05
44	2.94	3.43	2.38	2.69	1.92	2.11	1.87	2.18	1.05
45	2.91	3.41	2.36	2.68	1.91	2.10	1.87	2.18	1.05
46	2.89	3.38	2.35	2.66	1.90	2.09	1.87	2.18	1.05
47	2.87	3.36	2.33	2.65	1.89	2.08	1.85	2.15	1.05
48	2.85	3.34	2.32	2.64	1.89	2.08	1.84	2.15	1.05
49	2.82	3.32	2.30	2.62	1.87	2.07	1.84	2.15	1.05
50	2.80	3.28	2.29	2.60	1.87	2.05	1.83	2.13	1.05
51	2.76	3.23	2.26	2.57	1.85	2.03	1.81	2.13	1.05
52	2.71	3.18	2.23	2.53	1.83	2.02	1.81	2.12	1.05
53	2.67	3.13	2.20	2.50	1.81	2.00	1.79	2.10	1.05
54	2.62	3.07	2.17	2.46	1.79	1.97	1.79	2.09	1.05
55	2.59	3.03	2.15	2.44	1.78	1.96	1.79	2.09	1.05
56	2.56	2.97	2.13	2.40	1.77	1.93	1.76	2.06	1.05
57	2.51	2.91	2.10	2.36	1.75	1.91	1.75	2.04	1.05
58	2.47	2.86	2.07	2.33	1.73	1.89	1.72	1.99	1.05
59	2.43	2.80	2.04	2.29	1.71	1.87	1.71	1.97	1.05
60	2.40	2.75	2.02	2.26	1.70	1.85	1.68	1.92	1.05
61	2.34	2.69	1.98	2.22	1.67	1.82	1.65	1.90	1.05
62	2.29	2.62	1.95	2.17	1.65	1.79	1.62	1.86	1.05
63	2.23	2.57	1.91	2.14	1.63	1.77	1.59	1.84	1.05
64	2.18	2.51	1.87	2.10	1.60	1.75	1.56	1.80	1.05
65	2.13	2.45	1.84	2.06	1.58	1.72	1.54	1.77	1.05
66	2.09	2.38	1.81	2.01	1.56	1.69	1.50	1.71	1.05
67	2.04	2.30	1.77	1.95	1.54	1.66	1.48	1.67	1.05
68	2.00	2.22	1.75	1.90	1.52	1.62	1.45	1.60	1.05
69	1.95	2.15	1.71	1.85	1.50	1.59	1.42	1.56	1.05
70	1.91	2.08	1.68	1.80	1.48	1.56	1.41	1.53	1.05
71	1.85	2.01	1.64	1.75	1.45	1.53	1.38	1.49	1.05
72	1.80	1.94	1.60	1.70	1.43	1.49	1.37	1.47	1.05
73	1.75	1.87	1.57	1.65	1.40	1.46	1.36	1.45	1.05
74	1.70	1.81	1.53	1.61	1.38	1.43	1.33	1.42	1.05
75	1.66	1.75	1.50	1.57	1.36	1.40	1.32	1.40	1.05
76	1.62	1.70	1.47	1.53	1.34	1.38	1.31	1.38	1.05
77	1.58	1.66	1.44	1.50	1.32	1.36	1.28	1.35	1.05
78	1.55	1.61	1.42	1.47	1.30	1.33	1.27	1.34	1.05
79	1.51	1.57	1.39	1.44	1.28	1.31	1.26	1.33	1.05
80	1.48	1.53	1.37	1.41	1.27	1.29	1.26	1.31	1.05
81	1.45	1.49	1.35	1.38	1.25	1.27	1.25	1.29	1.05
82	1.43	1.46	1.33	1.36	1.24	1.26	1.25	1.28	1.05
83	1.41	1.43	1.32	1.33	1.23	1.24	1.23	1.26	1.05
84	1.38	1.39	1.30	1.30	1.22	1.22	1.23	1.24	1.05

Physicians Mutual Insurance Company
Long Term Care Policy Form P145 - Arkansas
2008 New Business Premium Rates

Additional Rider Factors

Issue Age	Shortened Benefit Period Nonforfeiture B197	Full Return of Premium B189	Return of Premium B190	Home Cash Benefit B191	Surviving Spouse Waiver of Premium B187	Joint Waiver of Premium B188
18-30	1.20	1.30	1.04	1.13	1.19	1.01
31	1.20	1.32	1.06	1.13	1.19	1.01
32	1.20	1.34	1.08	1.13	1.19	1.01
33	1.20	1.36	1.09	1.13	1.19	1.01
34	1.20	1.38	1.11	1.13	1.19	1.01
35	1.20	1.40	1.12	1.13	1.19	1.01
36	1.20	1.42	1.14	1.13	1.19	1.01
37	1.20	1.44	1.15	1.13	1.19	1.01
38	1.20	1.46	1.17	1.13	1.19	1.01
39	1.20	1.48	1.19	1.13	1.19	1.01
40	1.20	1.50	1.20	1.13	1.19	1.01
41	1.20	1.51	1.21	1.13	1.19	1.01
42	1.20	1.52	1.21	1.13	1.19	1.01
43	1.20	1.53	1.22	1.13	1.19	1.02
44	1.20	1.54	1.23	1.13	1.19	1.02
45	1.20	1.55	1.24	1.13	1.19	1.02
46	1.20	1.56	1.25	1.13	1.20	1.02
47	1.20	1.57	1.25	1.13	1.21	1.02
48	1.20	1.58	1.26	1.13	1.23	1.02
49	1.20	1.59	1.27	1.13	1.25	1.02
50	1.20	1.60	1.28	1.13	1.26	1.02
51	1.20	1.65	1.32	1.13	1.27	1.02
52	1.20	1.70	1.36	1.13	1.27	1.02
53	1.20	1.75	1.40	1.13	1.28	1.02
54	1.20	1.80	1.44	1.13	1.29	1.02
55	1.20	1.85	1.48	1.13	1.30	1.02
56	1.20	1.90	1.52	1.13	1.30	1.02
57	1.20	1.95	1.56	1.13	1.29	1.02
58	1.20	2.00	1.60	1.13	1.29	1.02
59	1.20	2.05	1.64	1.13	1.28	1.02
60	1.20	2.10	1.68	1.13	1.28	1.02
61	1.20	2.15	1.72	1.13	1.28	1.02
62	1.20	2.20	1.76	1.13	1.27	1.02
63	1.20	2.25	1.80	1.13	1.27	1.03
64	1.20	2.30	1.84	1.13	1.26	1.03
65	1.20	2.35	1.88	1.13	1.26	1.03
66	1.20	2.43	1.94	1.13	1.26	1.03
67	1.20	2.51	2.00	1.13	1.25	1.04
68	1.20	2.59	2.07	1.13	1.25	1.04
69	1.20	2.67	2.14	1.13	1.24	1.05
70	1.20	2.75	2.20	1.13	1.24	1.05
71	1.20			1.13	1.24	1.06
72	1.20			1.13	1.24	1.07
73	1.20			1.13	1.24	1.08
74	1.20			1.13	1.24	1.09
75	1.20			1.13	1.24	1.11
76	1.20			1.13	1.23	1.12
77	1.20			1.13	1.22	1.14
78	1.20			1.13	1.20	1.15
79	1.20			1.13	1.18	1.16
80	1.20			1.13	1.16	1.18
81	1.20			1.13	1.14	1.19
82	1.20			1.13	1.13	1.20
83	1.20			1.13	1.12	1.21
84	1.20			1.13	1.11	1.22

Physicians Mutual Insurance Company
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Monthly Premium Rates Per \$100 Facility Care Benefit	Premium Factors	Limited Payment Options Premium Factors	Premium Discounts
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Issue Age	Unlimited Maximum Benefit 90 Day Elimination Period	Issue Age	Unlimited Maximum Benefit 90 Day Elimination Period		Issue Age	10 Pay	20 Pay	Paid Up at age 65	Married Discounts
18-30	\$1.72	85	\$39.56	Maximum Benefit Multiplier 2 0.49 3 0.61 4 0.68 5 0.78 8 0.86 Unlimited 1.00	18-30	3.75	2.05	1.50	1 Policy Issued (B200) 10%
31	\$1.73	86	\$42.92		31	3.68	2.04	1.51	
32	\$1.74	87	\$46.35		32	3.61	2.03	1.52	2 Policies Issued (B198) 30%
33	\$1.75	88	\$49.83		33	3.54	2.02	1.53	
34	\$1.77	89	\$53.32		34	3.47	2.01	1.54	Franchise Group Discounts 5% 10%
35	\$1.78	90	\$56.78		35	3.40	2.00	1.55	
36	\$1.79	91	\$60.19		Elimination Period 0 Days 1.40 30 Days 1.17 60 Days 1.09 90 Days 1.00 180 Days 0.90 365 Days 0.80	36	3.36	1.99	1.56
37	\$1.81	92	\$63.50			37	3.32	1.98	1.57
38	\$1.84	93	\$66.68	Home and Community Care Benefit Options 50% 0.94 75% 0.98 100% 1.00	38	3.28	1.97	1.58	List Bill Discount 5%
39	\$1.86	94	\$69.68		39	3.24	1.96	1.59	
40	\$1.89	95	\$72.46	Waiver of Home and Community Care Elimination Period (B192) 30 Days 1.04 60 Days 1.05 90 Days 1.06 180 Days 1.13 365 Days 1.19	40	3.20	1.95	1.60	LTC & Medicare Supplement Discount 5% (First Year Only)
41	\$1.93	96	\$75.00		41	3.18	1.93	1.65	
42	\$1.98	97	\$77.25	Risk Classes Preferred 0.85 Standard 1.00 Rated 1 1.25 Rated 2 1.50 Rated 3 1.75 Rated 4 2.00	42	3.16	1.91	1.70	Family Member Discount (B211) 10%
43	\$2.04	98	\$79.57		43	3.14	1.89	1.75	
44	\$2.09	99	\$81.16	Shared Care Benefit Rider (B193) Benefit Multiplier 2 1.23 3 1.22 4 1.22 5 1.18 8 1.14	44	3.12	1.87	1.80	
45	\$2.14	100+	\$82.78		45	3.10	1.85	1.85	
46	\$2.20	Premium rates for ages 85+ are only to be used with the Guaranteed Purchase Option Rider		46	3.08	1.83	1.93	2.01	
47	\$2.26			47	3.06	1.81	2.01		
48	\$2.31	Premium Modal Factors Monthly ABW 1 Quarterly 3 Semi-Annual 6 Annual 12		48	3.04	1.79	2.09	2.17	
49	\$2.36			49	3.02	1.77	2.17		
50	\$2.41	For monthly direct bill add \$5 to the total monthly ABW premium		50	3.00	1.75	2.25		
51	\$2.53			51	2.95	1.73	2.35		
52	\$2.66			52	2.90	1.71	2.45		
53	\$2.79			53	2.85	1.69	2.55		
54	\$2.92			54	2.80	1.67	2.65		
55	\$3.05			55	2.75	1.65	2.75		
56	\$3.26			56	2.68	1.62			
57	\$3.46			57	2.61	1.59			
58	\$3.67			58	2.54	1.56			
59	\$3.87			59	2.47	1.53			
60	\$4.08			60	2.40	1.50			
61	\$4.42			61	2.34	1.48			
62	\$4.78			62	2.28	1.46			
63	\$5.12			63	2.22	1.44			
64	\$5.47			64	2.16	1.42			
65	\$5.83			65	2.10	1.41			
66	\$6.51			66	2.02	1.39			
67	\$7.22			67	1.94	1.37			
68	\$7.92			68	1.86	1.34			
69	\$8.63			69	1.78	1.31			
70	\$9.35			70	1.70	1.28			
71	\$10.67			71	1.65	1.26			
72	\$12.07			72	1.60	1.23			
73	\$13.45			73	1.55	1.20			
74	\$14.82			74	1.50	1.18			
75	\$16.26			75	1.45	1.16			
76	\$17.64			76	1.40	1.14			
77	\$19.08			77	1.35	1.12			
78	\$20.56			78	1.30	1.11			
79	\$22.05			79	1.25	1.09			
80	\$23.61			80	1.20	1.08			
81	\$26.66			81	1.18	1.07			
82	\$29.69			82	1.16	1.06			
83	\$32.99			83	1.14	1.05			
84	\$36.29			84	1.12	1.03			

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Benefit Increase Rider Factors

Issue Age	5% Comp Inflation: 2 - 8 Benefit Multipliers B182Z	5% Comp Inflation: Unlimited Benefit B182Z	4% Comp Inflation: 2 - 8 Benefit Multipliers B325	4% Comp Inflation: Unlimited Benefit B325	3% Comp Inflation: 2 - 8 Benefit Multipliers B324	3% Comp Inflation: Unlimited Benefit B324	5% Compound Inflation 2X: 2 - 8 Benefit Multipliers B183Z	5% Compound Inflation 2X: Unlimited Benefit B183Z	Guaranteed Purchase Option B185
18-30	3.10	3.56	2.48	2.78	1.98	2.16	1.91	2.23	1.05
31	3.10	3.56	2.48	2.78	1.98	2.16	1.91	2.23	1.05
32	3.09	3.56	2.48	2.78	1.98	2.16	1.91	2.23	1.05
33	3.08	3.56	2.47	2.78	1.98	2.16	1.91	2.23	1.05
34	3.07	3.56	2.46	2.78	1.97	2.16	1.91	2.23	1.05
35	3.06	3.56	2.46	2.78	1.97	2.16	1.91	2.23	1.05
36	3.06	3.55	2.46	2.77	1.97	2.15	1.91	2.23	1.05
37	3.05	3.53	2.45	2.76	1.97	2.15	1.91	2.23	1.05
38	3.04	3.52	2.44	2.75	1.96	2.14	1.90	2.21	1.05
39	3.03	3.51	2.44	2.74	1.96	2.14	1.90	2.20	1.05
40	3.01	3.49	2.42	2.73	1.95	2.13	1.90	2.20	1.05
41	3.00	3.47	2.42	2.72	1.95	2.12	1.90	2.20	1.05
42	2.98	3.46	2.41	2.71	1.94	2.12	1.90	2.20	1.05
43	2.96	3.44	2.39	2.70	1.93	2.11	1.87	2.18	1.05
44	2.94	3.43	2.38	2.69	1.92	2.11	1.87	2.18	1.05
45	2.91	3.41	2.36	2.68	1.91	2.10	1.87	2.18	1.05
46	2.89	3.38	2.35	2.66	1.90	2.09	1.87	2.18	1.05
47	2.87	3.36	2.33	2.65	1.89	2.08	1.85	2.15	1.05
48	2.85	3.34	2.32	2.64	1.89	2.08	1.84	2.15	1.05
49	2.82	3.32	2.30	2.62	1.87	2.07	1.84	2.15	1.05
50	2.80	3.28	2.29	2.60	1.87	2.05	1.83	2.13	1.05
51	2.76	3.23	2.26	2.57	1.85	2.03	1.81	2.13	1.05
52	2.71	3.18	2.23	2.53	1.83	2.02	1.81	2.12	1.05
53	2.67	3.13	2.20	2.50	1.81	2.00	1.79	2.10	1.05
54	2.62	3.07	2.17	2.46	1.79	1.97	1.79	2.09	1.05
55	2.59	3.03	2.15	2.44	1.78	1.96	1.79	2.09	1.05
56	2.56	2.97	2.13	2.40	1.77	1.93	1.76	2.06	1.05
57	2.51	2.91	2.10	2.36	1.75	1.91	1.75	2.04	1.05
58	2.47	2.86	2.07	2.33	1.73	1.89	1.72	1.99	1.05
59	2.43	2.80	2.04	2.29	1.71	1.87	1.71	1.97	1.05
60	2.40	2.75	2.02	2.26	1.70	1.85	1.68	1.92	1.05
61	2.34	2.69	1.98	2.22	1.67	1.82	1.65	1.90	1.05
62	2.29	2.62	1.95	2.17	1.65	1.79	1.62	1.86	1.05
63	2.23	2.57	1.91	2.14	1.63	1.77	1.59	1.84	1.05
64	2.18	2.51	1.87	2.10	1.60	1.75	1.56	1.80	1.05
65	2.13	2.45	1.84	2.06	1.58	1.72	1.54	1.77	1.05
66	2.09	2.38	1.81	2.01	1.56	1.69	1.50	1.71	1.05
67	2.04	2.30	1.77	1.95	1.54	1.66	1.48	1.67	1.05
68	2.00	2.22	1.75	1.90	1.52	1.62	1.45	1.60	1.05
69	1.95	2.15	1.71	1.85	1.50	1.59	1.42	1.56	1.05
70	1.91	2.08	1.68	1.80	1.48	1.56	1.41	1.53	1.05
71	1.85	2.01	1.64	1.75	1.45	1.53	1.38	1.49	1.05
72	1.80	1.94	1.60	1.70	1.43	1.49	1.37	1.47	1.05
73	1.75	1.87	1.57	1.65	1.40	1.46	1.36	1.45	1.05
74	1.70	1.81	1.53	1.61	1.38	1.43	1.33	1.42	1.05
75	1.66	1.75	1.50	1.57	1.36	1.40	1.32	1.40	1.05
76	1.62	1.70	1.47	1.53	1.34	1.38	1.31	1.38	1.05
77	1.58	1.66	1.44	1.50	1.32	1.36	1.28	1.35	1.05
78	1.55	1.61	1.42	1.47	1.30	1.33	1.27	1.34	1.05
79	1.51	1.57	1.39	1.44	1.28	1.31	1.26	1.33	1.05
80	1.48	1.53	1.37	1.41	1.27	1.29	1.26	1.31	1.05
81	1.45	1.49	1.35	1.38	1.25	1.27	1.25	1.29	1.05
82	1.43	1.46	1.33	1.36	1.24	1.26	1.25	1.28	1.05
83	1.41	1.43	1.32	1.33	1.23	1.24	1.23	1.26	1.05
84	1.38	1.39	1.30	1.30	1.22	1.22	1.23	1.24	1.05

Physicians Mutual Insurance Company
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2008 New Business Premium Rates

Additional Rider Factors

Issue Age	Shortened Benefit Period Nonforfeiture B186	Full Return of Premium B189	Return of Premium B190	Home Cash Benefit B191	Surviving Spouse Waiver of Premium B187	Joint Waiver of Premium B188
18-30	1.20	1.30	1.04	1.13	1.19	1.01
31	1.20	1.32	1.06	1.13	1.19	1.01
32	1.20	1.34	1.08	1.13	1.19	1.01
33	1.20	1.36	1.09	1.13	1.19	1.01
34	1.20	1.38	1.11	1.13	1.19	1.01
35	1.20	1.40	1.12	1.13	1.19	1.01
36	1.20	1.42	1.14	1.13	1.19	1.01
37	1.20	1.44	1.15	1.13	1.19	1.01
38	1.20	1.46	1.17	1.13	1.19	1.01
39	1.20	1.48	1.19	1.13	1.19	1.01
40	1.20	1.50	1.20	1.13	1.19	1.01
41	1.20	1.51	1.21	1.13	1.19	1.01
42	1.20	1.52	1.21	1.13	1.19	1.01
43	1.20	1.53	1.22	1.13	1.19	1.02
44	1.20	1.54	1.23	1.13	1.19	1.02
45	1.20	1.55	1.24	1.13	1.19	1.02
46	1.20	1.56	1.25	1.13	1.20	1.02
47	1.20	1.57	1.25	1.13	1.21	1.02
48	1.20	1.58	1.26	1.13	1.23	1.02
49	1.20	1.59	1.27	1.13	1.25	1.02
50	1.20	1.60	1.28	1.13	1.26	1.02
51	1.20	1.65	1.32	1.13	1.27	1.02
52	1.20	1.70	1.36	1.13	1.27	1.02
53	1.20	1.75	1.40	1.13	1.28	1.02
54	1.20	1.80	1.44	1.13	1.29	1.02
55	1.20	1.85	1.48	1.13	1.30	1.02
56	1.20	1.90	1.52	1.13	1.30	1.02
57	1.20	1.95	1.56	1.13	1.29	1.02
58	1.20	2.00	1.60	1.13	1.29	1.02
59	1.20	2.05	1.64	1.13	1.28	1.02
60	1.20	2.10	1.68	1.13	1.28	1.02
61	1.20	2.15	1.72	1.13	1.28	1.02
62	1.20	2.20	1.76	1.13	1.27	1.02
63	1.20	2.25	1.80	1.13	1.27	1.03
64	1.20	2.30	1.84	1.13	1.26	1.03
65	1.20	2.35	1.88	1.13	1.26	1.03
66	1.20	2.43	1.94	1.13	1.26	1.03
67	1.20	2.51	2.00	1.13	1.25	1.04
68	1.20	2.59	2.07	1.13	1.25	1.04
69	1.20	2.67	2.14	1.13	1.24	1.05
70	1.20	2.75	2.20	1.13	1.24	1.05
71	1.20			1.13	1.24	1.06
72	1.20			1.13	1.24	1.07
73	1.20			1.13	1.24	1.08
74	1.20			1.13	1.24	1.09
75	1.20			1.13	1.24	1.11
76	1.20			1.13	1.23	1.12
77	1.20			1.13	1.22	1.14
78	1.20			1.13	1.20	1.15
79	1.20			1.13	1.18	1.16
80	1.20			1.13	1.16	1.18
81	1.20			1.13	1.14	1.19
82	1.20			1.13	1.13	1.20
83	1.20			1.13	1.12	1.21
84	1.20			1.13	1.11	1.22

Physicians Mutual Insurance Company
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Monthly Premium Rates Per \$100 Home and Community Care Benefit		Premium Factors		Premium Discounts	
Issue Age	5 Year Maximum Benefit 90 Day Elimination Period	Issue Age	5 Year Maximum Benefit 90 Day Elimination Period	Maximum Benefit Multiplier	
18-30	\$0.82	85	\$19.00	1	0.52
31	\$0.83	86	\$20.62	2	0.64
32	\$0.83	87	\$22.27	3	0.78
33	\$0.84	88	\$23.95	4	0.88
34	\$0.84	89	\$25.62	5	1.00
35	\$0.85	90	\$27.28	Elimination Period	
36	\$0.87	91	\$28.92	0 Days	1.40
37	\$0.88	92	\$30.51	15 Days	1.30
38	\$0.88	93	\$32.03	30 Days	1.17
39	\$0.89	94	\$33.48	60 Days	1.09
40	\$0.91	95	\$34.81	90 Days	1.00
41	\$0.94	96	\$36.04	180 Days	0.90
42	\$0.95	97	\$37.12	365 Days	0.80
43	\$0.98	98	\$38.23	Risk Classes	
44	\$1.00	99	\$39.00	Preferred	0.85
45	\$1.03	100+	\$39.78	Standard	1.00
46	\$1.05	Premium rates for ages 85+ are only to be used with the Guaranteed Purchase Option Rider		Rated 1	1.25
47	\$1.08	Premium Modal Factors		Rated 2	1.50
48	\$1.11	Monthly ABW	1	Rated 3	1.75
49	\$1.14	Quarterly	3	Rated 4	2.00
50	\$1.16	Semi-Annual	6	Family Member Discount (B211)	
51	\$1.22	Annual	12	10%	
52	\$1.28	For monthly direct bill add \$5 to the total monthly ABW premium		List Bill Discount	
53	\$1.34			5%	
54	\$1.41			Franchise Group Discounts	
55	\$1.46			5%	
56	\$1.56			Married Discounts	
57	\$1.67			1 Policy Issued (B200) 10%	
58	\$1.76			2 Policies Issued (B198) 30%	
59	\$1.86				
60	\$1.97				
61	\$2.12				
62	\$2.30				
63	\$2.46				
64	\$2.63				
65	\$2.80				
66	\$3.13				
67	\$3.46				
68	\$3.80				
69	\$4.14				
70	\$4.50				
71	\$5.13				
72	\$5.80				
73	\$6.46				
74	\$7.12				
75	\$7.82				
76	\$8.48				
77	\$9.17				
78	\$9.88				
79	\$10.60				
80	\$11.34				
81	\$12.80				
82	\$14.27				
83	\$15.85				
84	\$17.44				

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Benefit Increase Rider Factors									
Issue Age	5% Comp Inflation: 2 - 8 Benefit Multipliers B203Z	5% Comp Inflation: Unlimited Benefit B203Z	4% Comp Inflation: 2 - 8 Benefit Multipliers B327	4% Comp Inflation: Unlimited Benefit B327	3% Comp Inflation: 2 - 8 Benefit Multipliers B326	3% Comp Inflation: Unlimited Benefit B326	Compound Inflation 2X: 1 - 5 Benefit Multipliers B204Z	Compound Inflation 2X: Unlimited Benefit B204Z	Guaranteed Purchase Option B210
18-30	3.32	3.81	2.62	2.93	2.07	2.25	2.04	2.39	1.05
31	3.32	3.81	2.62	2.93	2.07	2.25	2.04	2.39	1.05
32	3.30	3.81	2.61	2.93	2.06	2.25	2.04	2.39	1.05
33	3.29	3.81	2.60	2.93	2.06	2.25	2.04	2.39	1.05
34	3.28	3.81	2.60	2.93	2.05	2.25	2.04	2.39	1.05
35	3.27	3.81	2.59	2.93	2.05	2.25	2.04	2.39	1.05
36	3.27	3.80	2.59	2.92	2.05	2.25	2.04	2.39	1.05
37	3.26	3.77	2.59	2.91	2.05	2.23	2.04	2.39	1.05
38	3.25	3.75	2.58	2.89	2.04	2.23	2.02	2.37	1.05
39	3.23	3.74	2.57	2.89	2.03	2.22	2.02	2.35	1.05
40	3.22	3.73	2.56	2.88	2.03	2.22	2.02	2.35	1.05
41	3.20	3.71	2.55	2.87	2.02	2.21	2.02	2.35	1.05
42	3.18	3.70	2.53	2.86	2.02	2.21	2.02	2.35	1.05
43	3.16	3.67	2.52	2.84	2.01	2.20	2.00	2.33	1.05
44	3.14	3.66	2.51	2.84	2.00	2.19	2.00	2.33	1.05
45	3.12	3.64	2.50	2.83	1.99	2.19	2.00	2.33	1.05
46	3.09	3.62	2.48	2.81	1.98	2.18	2.00	2.33	1.05
47	3.07	3.60	2.46	2.80	1.97	2.17	1.98	2.28	1.05
48	3.04	3.56	2.44	2.78	1.96	2.16	1.97	2.28	1.05
49	3.01	3.54	2.42	2.76	1.95	2.15	1.97	2.28	1.05
50	2.99	3.51	2.41	2.74	1.94	2.14	1.95	2.26	1.05
51	2.95	3.45	2.39	2.71	1.93	2.12	1.94	2.26	1.05
52	2.90	3.39	2.35	2.67	1.91	2.10	1.94	2.25	1.05
53	2.85	3.34	2.32	2.64	1.89	2.08	1.91	2.23	1.05
54	2.80	3.28	2.29	2.60	1.87	2.05	1.91	2.22	1.05
55	2.77	3.23	2.27	2.57	1.85	2.03	1.91	2.22	1.05
56	2.74	3.17	2.25	2.53	1.84	2.01	1.87	2.19	1.05
57	2.68	3.12	2.21	2.50	1.82	1.99	1.86	2.17	1.05
58	2.63	3.05	2.18	2.45	1.80	1.97	1.83	2.13	1.05
59	2.60	2.99	2.16	2.41	1.78	1.94	1.82	2.10	1.05
60	2.57	2.94	2.14	2.38	1.77	1.92	1.79	2.06	1.05
61	2.50	2.87	2.09	2.33	1.74	1.89	1.77	2.04	1.05
62	2.45	2.80	2.06	2.29	1.72	1.87	1.73	1.99	1.05
63	2.39	2.75	2.01	2.26	1.70	1.85	1.71	1.97	1.05
64	2.32	2.68	1.97	2.21	1.67	1.82	1.67	1.93	1.05
65	2.28	2.61	1.94	2.16	1.65	1.79	1.63	1.89	1.05
66	2.23	2.55	1.91	2.12	1.63	1.76	1.60	1.83	1.05
67	2.18	2.46	1.87	2.06	1.60	1.73	1.58	1.77	1.05
68	2.13	2.38	1.84	2.01	1.58	1.69	1.54	1.72	1.05
69	2.09	2.30	1.81	1.95	1.56	1.66	1.52	1.67	1.05
70	2.04	2.22	1.77	1.90	1.54	1.62	1.51	1.64	1.05
71	1.97	2.15	1.72	1.85	1.51	1.59	1.47	1.59	1.05
72	1.92	2.07	1.69	1.79	1.48	1.55	1.46	1.57	1.05
73	1.87	2.00	1.65	1.75	1.46	1.52	1.45	1.55	1.05
74	1.83	1.93	1.63	1.70	1.44	1.49	1.43	1.51	1.05
75	1.77	1.87	1.58	1.65	1.41	1.46	1.41	1.49	1.05
76	1.72	1.82	1.55	1.62	1.39	1.44	1.40	1.47	1.05
77	1.69	1.77	1.52	1.58	1.37	1.41	1.37	1.44	1.05
78	1.65	1.72	1.50	1.55	1.35	1.39	1.36	1.43	1.05
79	1.62	1.68	1.47	1.52	1.34	1.37	1.35	1.42	1.05
80	1.58	1.63	1.44	1.48	1.32	1.34	1.35	1.41	1.05
81	1.55	1.60	1.42	1.46	1.30	1.33	1.34	1.38	1.05
82	1.53	1.56	1.41	1.43	1.29	1.31	1.34	1.37	1.05
83	1.51	1.53	1.39	1.41	1.28	1.29	1.32	1.35	1.05
84	1.48	1.49	1.37	1.38	1.27	1.27	1.32	1.33	1.05

Physicians Mutual Insurance Company
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Additional Rider Factors

Issue Age	Shortened Benefit Period Nonforfeiture B209	Surviving Spouse Waiver of Premium B187	Joint Waiver of Premium B188
18-30	1.20	1.19	1.01
31	1.20	1.19	1.01
32	1.20	1.19	1.01
33	1.20	1.19	1.01
34	1.20	1.19	1.01
35	1.20	1.19	1.01
36	1.20	1.19	1.01
37	1.20	1.19	1.01
38	1.20	1.19	1.01
39	1.20	1.19	1.01
40	1.20	1.19	1.01
41	1.20	1.19	1.01
42	1.20	1.19	1.01
43	1.20	1.19	1.02
44	1.20	1.19	1.02
45	1.20	1.19	1.02
46	1.20	1.20	1.02
47	1.20	1.21	1.02
48	1.20	1.23	1.02
49	1.20	1.25	1.02
50	1.20	1.26	1.02
51	1.20	1.27	1.02
52	1.20	1.27	1.02
53	1.20	1.28	1.02
54	1.20	1.29	1.02
55	1.20	1.30	1.02
56	1.20	1.30	1.02
57	1.20	1.29	1.02
58	1.20	1.29	1.02
59	1.20	1.28	1.02
60	1.20	1.28	1.02
61	1.20	1.28	1.02
62	1.20	1.27	1.02
63	1.20	1.27	1.03
64	1.20	1.26	1.03
65	1.20	1.26	1.03
66	1.20	1.26	1.03
67	1.20	1.25	1.04
68	1.20	1.25	1.04
69	1.20	1.24	1.05
70	1.20	1.24	1.05
71	1.20	1.24	1.06
72	1.20	1.24	1.07
73	1.20	1.24	1.08
74	1.20	1.24	1.09
75	1.20	1.24	1.11
76	1.20	1.23	1.12
77	1.20	1.22	1.14
78	1.20	1.20	1.15
79	1.20	1.18	1.16
80	1.20	1.16	1.18
81	1.20	1.14	1.19
82	1.20	1.13	1.20
83	1.20	1.12	1.21
84	1.20	1.11	1.22

Physicians Mutual Insurance Company
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2008 New Business Premium Rates

Monthly Premium Rates Per \$100 Facility Care Benefit	Premium Factors	Limited Payment Options Premium Factors	Premium Discounts
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Issue Age	Unlimited Maximum Benefit 90 Day Elimination Period	Issue Age	Unlimited Maximum Benefit 90 Day Elimination Period	Maximum Benefit Multiplier	Issue Age	10 Pay	20 Pay	Paid Up at age 65	Married Discounts
18-30	\$1.23	85	\$28.20	1 0.36	18-30	3.75	2.05	1.50	1 Policy Issued (B200) 10%
31	\$1.24	86	\$30.59	2 0.49	31	3.68	2.04	1.51	
32	\$1.25	87	\$33.04	3 0.61	32	3.61	2.03	1.52	2 Policies Issued (B198) 30%
33	\$1.25	88	\$35.51	4 0.68	33	3.54	2.02	1.53	
34	\$1.26	89	\$38.01	5 0.78	34	3.47	2.01	1.54	
35	\$1.27	90	\$40.48	8 0.86	35	3.40	2.00	1.55	
36	\$1.28	91	\$42.90	Unlimited 1.00	36	3.36	1.99	1.56	Franchise Group Discounts
37	\$1.29	92	\$45.27		37	3.32	1.98	1.57	5%
38	\$1.31	93	\$47.52	Elimination Period	38	3.28	1.97	1.58	10%
39	\$1.33	94	\$49.67	0 Days 1.40	39	3.24	1.96	1.59	
40	\$1.35	95	\$51.65	30 Days 1.17	40	3.20	1.95	1.60	List Bill Discount
41	\$1.38	96	\$53.46	60 Days 1.09	41	3.18	1.93	1.65	5%
42	\$1.41	97	\$55.06	90 Days 1.00	42	3.16	1.91	1.70	
43	\$1.45	98	\$56.71	180 Days 0.90	43	3.14	1.89	1.75	LTC & Medicare Supplement Discount
44	\$1.49	99	\$57.86	365 Days 0.80	44	3.12	1.87	1.80	5% (First Year Only)
45	\$1.53	100+	\$59.01		45	3.10	1.85	1.85	Family Member Discount (B211)
46	\$1.57			Monthly Home and Community Care Rider (B202)	46	3.08	1.83	1.93	
47	\$1.61		Premium rates for ages 85+ are only to be used with the Guaranteed Purchase Option Rider	50% 1.19	47	3.06	1.81	2.01	
48	\$1.64			75% 1.25	48	3.04	1.79	2.09	
49	\$1.69			100% 1.33	49	3.02	1.77	2.17	
50	\$1.72		Premium Modal Factors		50	3.00	1.75	2.25	
51	\$1.81		Monthly ABW 1	Daily Home and Community Care Rider (B201)	51	2.95	1.73	2.35	
52	\$1.89		Quarterly 3	50% 1.10	52	2.90	1.71	2.45	
53	\$1.99		Semi-Annual 6	75% 1.16	53	2.85	1.69	2.55	
54	\$2.08		Annual 12	100% 1.23	54	2.80	1.67	2.65	
55	\$2.17				55	2.75	1.65	2.75	
56	\$2.31		For monthly direct bill add \$5 to the total monthly ABW premium		56	2.68	1.62		
57	\$2.47				57	2.61	1.59		
58	\$2.61				58	2.54	1.56		
59	\$2.76				59	2.47	1.53		
60	\$2.91				60	2.40	1.50		
61	\$3.15				61	2.34	1.48		
62	\$3.40				62	2.28	1.46		
63	\$3.65				63	2.22	1.44		
64	\$3.90				64	2.16	1.42		
65	\$4.16				65	2.10	1.41		
66	\$4.64				66	2.02	1.39		
67	\$5.14				67	1.94	1.37		
68	\$5.65				68	1.86	1.34		
69	\$6.15				69	1.78	1.31		
70	\$6.67				70	1.70	1.28		
71	\$7.61				71	1.65	1.26		
72	\$8.60				72	1.60	1.23		
73	\$9.58				73	1.55	1.20		
74	\$10.56				74	1.50	1.18		
75	\$11.59				75	1.45	1.16		
76	\$12.57				76	1.40	1.14		
77	\$13.60				77	1.35	1.12		
78	\$14.66				78	1.30	1.11		
79	\$15.72				79	1.25	1.09		
80	\$16.83				80	1.20	1.08		
81	\$19.00				81	1.18	1.07		
82	\$21.17				82	1.16	1.06		
83	\$23.51				83	1.14	1.05		
84	\$25.87				84	1.12	1.03		

Physicians Mutual Insurance Company
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Benefit Increase Rider Factors

Issue Age	5% Comp Inflation: 2 - 8 Benefit Multipliers B203Z	5% Comp Inflation: Unlimited Benefit B203Z	4% Comp Inflation: 2 - 8 Benefit Multipliers B327	4% Comp Inflation: Unlimited Benefit B327	3% Comp Inflation: 2 - 8 Benefit Multipliers B326	3% Comp Inflation: Unlimited Benefit B326	Compound Inflation 2X: 1 - 8 Benefit Multipliers B204Z	Compound Inflation 2X: Unlimited Benefit B204Z	Guaranteed Purchase Option B206
18-30	3.32	3.81	2.62	2.93	2.07	2.25	2.04	2.39	1.05
31	3.32	3.81	2.62	2.93	2.07	2.25	2.04	2.39	1.05
32	3.30	3.81	2.61	2.93	2.06	2.25	2.04	2.39	1.05
33	3.29	3.81	2.60	2.93	2.06	2.25	2.04	2.39	1.05
34	3.28	3.81	2.60	2.93	2.05	2.25	2.04	2.39	1.05
35	3.27	3.81	2.59	2.93	2.05	2.25	2.04	2.39	1.05
36	3.27	3.80	2.59	2.92	2.05	2.25	2.04	2.39	1.05
37	3.26	3.77	2.59	2.91	2.05	2.23	2.04	2.39	1.05
38	3.25	3.75	2.58	2.89	2.04	2.23	2.02	2.37	1.05
39	3.23	3.74	2.57	2.89	2.03	2.22	2.02	2.35	1.05
40	3.22	3.73	2.56	2.88	2.03	2.22	2.02	2.35	1.05
41	3.20	3.71	2.55	2.87	2.02	2.21	2.02	2.35	1.05
42	3.18	3.70	2.53	2.86	2.02	2.21	2.02	2.35	1.05
43	3.16	3.67	2.52	2.84	2.01	2.20	2.00	2.33	1.05
44	3.14	3.66	2.51	2.84	2.00	2.19	2.00	2.33	1.05
45	3.12	3.64	2.50	2.83	1.99	2.19	2.00	2.33	1.05
46	3.09	3.62	2.48	2.81	1.98	2.18	2.00	2.33	1.05
47	3.07	3.60	2.46	2.80	1.97	2.17	1.98	2.28	1.05
48	3.04	3.56	2.44	2.78	1.96	2.16	1.97	2.28	1.05
49	3.01	3.54	2.42	2.76	1.95	2.15	1.97	2.28	1.05
50	2.99	3.51	2.41	2.74	1.94	2.14	1.95	2.26	1.05
51	2.95	3.45	2.39	2.71	1.93	2.12	1.94	2.26	1.05
52	2.90	3.39	2.35	2.67	1.91	2.10	1.94	2.25	1.05
53	2.85	3.34	2.32	2.64	1.89	2.08	1.91	2.23	1.05
54	2.80	3.28	2.29	2.60	1.87	2.05	1.91	2.22	1.05
55	2.77	3.23	2.27	2.57	1.85	2.03	1.91	2.22	1.05
56	2.74	3.17	2.25	2.53	1.84	2.01	1.87	2.19	1.05
57	2.68	3.12	2.21	2.50	1.82	1.99	1.86	2.17	1.05
58	2.63	3.05	2.18	2.45	1.80	1.97	1.83	2.13	1.05
59	2.60	2.99	2.16	2.41	1.78	1.94	1.82	2.10	1.05
60	2.57	2.94	2.14	2.38	1.77	1.92	1.79	2.06	1.05
61	2.50	2.87	2.09	2.33	1.74	1.89	1.77	2.04	1.05
62	2.45	2.80	2.06	2.29	1.72	1.87	1.73	1.99	1.05
63	2.39	2.75	2.01	2.26	1.70	1.85	1.71	1.97	1.05
64	2.32	2.68	1.97	2.21	1.67	1.82	1.67	1.93	1.05
65	2.28	2.61	1.94	2.16	1.65	1.79	1.63	1.89	1.05
66	2.23	2.55	1.91	2.12	1.63	1.76	1.60	1.83	1.05
67	2.18	2.46	1.87	2.06	1.60	1.73	1.58	1.77	1.05
68	2.13	2.38	1.84	2.01	1.58	1.69	1.54	1.72	1.05
69	2.09	2.30	1.81	1.95	1.56	1.66	1.52	1.67	1.05
70	2.04	2.22	1.77	1.90	1.54	1.62	1.51	1.64	1.05
71	1.97	2.15	1.72	1.85	1.51	1.59	1.47	1.59	1.05
72	1.92	2.07	1.69	1.79	1.48	1.55	1.46	1.57	1.05
73	1.87	2.00	1.65	1.75	1.46	1.52	1.45	1.55	1.05
74	1.83	1.93	1.63	1.70	1.44	1.49	1.43	1.51	1.05
75	1.77	1.87	1.58	1.65	1.41	1.46	1.41	1.49	1.05
76	1.72	1.82	1.55	1.62	1.39	1.44	1.40	1.47	1.05
77	1.69	1.77	1.52	1.58	1.37	1.41	1.37	1.44	1.05
78	1.65	1.72	1.50	1.55	1.35	1.39	1.36	1.43	1.05
79	1.62	1.68	1.47	1.52	1.34	1.37	1.35	1.42	1.05
80	1.58	1.63	1.44	1.48	1.32	1.34	1.35	1.41	1.05
81	1.55	1.60	1.42	1.46	1.30	1.33	1.34	1.38	1.05
82	1.53	1.56	1.41	1.43	1.29	1.31	1.34	1.37	1.05
83	1.51	1.53	1.39	1.41	1.28	1.29	1.32	1.35	1.05
84	1.48	1.49	1.37	1.38	1.27	1.27	1.32	1.33	1.05

Physicians Mutual Insurance Company
Long Term Care Policy Form P148 - Arkansas
2008 New Business Premium Rates

Additional Rider Factors

Issue Age	Shortened Benefit Period Nonforfeiture B186	Full Return of Premium B189	Return of Premium B190	Restoration of Benefits B207	Calendar Day Elimination Period B208	Surviving Spouse Waiver of Premium B187	Joint Waiver of Premium B188
18-30	1.20	1.30	1.04	1.04	1.06	1.19	1.01
31	1.20	1.32	1.06	1.04	1.06	1.19	1.01
32	1.20	1.34	1.08	1.04	1.06	1.19	1.01
33	1.20	1.36	1.09	1.04	1.06	1.19	1.01
34	1.20	1.38	1.11	1.04	1.06	1.19	1.01
35	1.20	1.40	1.12	1.04	1.06	1.19	1.01
36	1.20	1.42	1.14	1.04	1.06	1.19	1.01
37	1.20	1.44	1.15	1.04	1.06	1.19	1.01
38	1.20	1.46	1.17	1.04	1.06	1.19	1.01
39	1.20	1.48	1.19	1.04	1.06	1.19	1.01
40	1.20	1.50	1.20	1.04	1.06	1.19	1.01
41	1.20	1.51	1.21	1.04	1.06	1.19	1.01
42	1.20	1.52	1.21	1.04	1.06	1.19	1.01
43	1.20	1.53	1.22	1.04	1.06	1.19	1.02
44	1.20	1.54	1.23	1.04	1.06	1.19	1.02
45	1.20	1.55	1.24	1.04	1.06	1.19	1.02
46	1.20	1.56	1.25	1.04	1.06	1.20	1.02
47	1.20	1.57	1.25	1.04	1.06	1.21	1.02
48	1.20	1.58	1.26	1.04	1.06	1.23	1.02
49	1.20	1.59	1.27	1.04	1.06	1.25	1.02
50	1.20	1.60	1.28	1.04	1.06	1.26	1.02
51	1.20	1.65	1.32	1.04	1.06	1.27	1.02
52	1.20	1.70	1.36	1.04	1.06	1.27	1.02
53	1.20	1.75	1.40	1.04	1.06	1.28	1.02
54	1.20	1.80	1.44	1.04	1.06	1.29	1.02
55	1.20	1.85	1.48	1.04	1.06	1.30	1.02
56	1.20	1.90	1.52	1.04	1.06	1.30	1.02
57	1.20	1.95	1.56	1.04	1.06	1.29	1.02
58	1.20	2.00	1.60	1.04	1.06	1.29	1.02
59	1.20	2.05	1.64	1.04	1.06	1.28	1.02
60	1.20	2.10	1.68	1.04	1.06	1.28	1.02
61	1.20	2.15	1.72	1.04	1.06	1.28	1.02
62	1.20	2.20	1.76	1.04	1.06	1.27	1.02
63	1.20	2.25	1.80	1.04	1.06	1.27	1.03
64	1.20	2.30	1.84	1.04	1.06	1.26	1.03
65	1.20	2.35	1.88	1.04	1.06	1.26	1.03
66	1.20	2.43	1.94	1.04	1.06	1.26	1.03
67	1.20	2.51	2.00	1.04	1.06	1.25	1.04
68	1.20	2.59	2.07	1.04	1.06	1.25	1.04
69	1.20	2.67	2.14	1.04	1.06	1.24	1.05
70	1.20	2.75	2.20	1.04	1.06	1.24	1.05
71	1.20			1.04	1.06	1.24	1.06
72	1.20			1.04	1.06	1.24	1.07
73	1.20			1.04	1.06	1.24	1.08
74	1.20			1.04	1.06	1.24	1.09
75	1.20			1.04	1.06	1.24	1.11
76	1.20			1.04	1.06	1.23	1.12
77	1.20			1.04	1.06	1.22	1.14
78	1.20			1.04	1.06	1.20	1.15
79	1.20			1.04	1.06	1.18	1.16
80	1.20			1.04	1.06	1.16	1.18
81	1.20			1.04	1.06	1.14	1.19
82	1.20			1.04	1.06	1.13	1.20
83	1.20			1.04	1.06	1.12	1.21
84	1.20			1.04	1.06	1.11	1.22

SERFF Tracking Number: *PHYS-125472471* State: *Arkansas*
Filing Company: *Physicians Mutual Insurance Company* State Tracking Number: *38136*
Company Tracking Number:
TOI: *LTC06 Long Term Care - Other* Sub-TOI: *LTC06.000 Long Term Care - Other*
Product Name: *B324 et al*
Project Name/Number: *B324 et al/B324 et al*

Supporting Document Schedules

Review Status: 02/04/2008
Satisfied -Name: Certification/Notice
Comments:
Attachments:
AR Reg 19 Cert.pdf
Flesch Cert.pdf

Review Status: 02/04/2008
Bypassed -Name: Application
Bypass Reason: No new application filed with these forms
Comments:

Review Status: 02/04/2008
Satisfied -Name: Health - Actuarial Justification
Comments:
Attachment:
AR Actuarial Memo.pdf

Review Status: 02/04/2008
Satisfied -Name: Outline of Coverage
Comments:
Attachments:
OC145AR_0208.pdf
OC146AR_0208.pdf
OC147AR_0208.pdf
OC148AR_0208.pdf

Physicians Mutual Insurance Company
2600 Dodge Street
Omaha, Nebraska 68131

Certification
January 25, 2008

RE: Long-term Care P145, P146, P147, P148 and all associated Riders

This is to certify that the above captioned filing complies with the Arkansas Regulation 19 and all other applicable requirements of the Arkansas Insurance Department.



Mark S. Nelson, FSA, MAAA
Vice President and Actuary

PHYSICIANS MUTUAL INSURANCE COMPANY

OMAHA, NEBRASKA

Certification of Flesch

These forms have the following Flesch Readability Scores:

B324	50.6*
B325	50.6*
B326	51.1*
B327	51.1*

The entire form is analyzed.

The following was excluded in the text: name and address of the insurer; name, number and title of the rider, captions and subcaptions; medical terminology; defined terms.

*Scored with base policy.



Shawn Pollock
Vice President
Government and Industry

01-03-08
Date

Physicians Mutual Insurance Company
2600 Dodge Street
Omaha, Nebraska 68131

Actuarial Memorandum
Long-Term Care Filing
January 25, 2008
Arkansas

Scope and Purpose

This memorandum supports new premium rates for new business only under the previously approved Long-Term Care policy series P145 - P148. The benefits provided under these policy forms will not change. There are two new automatic benefit change riders: 3% and 4% automatic compounding benefit increases that will be available with these policies. The 5% simple inflation automatic benefit change rider, that was available under the previously approved series, will no longer be offered.

The new business premium rates will not be applied to existing policyholders, and will apply only to new policyholders issued after the implementation date. It is important to note that no rate change will be imposed on existing policyholders.

The new business rates are being increased primarily due to changes in pricing assumptions, and to strengthen the ability to withstand moderately adverse experience. Physicians Mutual Insurance Company recently exited the brokerage market, which had represented a majority of Long-Term Care Insurance sales, and will continue to sell through our agency distribution.

The premium changes affect mainly the automatic increasing benefit riders. For example, the premiums for policies with the 5% compounding automatic increase will increase by roughly 15%, and for policies with the 5% compounding automatic increase capped at 200%, the increase will be roughly 7.5%. There have been other smaller increases for the base policies with no inflation riders, and adjustments by age and benefit period. In total, the premiums are expected to increase by approximately 10%, factoring in the expected sales distribution.

Policy Information

The following are individual long-term care policies and riders that will be underwritten and administered by Physicians Mutual Insurance Company. These policies and riders are guaranteed renewable. The riders also include a description regarding to what policies the riders can be attached.

Base Policies

- P145 Non Tax Qualified Comprehensive Long-Term Care Policy
- P146 Tax Qualified Comprehensive Long-Term Care Policy
- P147 Tax Qualified Home and Community Care Policy
- P148 Tax Qualified Facility Care Policy

Riders

- B182Z 5% Compound Inflation Protection Benefit Rider (attaches to P145 and P146)
- B203Z 5% Compound Inflation Protection Benefit Rider (attaches to P147 and P148)
- B325 4% Compound Inflation Protection Benefit Rider (attaches to P145 and P146)
- B327 4% Compound Inflation Protection Benefit Rider (attaches to P147 and P148)
- B324 3% Compound Inflation Protection Benefit Rider (attaches to P145 and P146)
- B326 3% Compound Inflation Protection Benefit Rider (attaches to P147 and P148)
- B183Z 5% Compound Inflation Protection Benefit Rider – 2X Maximum (P145 and P146)
- B204Z 5% Compound Inflation Protection Benefit Rider – 2X Maximum (P147 and P148)
- B185 Guaranteed Purchase Option Rider (P145 and P146)
- B206 Guaranteed Purchase Option Rider (P148)
- B210 Guaranteed Purchase Option Rider (P147)
- B186 Shortened Benefit Period Non-forfeiture Rider (P146 and P148)
- B197 Shortened Benefit Period Non-forfeiture Rider (P145)
- B209 Shortened Benefit Period Non-forfeiture Rider (P147)
- B187 Surviving Spouse Waiver of Premium Rider (P145, P146, P147 and P148)
- B188 Joint Waiver of Premium Rider (P145, P146, P147 and P148)
- B189 Full Return of Premium Rider (P145, P146 and P148)
- B190 Return of Premium Rider (P145, P146 and P148)
- B191 Home Cash Benefit Rider (P145 and P146)
- B192 Waiver of the Elimination Period for Home and Community Care Rider (P145 and P146)
- B193 Shared Care Benefit Rider (P145, P146 and P148)
- B198 Spouse Premium Discount Rider (P145, P146, P147 and P148)
- B200 Married Premium Discount Rider (P145, P146, P147 and P148)
- B211 Family Member Discount Rider (P145, P146, P147 and P148)
- B201 Daily Home and Community Care Benefit Rider (P148)
- B202 Monthly Home and Community Care Benefit Rider (P148)
- B207 Restoration of Benefits Rider (P148)
- B208 Calendar Day Elimination Period Rider (P148)

Policy Benefit Description

Non Tax Qualified Comprehensive Long-Term Care Policy (P145)

The P145 will pay the expenses incurred for facility care and home and community care if the insured has been certified as disabled and is under an appropriate plan of care. Benefits are reimbursed for costs incurred provided the insured requires 1) substantial assistance to perform two or more of the six activities of daily living, 2) substantial supervision due to cognitive impairment, or 3) medically necessary care while confined to a facility.

The facility care benefit is the most that Physicians Mutual will pay in one month for services received in a nursing home, assisted living facility or a hospice facility. The

facility care benefit can be purchased in \$100 units, with a minimum of 15 units. The home and community care benefit is the most Physicians Mutual will pay in one month for services received for home health care, hospice care, adult day care and respite care. The home and community care benefit can be 50%, 75% or 100% of the facility care benefit.

Benefits are subject to an elimination period and a maximum benefit period.

The elimination period options include 0, 30, 60, 90, 180 and 365 days. The elimination period begins on the first day the insured is eligible for benefits. It must only be satisfied once in the insured's lifetime.

The maximum benefit is the most Physicians Mutual will pay during the insured's lifetime, except as stated in the restoration of benefits provision. The maximum benefit is equal to the benefit multiplier chosen times the facility care benefit times 12. The benefit multiplier options include 2, 3, 4, 5, 8 and unlimited.

Additional benefits include: alternative plan of care, ambulance service, bed reservation, contingent non-forfeiture benefit, first time cash benefit, home first benefit, home modification benefit, informal caregiver training, international coverage, resource advisor, restoration of benefits and waiver of premium. The lifetime benefit amounts for some of these benefits can be found in the policy schedule. These lifetime benefits are equal to:

Home first benefit	2 times the facility care benefit
Home modification benefit	2 times the facility care benefit
Informal caregiver training	20% of the facility care benefit
International coverage	1 times the facility care benefit

Tax Qualified Comprehensive Long-Term Care Policy (P146)

The P146 is similar to the P145 except it is intended to qualify as a long-term care insurance contract under IRS Section 7702(B), and is therefore intended to qualify for the tax treatment enacted as part of the 1996 Health Care Reform legislation. Therefore, benefits are reimbursed for costs incurred provided the insured is certified as needing 1) substantial assistance to perform two or more of the six activities of daily living for a period of at least 90 days or 2) substantial supervision due to cognitive impairment. In addition, an appropriate plan of care is also required to receive benefits.

Tax Qualified Home and Community Care Policy (P147)

The P147 is similar to the P146 except it will not pay for facility care benefits, alternative plan of care, bed reservation or international coverage. In addition, the home and community care benefits can be purchased in \$100 units, with a minimum of 9 units. The elimination period options include 0, 15, 30, 60, 90, 180 and 365. And the benefit multiplier options include 1, 2, 3, 4 and 5.

Tax Qualified Facility Care Policy (P148)

The P148 will pay the expenses incurred for facility care, but will include optional riders that add home and community care benefits to make it a comprehensive long-term care policy. The benefit trigger is similar to the P146.

The facility care benefit can be purchased in \$100 units, with a minimum of 9 units. The elimination period options include 0, 30, 60, 90, 180 and 365. Unlike the P145, P146 and P147, each day of service counts toward the elimination period. And the benefit multiplier options include 1, 2, 3, 4, 5, 8 and unlimited.

Additional benefits include: ambulance service, bed reservation, contingent non-forfeiture benefit, first time cash benefit, home modification benefit, informal caregiver training, resource advisor and waiver of premium. The lifetime benefit amounts for some of these benefits can be found in the policy schedule. These lifetime benefits are equal to:

Home modification benefit	1 times the facility care benefit
Informal caregiver training	20% of the facility care benefit

Rider Benefit Description

Compound Inflation Protection Benefit Riders (B182Z, B203Z, B324 – B327)

These riders will automatically increase the benefit amounts listed under covered services in the contract, and the remaining maximum benefit, by a specified percent per year, on a compound basis. The rider will continue to provide increases while the policy is in force, including while the policyholder is receiving benefits.

Riders B182Z and B203Z will increase benefits by five percent per year.

Riders B325 and B327 will increase benefits by four percent per year.

Riders B324 and B326 will increase benefits by three percent per year.

Compound Inflation Protection Benefit Rider – 2X Maximum (B183Z and B204Z)

This rider will automatically increase the benefit amounts listed under covered services in the contract and the remaining maximum benefit by five percent per year, on a compound basis. The rider will continue to provide increases while the policy is in force, including while the policyholder is receiving benefits. The increases will continue until the benefit amount equals two times the amount of the benefit that was in effect on the rider effective date.

Guaranteed Purchase Option Rider (B185, B206 and B210)

This rider, at the policyholder's option, will increase the benefit amounts listed under covered services in the contract and the remaining maximum benefit by five percent per year, on a compound basis. There will be additional premium for each increase in benefit amounts. The additional premium will be based on the attained age and the premium rates at the time the increase takes effect. An increase will not be allowed if the policyholder is under any waiver of premium provision.

Shortened Benefit Period Non-forfeiture Rider (B186, B197 and B209)

This rider provides limited coverage if the policy and this rider lapse after they have been in force for three years. The same benefit amounts as those in effect prior to the Non-forfeiture date will be payable under this rider, except that the maximum benefit will be the greater of (1) the sum of all premiums paid or (2) the monthly facility care benefit (or home and community care benefit for the P147) in effect on the date of the lapse.

Surviving Spouse Waiver of Premium Rider (B187)

This rider will waive the policyholder's premium for the remainder of their lifetime on the later of (1) the date of death of their spouse or (2) the tenth anniversary date of this rider, provided that the death of the spouse occurs before this date.

Joint Waiver of Premium Rider (B188)

This rider will waive the policyholder's premium during the time their spouse qualifies for the waiver of premium provision under his or her policy.

Full Return of Premium Rider (B189)

This rider provides a return of the total premium paid upon the policyholder's death.

Return of Premium Rider (B190)

This rider provides a return of the total premium paid, reduced by the total amount of benefits paid, upon the policyholder's death.

Home Cash Benefit Rider (B191)

This rider provides an additional monthly benefit equal to 20% of the policyholder's home and community care benefit. In order to receive this benefit, the policyholder must be eligible for benefits, be under a plan of care, have satisfied their elimination period and have received at least one day of a home and community care benefit during the calendar month.

Waiver of the Elimination Period for Home and Community Care Rider (B192)

This rider will waive the elimination period for home and community care benefits. In addition, each day of care at home will count towards the elimination period for facility care benefits.

Shared Care Benefit Rider (B193)

This rider provides an additional maximum benefit that can be shared between a policyholder and their spouse, provided that they both have identical coverage with Physicians Mutual. The additional shared maximum benefit will be equal to the maximum benefit chosen by the policyholder and their spouse.

Spouse Premium Discount Rider (B198)

This rider provides a 30% premium discount, provided that the policyholder and their spouse are married on the policy effective date and both are issued a long-term care policy with Physicians Mutual.

Married Premium Discount Rider (B200)

This rider provides a 10% premium discount, provided the policyholder is married on the policy effective date.

Daily Home and Community Care Benefit Rider (B201)

This rider can only be added to the Facility Care Policy (P148). This rider provides home and community care benefits, home first benefits and alternative plan of care benefits. The home and community care benefits are the most that Physicians Mutual will pay in one day. The home and community care benefit options include 50, 75 and 100%. The 100% home and community care benefit is equal to 1/30th of the facility care maximum. The home first benefits have a lifetime maximum equal to the facility care benefit shown in the policy. Benefits provided under this rider are subject to the elimination period and maximum benefit shown in the P148.

Monthly Home and Community Care Benefit Rider (B202)

This rider can only be added to the Facility Care Policy (P148). This rider provides home and community care benefits, home first benefits and alternative plan of care benefits. The home and community care benefits are the most that Physicians Mutual will pay in one month. The home and community care benefit options include 50, 75 and 100%. The 100% home and community care benefit is equal to the facility care maximum. The home first benefits have a lifetime maximum equal to the facility care benefit shown in the policy. Benefits provided under this rider are subject to the elimination period and maximum benefit shown in the P148.

Restoration of Benefits Rider (B207)

This rider can only be added to the Facility Care Policy (P148). This rider will restore your maximum benefit, provided that you are no longer chronically ill and have maintained that status for at least six months.

Calendar Day Elimination Period Rider (B208)

This rider can only be added to the Facility Care Policy (P148). This rider allows the policyholder's elimination period to begin on the first day they are eligible for benefits. In addition, each day they are eligible for benefits will count towards the elimination period.

Family Member Discount Rider (B211)

This rider provides a 10% premium discount, provided that the policyholder and their relative have been living in the same household for at least two years at the policy effective date and both are issued a long-term care policy with Physicians Mutual.

Premium Payment Options

In addition to paying premiums for the lifetime of the policyholder, Physicians Mutual offers 10 pay, 20 pay and paid up at age 65 premium payment options. In each of these payment options the premium will no longer be payable at the end of its term, but the policy will remain in effect. The 10 pay, 20 pay and paid up at age 65 premium payment options will not be available with the P147.

Additional Discounts

In addition to the premium discounts available as a rider, Physicians Mutual offers franchise, list bill, and a Medicare supplement and long-term care package discounts. The franchise discount can be 5 or 10% over the lifetime of the policyholder and is primarily offset by a reduction in commission. The list bill discount is 5% over the lifetime of the policyholder, and may be partially offset by the economies of acquisition and administration or a reduction in commission. The Medicare supplement and long-term care package discount is a 5% first policy year only discount and is not available with the P147.

All discounts will be applied in accordance with the company administrative policies in effect at the time of policy issue.

Underwriting Risk Classes

Preferred, standard and rated risk classes are available. The preferred premium factor is .85, standard is 1.00, while the rated risk classes include 1.25, 1.50, 1.75 and 2.00 premium factors. These factors are applicable throughout the life of the policy.

Gross Premium Assumptions

Gross premiums and premium rate factors for all policies and riders can be found on the premium rate pages. The following are the assumptions that were used to develop the gross premiums.

Morbidity

Milliman USA claim costs for long-term care were utilized, based on the 2002 *Milliman Long-Term Care Claim Cost Guidelines*. The basis for these guidelines is governmental studies, experience of clients, and the expertise and judgment of Milliman USA actuaries.

Some adjustments were made to the claim costs provided. These adjustments were the result of changes to the policy language and the claims adjudication process that were not in place at the time the claim costs were provided to Physicians Mutual by Milliman USA. Other adjustments were made to reflect changes recommended by Milliman to bring the claim costs more in line with anticipated 2007 *Milliman Long-Term Care Claim Cost Guidelines*, not yet released at the time of writing this memorandum. A 5% load was added to the resulting claim costs and used in the computation of both gross premiums and active life reserves.

Mortality

The 1994 GAM mortality table with selection factors was used for pricing.

Earnings Rate

A level rate of 5.75% was assumed.

Voluntary Lapse

The ultimate lapse rates used in pricing and reserves are less than current Company experience indicates, and therefore, contain an explicit margin for adverse experience.

	Issue Ages				
	<50	50-54	55-59	60+	
P145, P146 and P148	Year 1	14%	12%	10%	8%
	Year 2	12%	10%	8%	6%
	Year 3	10%	8%	6%	4%
	Year 4	8%	6%	4%	3%
	Year 5	6%	4%	2%	2%
	Year 6	4%	2%	2%	2%
	Year 7	2%	2%	2%	2%
	Year 8	1.5%	1.5%	1.5%	1.5%
	Year 9	1%	1%	1%	1%

	Issue Ages				
	<50	50-54	55-59	60+	
P147	Year 1	17%	15%	13%	11%
	Year 2	14%	12%	10%	8%
	Year 3	12%	10%	8%	6%
	Year 4	10%	8%	6%	5%
	Year 5	8%	6%	4%	4%
	Year 6	6%	4%	3.5%	3.5%
	Year 7	4%	3.5%	3.5%	3.5%
	Year 8	3.5%	3.5%	3.5%	3.5%
	Year 9	3%	3%	3%	3%
	Year 10	2.5%	2.5%	2.5%	2.5%
	Year 11	2%	2%	2%	2%

Expenses

Underwriting and Issue Expenses	Cost per Issue
< Age 50	\$130
Ages 50 – 59	\$160
Ages 60 – 69	\$310
Ages 70 – 79	\$635
Ages 80 +	\$1,015

Other Expenses	Pricing Assumption
Policy Maintenance	\$7.00 per policy in force (\$7.75 for the P147)
Claims Adjudication	2.5% claims incurred
Marketing Allowance	45.83% first year premium
Overhead	5.0% premium (all years)
Premium Tax	2% premium (all years)
Compensation	13% present value premium

Distribution Mix

Contract Type	Percent Assumed
NTQ Comprehensive LTC	4%
TQ Comprehensive LTC	71%
TQ HHC	13%
TQ Facility Care (with HHC Riders)	12%

Issue Age	Percent Assumed
<50	15%
50-59	22%
60-69	53%
70+	10%

Elimination Period	Percent Assumed
0 day	3%
15 day	1%
30 day	9%
60 day	6%
90 day	77%
180 day	3%
365 day	1%

Benefit Multiplier	Percent Assumed
1	6%
2	24%
3	23%
4	16%
5	13%
8	6%
Unlimited	12%

Riders

Benefit Increase Rider Description	Percent Assumed
No Benefit Increase Riders	15%
Compound at 5%	4%
Compound at 4%	5%
Compound at 3%	32%
Compound at 5%, 2X maximum	28%
Guaranteed Purchase Option	16%

Discount Rider Description	Percent Assumed
Spouse Discount	49%
Married Discount	21%
Family Member Discount	1%

Rider Description	Percent Assumed
Shortened Benefit Period Non-forfeiture	1%
Surviving Spouse Waiver of Premium	1%
Joint Waiver of Premium	16%
Full Return of Premium	1%
Return of Premium	1%
Home Cash Benefit	5%
Waiver of the Elimination Period for HHC	36%
Shared Care Benefit	14%
Daily Home and Community Care Benefit	40%
Monthly Home and Community Care Benefit	20%
Restoration of Benefits	2%
Calendar Day Elimination Period	1%

Active Life Reserves

The basis for active life reserves are the select and ultimate claim costs developed for this form, which include a 5% load, using a one-year full preliminary term method with 4% interest. Decrements used are the following:

- 1) 1994 Group Annuity Mortality
- 2) Voluntary Lapse Rates, which include a margin for adverse experience:
 - a) 80% of the lapse rates used in the calculation of gross premiums for policy years 1-4, subject to a maximum of:
 - i) 6% in year 1
 - ii) 4% in years 2 - 4
 - b) 100% of the lapse rates used in the calculation of gross premiums for policy years 5+, subject to a maximum of 2%

Actuarial Certification

I, Mark S. Nelson, FSA, MAAA, am a member of the American Academy of Actuaries. I meet the Academy's qualification standards for rendering this opinion and am familiar with the requirements for filing Long-Term Care insurance premiums.

In my opinion the initial premium rate schedule is sufficient to cover anticipated costs under moderately adverse experience and that the premium rate schedule is reasonably expected to be sustainable over the life of the form with no future premium increases anticipated

The policy design and coverage provided have been reviewed and taken into consideration. The underwriting and claims adjudication have been taken into consideration.

Reserves contain reasonable margins for adverse experience. The net valuation premium for renewal years does not increase.

The difference between the gross premium and the net valuation premium for renewal years is sufficient to cover expected renewal expenses. This is not met at all issues but in aggregate. I believe this is reasonable, and for those issue ages and inflation options where this test is not met, lifetime statutory profits are positive.

The premium rate schedule is not less than the premium rate schedule for the existing forms available for sale.



Mark S. Nelson, FSA, MAAA

Physicians Mutual Insurance Company

2600 Dodge Street
Omaha, Nebraska 68131
800-645-4300

**LONG TERM CARE INSURANCE
OUTLINE OF COVERAGE
POLICY P145**

NOTICE TO BUYER: This Policy may not cover all of the costs associated with Long-Term Care incurred by the buyer during the period of coverage. The buyer is advised to review carefully all Policy Limitations.

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 will be attached to the Policy. 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:

Physicians Mutual Insurance Company
2600 Dodge Street
Omaha, Nebraska 68131

The Policy is an individual Policy of insurance.

PURPOSE OF OUTLINE OF COVERAGE - This outline of coverage provides a very brief description of the important features of the Policy. You should compare this outline of coverage to outlines of coverage 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!**

THIS POLICY IS NOT INTENDED TO BE A FEDERALLY TAX-QUALIFIED LONG-TERM CARE INSURANCE CONTRACT UNDER SECTION 7702B(b) OF THE IRS CODE OF 1986, AS AMENDED.

TERMS UNDER WHICH THE POLICY MAY BE CONTINUED IN FORCE OR DISCONTINUED - The Policy is Guaranteed Renewable. When We receive your Renewal Premium before the Grace Period ends and before the Maximum Benefit amount has been paid, We must accept it.

WAIVER OF PREMIUM - After you have been eligible for benefits for a period of at least six months, We will waive all future premiums coming due according to the Premium Payment Mode in effect at the time you become eligible for the Waiver of Premium. Premiums will be waived until you are no longer eligible for benefits. Waiver of Premium can only be retroactive up to six months prior to the date on which We receive notice of eligibility. As noted, Waiver of Premium does not apply to the International Coverage Benefit.

TERMS UNDER WHICH THE COMPANY MAY CHANGE PREMIUMS: We may change your Renewal Premium only if We make the same change for all Policies of this form and class in the State where you live.

TERMS UNDER WHICH THE POLICY MAY BE RETURNED AND PREMIUM REFUNDED - If you are not satisfied with your Policy, you have 31 days to return it to Us or our agent for a full refund of any premium you have paid. The Policy is then void as if no Policy had been issued. The Policy contains a provision for a refund of unearned premium upon death or surrender.

THIS IS NOT MEDICARE SUPPLEMENT COVERAGE - If you are eligible for Medicare, review the Medicare Supplement Buyer's Guide available from your agent. Neither Physicians Mutual Insurance Company nor its agents represent Medicare, the federal government, or any state government.

LONG-TERM CARE COVERAGE - Policies of this category are designed to provide coverage for one or more necessary or medically necessary diagnostic, preventive, therapeutic, rehabilitative, maintenance, or personal care services. Coverage for these services may be provided in a setting such as in a nursing home, in an assisted living facility, in the community or in the home but not in an acute care unit of a hospital. The Policy pays the expenses incurred for any services as shown in the Policy, subject to the Policy Limitations, Exclusions and Elimination Periods.

BENEFITS PROVIDED BY THIS POLICY – During a “Disability”, we will pay the expenses you incur for the services of a skilled, intermediate or custodial Nursing Home, Assisted Living Facility, or Hospice Facility while you are confined, or We will pay the expenses you incur for the services of the following alternatives: (1) Home Health Care; (2) Hospice Care; (3) Respite Care; (4) Adult Day Care; or (5) Alternative Plan of Care. “Disability” means for Facility Care Benefits - that You require: (1) Substantial Assistance to perform two or more of the Activities of Daily Living (which are bathing, eating, dressing, continence, transferring and toileting) due to sickness or injury; (2) Substantial Supervision due to Cognitive Impairment; or (3) services that are Medically Necessary; and for Home and Community Care Benefits - that You require: (1) Substantial Assistance to perform two or more of the Activities of Daily Living, due to sickness or injury; or (2) Substantial Supervision due to Cognitive Impairment. Such Disability must be certified by and subject to a Plan of Care prescribed by a Licensed Health Care Practitioner.

ELIGIBILITY FOR PAYMENT OF BENEFITS: If you are certified as disabled and a Plan of Care has been prescribed by a Licensed Health Care Practitioner, these benefits are available to you. The benefits are subject to the Elimination Period and Maximum benefit shown in your Policy’s Schedule, our Claims Evaluation Process and all other Policy provisions.

FACILITY CARE BENEFIT - The most We will pay for a Nursing Home (skilled, intermediate, or custodial), an Assisted Living Facility or Hospice Facility for expense you incur in any month is \$ _____.

HOME AND COMMUNITY CARE BENEFIT – The most We will pay for Home Health Care, Hospice Care, Adult Day Care, and Respite Care (one month) for expenses you incur in any month is \$_____.

ALTERNATIVE PLAN OF CARE BENEFIT - If you would otherwise be eligible to receive benefits, We may pay the expenses you incur for services provided under a written Alternate Plan of Care. For this Alternate Plan of Care to be approved: (1) it must be agreed upon in advance by you, your Licensed Health Care Practitioner and Us; and (2) it must be a cost effective manner to provide benefits for your claim.

BED RESERVATION BENEFIT - If you are temporarily absent while receiving Facility Care Benefits, and the Elimination Period has been met, We will pay the expenses you incur to reserve your bed. We will pay Bed Reservation Benefits for up to 60 days of absence during a Calendar Year.

EXTENSION OF BENEFITS - Termination of this Policy shall be without prejudice to any benefits payable for Facility Care Benefits under this Policy if such confinement began while this Policy was in force and continues without interruption after termination.

RESTORATION OF BENEFITS - If the Maximum Benefit has not been paid, We will restore the Maximum Benefits of this Policy listed in your Policy’s Schedule including increases from any rider or endorsement, subject to the following conditions: (1) you must be certified by a Licensed Health Care Practitioner that you are not Disabled; (2) that status has been maintained for at least six consecutive months from the date of the certification; and (3) you have not received services covered by this Policy for a period of at least six months.

ELIGIBILITY FOR PAYMENT OF ADDITIONAL BENEFITS: If you are eligible for benefits, these Additional Benefits are available to you. The Elimination Period does not apply to these Additional Benefits and they will not count toward satisfying the Elimination Period. These Additional Benefits will not count toward your Maximum benefit. These Additional Benefits are also subject to our Claims Evaluation Process and all other Policy provisions.

AMBULANCE SERVICE BENEFIT - We will pay for services provided by a local licensed ambulance service for transportation to or from a Nursing Home, an Assisted Living Facility, a Hospice Facility or a hospital in accordance with the following: (1) expenses incurred by you, not to exceed \$75 per trip; and (2) Lifetime Maximum of \$300.

FIRST-TIME CASH BENEFIT - The first time you are eligible for benefits, We will pay you a one-time lump sum of \$1,000. This benefit will only be paid once in your lifetime.

NOTICE: Since First-Time Cash Benefit is made without regard to expenses you incur, part of the benefits could be considered taxable income. You should consult with a tax advisor for more information concerning the tax implications.

HOME FIRST BENEFIT - This is a Home First Benefit Lifetime Maximum of \$_____ which may be used for the expenses you incur for the following services: (1) Medical Alert System; (2) Durable Medical Equipment; or (3) Home Safety Check.

HOME MODIFICATION BENEFIT - This is a Home Modification Benefit Lifetime Maximum of \$_____ which may be used for expenses you incur for modifications to your Home that are primarily being made to improve your ability to perform the Activities of Daily Living and allow you to live safely in your Home.

INFORMAL CAREGIVER TRAINING BENEFIT - This is an Informal Caregiver Training Benefit Lifetime Maximum of \$_____ which may be used for the expenses you incur in training your Informal Caregiver to take care of you in your Home.

INTERNATIONAL COVERAGE BENEFIT – This is an International Coverage Benefit Lifetime Maximum of \$_____ which may be used for care outside the United States of America, its territories and possessions provided by a Nursing Home while you are confined as a resident inpatient. We will pay for expenses you incur if the following conditions are met:

- (1) We will not provide a Care Coordination Advisor Benefit in connection with this benefit;
- (2) Waiver of Premium does not apply to this benefit;
- (3) We receive Proof of Loss proving admittance to a Nursing Home that is satisfactory to Us; and you have met the requirements for Benefit Eligibility. At your own expense, you must obtain and furnish Us with complete documentation in English. Such documentation includes, but is not limited to:
 - (a) certification that you are Disabled;
 - (b) a Plan of Care prescribed by a Licensed Health Care Practitioner;
 - (c) properly completed claim forms, billing statements, and supporting medical and care documentation; and
 - (d) a copy of your passport, airline ticket or other proof acceptable to Us that you are outside the United States of America, its territories and possessions; and
- (4) payment will only be made to you, in the lawful money of the United States of America. Any foreign exchange rate will be as determined by Us.

RESOURCE ADVISOR - A Resource Advisor is available to assist you with questions concerning the following: (1) eligibility of benefits; (2) availability of resources in your area; or (3) any other questions you may have about a claim for benefits.

CARE COORDINATION ADVISOR - After you have spoken with your Resource Advisor and in the event you require additional care coordination assistance, We will arrange, at no cost, for a Care Coordination Advisor to contact you, who will: (1) be a Licensed Health Care Practitioner; (2) assess and coordinate appropriate care and services; (3) prescribe a Plan of Care appropriate for your condition; (4) monitor your Plan of Care, including periodic assessments of your situations; and (5) assist with necessary claims documentation.

CONTINGENT NON-FORFEITURE BENEFIT: This Contingent Non-Forfeiture Benefit applies during the first three years after the policy effective date. It also applies after the first three years if a Shortened Benefit Period Non-Forfeiture Rider is not attached to your Policy.

We will provide you a Contingent Non-Forfeiture Benefit when all of the following take place:

- (1) We have notified you of a Substantial Premium Increase; and
- (2) your Policy lapses within 120 days following the due date of the Substantial Premium Increase.

A Substantial Premium Increase is a cumulative percentage increase over your initial premium. The cumulative percentage needed to trigger the Contingent Non-Forfeiture Benefit will vary depending upon your age at issue. Any increase in premium due to an increase in benefits is excluded from calculating a Substantial Premium Increase. The following lists the Substantial Premium Increase percentages.

SUBSTANTIAL PREMIUM INCREASE TABLE

Issue Age	Premium Increase Over Initial Premium	Issue Age	Premium Increase Over Initial Premium
29 and under	200%	72	36%
30-34	190%	73	34%
35-39	170%	74	32%
40-44	150%	75	30%
45-49	130%	76	28%
50-54	110%	77	26%
55-59	90%	78	24%
60	70%	79	22%
61	66%	80	20%
62	62%	81	19%
63	58%	82	18%
64	54%	83	17%
65	50%	84	16%
66	48%	85	15%
67	46%	86	14%
68	44%	87	13%
69	42%	88	12%
70	40%	89	11%
71	38%	90 and over	10%

We will notify you of your Contingent Non-Forfeiture Benefit option at least 30 days prior to the due date of a Substantial Premium Increase.

Once you are eligible for the Contingent Non-Forfeiture Benefit, you may select one of the following options:

- (1) To reduce Policy benefits provided by your current coverage without the requirement of additional underwriting so that required premium payments are not increased; or
- (2) To convert your coverage to paid-up status and your new Maximum Benefit will be the greater of:
 - (a) 100% of the sum of all premiums paid for your Policy and any attached riders; or
 - (b) your Facility Care Benefit in effect on the date of the lapse, including any increases resulting from an Inflation Protection Benefit Rider or Guaranteed Purchase Option Rider.

If the Contingent Non-Forfeiture Benefit is in effect and you do not notify Us to the contrary at the time of lapse, We will apply option 2.

LIMITATIONS AND EXCLUSIONS - the Policy does not provide benefits for expenses incurred:

- (1) while your Policy is not in force;
- (2) due to intentional, self-inflicted injury or attempted suicide;
- (3) that are payable by Medicare or any other Federal or State program, except Medicaid;
- (4) outside the United States, its territories or possessions; except as described in the International Coverage Benefit;

- (5) that are payable under any workers' compensation or employer's liability laws;
- (6) due to treatment for alcoholism or drug addiction;
- (7) for hospital or physician services, prescription drugs, x-rays, and lab work;
- (8) due to injuries or sickness resulting from an act of declared or undeclared war; or
- (9) for services provided by a Family Member, unless: (a) the Family Member is a Licensed Health Care Practitioner; (b) the Family Member is a regular employee of the organization furnishing the service of care; (c) the organization receives the payment for the services; and (d) the Family Member receives no compensation other than the normal compensation for employees in his or her job category.

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

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 plan may be adjusted. The benefit levels of the base Policy will not increase over time, unless you have elected to purchase inflation protection. For an additional premium payment, you may purchase one of the following optional riders: Compound Inflation Protection Benefit Rider; 3% Compound Inflation Protection Benefit Rider; 4% Compound Inflation Protection Benefit Rider; Compound Inflation Protection Benefit Rider – 2X Maximum; and Guaranteed Purchase Option Rider.

OPTIONAL COMPOUND INFLATION PROTECTION BENEFIT RIDER (B182Z) - For an additional premium payment, this rider will automatically increase the benefits listed under the Covered Services of this policy and the remaining Maximum Benefit by 5%. These increases will be compounded annually on each Policy anniversary date for the lifetime of your Policy, even when you are receiving benefits.

Inflation protection coverage can only be purchased at the time of Application for this Policy.

OPTIONAL 3% COMPOUND INFLATION PROTECTION BENEFIT RIDER (B324) - For an additional premium payment, this rider will automatically increase the benefits listed under the Covered Services of this policy and the remaining Maximum Benefit by 3%. These increases will be compounded annually on each Policy anniversary date for the lifetime of your Policy, even when you are receiving benefits.

Inflation protection coverage can only be purchased at the time of Application for this Policy.

OPTIONAL 4% COMPOUND INFLATION PROTECTION BENEFIT RIDER (B325) - For an additional premium payment, this rider will automatically increase the benefits listed under the Covered Services of this policy and the remaining Maximum Benefit by 4%. These increases will be compounded annually on each Policy anniversary date for the lifetime of your Policy, even when you are receiving benefits.

Inflation protection coverage can only be purchased at the time of Application for this Policy.

OPTIONAL COMPOUND INFLATION PROTECTION BENEFIT RIDER – 2X MAXIMUM (B183Z) - For an additional premium payment, this rider will automatically increase the benefits listed under the Covered Services of this policy and the remaining Maximum Benefit by 5%. These increases will be compounded annually on each Policy anniversary date, even when you are receiving benefits, until the benefits listed under the Covered Services of this policy equal two times the amount of the original benefits in effect on the Rider Effective Date.

Inflation protection coverage can only be purchased at the time of Application for this Policy.

OPTIONAL GUARANTEED PURCHASE OPTION RIDER (B185) - For an additional premium payment, on any anniversary date of your Policy, you may, at your option, increase the benefits listed under the Covered Services of this policy and remaining Maximum Benefit by 5%. No additional underwriting or health screening is required. An additional premium will be charged for the additional coverage. The additional premium will be based upon your age at that time you elect to exercise your option to increase your benefits, premium rates then in effect and the dollar amount of increase in the Facility Care Benefit on that option date.

This rider can only be purchased at the time of Application for this Policy.

OPTIONAL SHORTENED BENEFIT PERIOD NON-FORFEITURE RIDER (B197) - For an additional premium payment, this rider provides for your coverage to remain in force as paid-up status if you lapse your Policy and this rider after the 3rd Policy anniversary. Your new Maximum Benefit during the paid-up status will be the greater of: (1) 100% of the sum of all premiums paid for the Policy and any attached riders, or (2) your Facility Care Benefit on the date of the lapse, including any increase resulting from an inflation protection rider or Guaranteed Purchase Option Rider. However, no benefits will be paid in excess of the Maximum Benefit that would have been in effect if you had continued to pay premiums as required.

This rider can only be purchased at the time of Application for this policy.

OPTIONAL SURVIVING SPOUSE WAIVER OF PREMIUM RIDER (B187) - For an additional premium payment, this rider will waive the premium that comes due for the Policy and all riders attached to the Policy for the remainder of your lifetime beginning the latter of: (1) the date of the death of your spouse; or (2) the 10th anniversary date of this rider, if the death of your spouse occurs before the rider's 10th anniversary.

The Waiver of Premium provision provided by this rider will only apply if:

- (1) you and your spouse have the same Policy Effective Date and Rider Effective Date for coverage with Us under the same Policy form with this rider form attached to both Policies; and
- (2) your coverage is continuously in effect from the Rider Effective Date until the date that We begin to waive your premiums under the Waiver of Premium provision of this rider; and
- (3) your spouse's coverage is continuously in effect from the Rider Effective Date until the earlier of:
 - (a) the date of death of your spouse, or
 - (b) the date your spouse's Policy terminates after We have paid out the Maximum Benefit.

This rider can only be purchased at the time of Application for this Policy.

OPTIONAL JOINT WAIVER OF PREMIUM RIDER (B188) - For an additional premium payment, this rider will waive the premium that comes due for your Policy and all riders attached to your Policy during the time that your spouse qualifies for the Waiver of Premium provision under his or her Policy.

Waiver of Premium will no longer apply and premium payments will resume at the next premium due date according to the Premium Payment Mode in effect at the time, if:

- (1) your spouse's coverage terminates for any reason, including complete payment of the Maximum Benefit; or
- (2) your spouse's coverage remains in effect, however, he or she no longer qualifies for the Waiver of Premium provision under his or her Policy.

The Waiver of Premium provision provided by this rider will only apply if:

- (1) you and your spouse have the same Policy Effective Date and Rider Effective Date for coverage with Us under the same Policy form with this rider attached to both Policies; and
- (2) you and your spouse's coverage are continuously in effect from the Rider Effective Date until the date that We begin to waive your premiums under the Waiver of Premium provision of this rider.

This rider can only be purchased at the time of Application for this Policy.

OPTIONAL FULL RETURN OF PREMIUM RIDER (B189) – For an additional premium payment, upon your death, this rider will pay your beneficiary, or your estate if no beneficiary has been designated, a Return of Premium Benefit equal to the total premiums paid for your Policy and all riders attached to your Policy.

This rider can only be purchased at the time of Application for this Policy.

OPTIONAL RETURN OF PREMIUM RIDER (B190) – For an additional premium payment, upon your death, this rider will pay your beneficiary, or your estate if no beneficiary has been designated, a Return of Premium Benefit equal to the total premiums paid for your Policy and all riders attached to your Policy, reduced by the total of benefits paid. If the total of benefits exceeds the total of premiums paid, this Return of Premium Benefit will be zero.

This rider can only be purchased at the time of Application for this Policy.

OPTIONAL HOME CASH BENEFIT RIDER (B191) – For an additional premium payment each month, We will pay you the Home Cash Benefit shown on your Policy schedule if: (1) if you meet the eligibility of benefit requirements on your Policy; (2) you have satisfied your Elimination Period; and (3) you have received Home Health Care at least one day during the calendar month. Benefits paid under the Home Cash Benefit will not reduce the Maximum Benefit. If your Policy has an Inflation Protection Rider or Guaranteed Purchase Option Rider, the Home Cash Benefit will increase in the same manner as the Maximum Benefit. Payment of the Home Cash Benefit will end on the earlier of the following: (1) the date that you are no longer eligible for benefits under your Policy; or (2) the date the Maximum Benefit has been exhausted.

The Home Cash Benefit provision provided by this rider will not apply if: (1) you have been confined in a Nursing Home, an Assisted Living Facility, or a Hospice Facility for any part of the calendar month; or (2) you are receiving care or services outside the United States of America, its territories and possessions.

This rider can only be purchased at the time of Application for this Policy.

NOTICE: Since Home Cash Benefits are made without regard to expenses you incur, part of the benefits could be considered taxable income. You should consult with a tax advisor for more information concerning the tax implications.

OPTIONAL WAIVER OF THE ELIMINATION PERIOD FOR HOME AND COMMUNITY CARE RIDER (B192) – For an additional premium payment, We will waive your Elimination Period requirement while you are receiving services covered under your Home and Community Care Benefit. The Elimination Period must still be satisfied, if any, before benefits are payable under your Facility Care Benefit. However, each day counted under the Elimination Period definition in your Policy will count toward the Elimination Period for the Facility Care Benefit.

This provision will not apply if: (1) you are confined in a Nursing Home, an Assisted Living Facility, or a Hospice Facility; or (2) you are receiving care or services outside the United States of America, its territories and possessions.

This rider can only be purchased at the time of Application for this Policy.

OPTIONAL SHARED CARE BENEFIT RIDER (B193) – For an additional premium payment, if you or your spouse exhaust the Maximum Benefit of your Policy, We will continue to pay benefits until the Shared Care Maximum is exhausted. Benefit will be paid at the same Monthly Maximum and, if applicable, same Daily Maximum, subject to the provisions of your Policy. If your Policy has an Inflation Protection Rider or Guaranteed Purchase Option Rider attached, the remaining Shared Care Maximum will increase in the same manner as the Maximum Benefit. The Restoration of Benefits provision in your Policy, if applicable, does not apply to the Shared Care Maximum. If both you and your spouse are eligible to receive benefits from the Shared Care Maximum at the same time, We will pay benefits for both spouses until the Shared Care Maximum is exhausted. In the case of divorce or termination of your spouse's Policy by non-payment of premium, half of the Shared Care Maximum amount remaining will be added to your Maximum Benefit with no increase in premium. If your Spouse dies while his or her Policy is in force, the Shared Care Maximum amount remaining will be added to your Maximum Benefit with no increase in premium.

The Shared Care Benefit provision provided by this rider will only apply if:

- (1) you and your spouse have the same Policy Effective Date and Rider Effective Date for coverage with Us under the same Policy form with this rider attached to both Policies; and
- (2) you and your spouse's coverage are continuously in effect from the Rider Effective Date until the date that We begin providing benefits under the Shared Care Benefit provision of this rider.

This rider can only be purchased at the time of Application for this Policy.

OPTIONAL SPOUSE PREMIUM DISCOUNT RIDER (B198) - We will reduce the premium of your Policy and all attached riders by an amount equal to 30% of the total premium charged for your Policy and all attached riders. In order to qualify for such discount: (1) you must be married on the first day this rider becomes effective; and (2) your spouse must have a Long-Term Care Policy with Us, which is in effect on the first day this rider became effective.

OPTIONAL MARRIED PREMIUM DISCOUNT RIDER (B200) - We will reduce the premium of your Policy and all attached riders by an amount equal to 10% of the total premium charged for your Policy and all attached riders. In order to qualify for such discount you must be married on the first day this rider becomes effective.

OPTIONAL FAMILY MEMBER PREMIUM DISCOUNT RIDER (B211) – We will reduce the premium of your Policy and all attached riders by an amount equal to 10% of the total premium charged for your Policy and all attached riders. In order to qualify for such discount: (1) you must currently be living with a Family Member in your Home; (2) you must have lived with the above mentioned Family Member for at least two years before the Rider Effective Date; and (3) you and the above mentioned Family Member must have a Long Term Care Policy with Us, which is in effect on the first day this Rider becomes effective.

ALZHEIMER’S DISEASE AND OTHER ORGANIC BRAIN DISORDERS - Subject to any applicable Elimination Period, Limitations or exclusions described above, the Policy provides coverage if you are clinically diagnosed as having Alzheimer’s disease, and other forms of senile dementia or mental disorders caused by demonstrable, structural brain damage.

ANNUAL PREMIUM

P145 Premium	\$ _____
Compound Inflation Protection Benefit Rider – B182Z	\$ _____
3% Compound Inflation Protection Benefit Rider – B324	\$ _____
4% Compound Inflation Protection Benefit Rider – B325	\$ _____
Compound Inflation Protection Benefit Rider – 2X Maximum-B183Z	\$ _____
Guaranteed Purchase Option Rider – B185	\$ _____
Shortened Benefit Period Non-Forfeiture Rider – B197	\$ _____
Surviving Spouse Waiver of Premium Rider – B187	\$ _____
Joint Waiver of Premium Rider – B188	\$ _____
Full Return of Premium Rider – B189	\$ _____
Return of Premium Rider – B190	\$ _____
Home Cash Benefit Rider – B191	\$ _____
Waiver of Elimination Period for Home and Community Care Rider – B192	\$ _____
Shared Care Benefit Rider – B193	\$ _____
Spouse Premium Discount Rider – B198	\$ _____
Married Premium Discount Rider – B200	\$ _____
Family Member Premium Discount Rider – B211	\$ _____

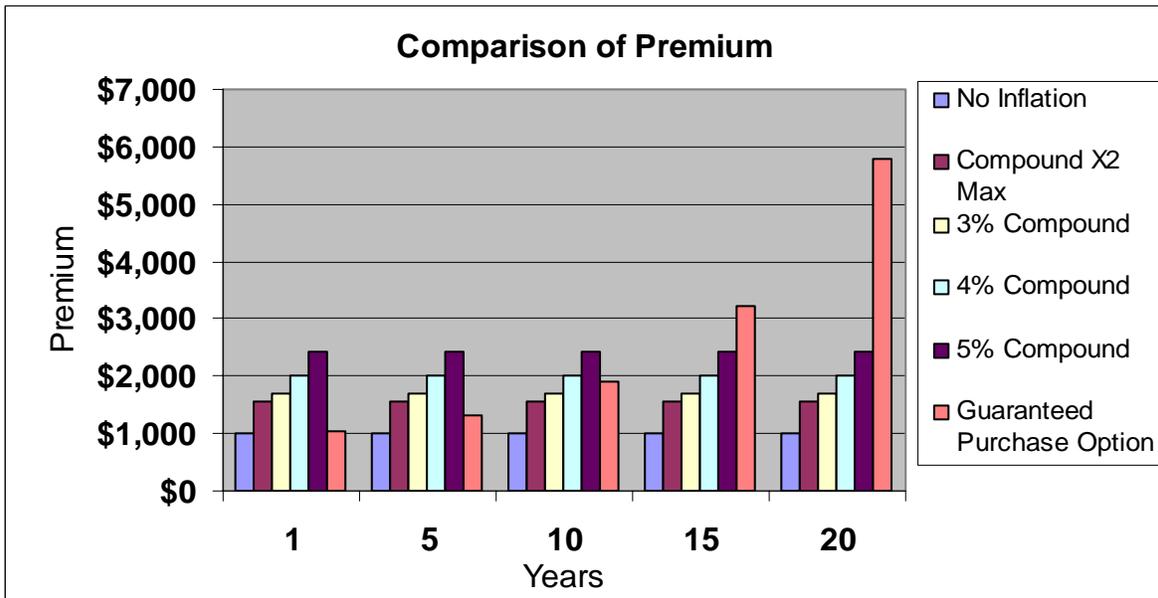
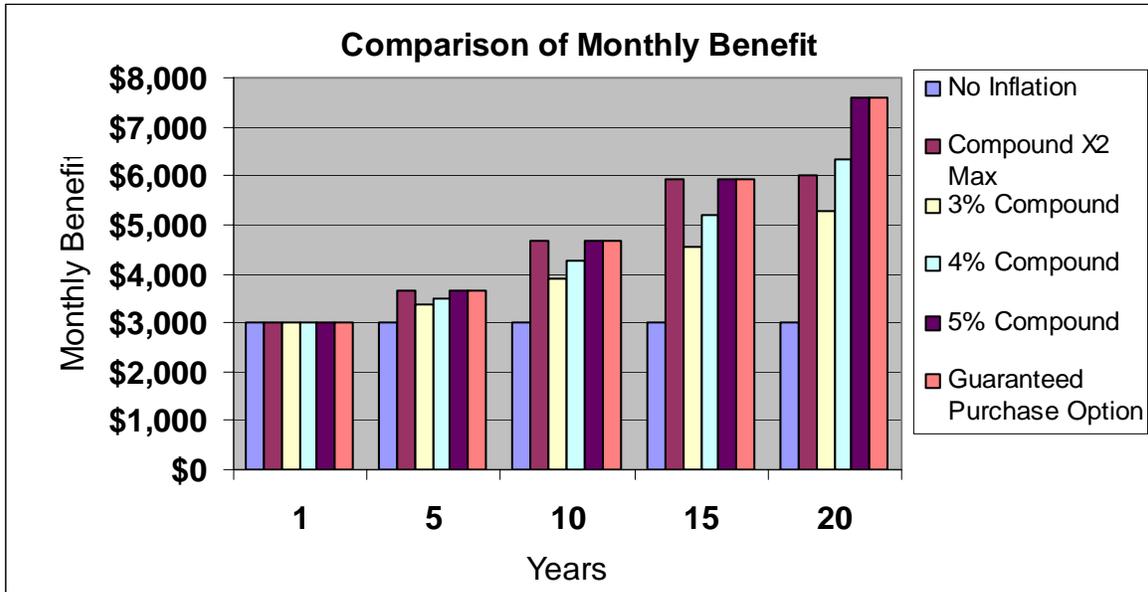
TOTAL ANNUAL PREMIUM \$ _____

MEDICAL UNDERWRITING - Your insurability for the Policy will be determined by the answers given in your Application and any other authorized medical information We obtain regarding your current state of health.

GRACE PERIOD - There is a 31 day grace period for all premiums falling due after the initial premium. Your Policy will continue in force during the grace period.

The example below is an illustration of the premium and benefits for a non-increasing Policy without an Inflation Protection Benefit Rider or Guaranteed Purchase Option Rider versus an increasing Policy with an Inflation Protection Benefit Rider or Guaranteed Purchase Option Rider. The illustrations are based on a \$3000 initial monthly Facility Care Benefit, 100% Home and Community Care Benefit, 90 day Elimination Period, three year Benefit Multiplier, issued to a 60 year old individual and Annual Premium Payment Mode.

INFLATION PROTECTION BENEFIT RIDER COMPARISON



Physicians Mutual Insurance Company

2600 Dodge Street
Omaha, Nebraska 68131
800-645-4300

**LONG TERM CARE INSURANCE
OUTLINE OF COVERAGE
POLICY P146**

NOTICE TO BUYER: This Policy may not cover all of the costs associated with Long-Term Care incurred by the buyer during the period of coverage. The buyer is advised to review carefully all Policy Limitations.

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 will be attached to the Policy. 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:

Physicians Mutual Insurance Company
2600 Dodge Street
Omaha, Nebraska 68131

The Policy is an individual Policy of insurance.

PURPOSE OF OUTLINE OF COVERAGE - This outline of coverage provides a very brief description of the important features of the Policy. You should compare this outline of coverage to outlines of coverage 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!**

THIS POLICY IS INTENDED TO BE A FEDERALLY TAX-QUALIFIED LONG-TERM CARE INSURANCE CONTRACT UNDER SECTION 7702B (b) OF THE IRS CODE OF 1986, AS AMENDED.

TERMS UNDER WHICH THE POLICY MAY BE CONTINUED IN FORCE OR DISCONTINUED - The Policy is Guaranteed Renewable. When We receive your Renewal Premium before the Grace Period ends and before the Maximum Benefit amount has been paid, We must accept it.

WAIVER OF PREMIUM - After you have been eligible for benefits for a period of at least six months, We will waive all future premiums coming due according to the Premium Payment Mode in effect at the time you become eligible for Waiver of Premium. Premiums will be waived until you are no longer eligible for benefits. Waiver of Premium can only be retroactive up to six months prior to the date on which We receive notice of eligibility. As noted, Waiver of Premium does not apply to the International Coverage Benefit.

TERMS UNDER WHICH THE COMPANY MAY CHANGE PREMIUMS: We may change your Renewal Premium only if We make the same change for all Policies of this form and class in the State where you live.

TERMS UNDER WHICH THE POLICY MAY BE RETURNED AND PREMIUM REFUNDED - If you are not satisfied with your Policy, you have 31 days to return it to Us or our agent for a full refund of any premium you have paid. The Policy is then void as if no Policy had been issued. The Policy contains a provision for a refund of unearned premium upon death or surrender.

THIS IS NOT MEDICARE SUPPLEMENT COVERAGE - If you are eligible for Medicare, review the Medicare Supplement Buyer's Guide available from your agent. Neither Physicians Mutual Insurance Company nor its agents represent Medicare, the federal government, or any state government.

LONG-TERM CARE COVERAGE - Policies of this category are designed to provide coverage for one or more necessary or medically necessary diagnostic, preventive, therapeutic, rehabilitative, maintenance, or personal care services. Coverage for these services may be provided in a setting such as in a nursing home, in an assisted living facility, in the community or in the home but not in an acute care unit of a hospital. The Policy pays the expenses incurred for any services as shown in the Policy, subject to the Policy Limitations, Exclusions and Elimination Periods.

BENEFITS PROVIDED BY THIS POLICY - When you meet the definition of a “Chronically Ill Individual,” We will pay the expenses you incur for the services of a skilled, intermediate or custodial Nursing Home, Assisted Living Facility, or Hospice Facility while you are confined, or We will pay the expenses you incur for the services of the following alternatives: (1) Home Health Care; (2) Hospice Care; (3) Respite Care; (4) Adult Day Care; or (5) Alternative Plan of Care. “Chronically Ill Individual” means any individual who has been certified within the preceding 12 month period by a Licensed Health Care Practitioner as: (1) being unable to perform (without Substantial Assistance from another individual) at least two Activities of Daily Living (which are bathing, eating, dressing, continence, transferring and toileting) for a period of at least 90 days due to a loss of Functional Capacity; (2) having a similar level of disability; or (3) requiring Substantial Supervision to protect such individual from threats to health and safety due to severe Cognitive Impairment.

ELIGIBILITY FOR PAYMENT OF BENEFITS: If you are certified as a Chronically Ill Individual and a Plan of Care has been prescribed by a Licensed Health Care Practitioner, these benefits are available to You. The benefits are subject to the Elimination Period and Maximum benefit shown in your Policy’s Schedule, our Claims Evaluation Process and all other Policy provisions.

FACILITY CARE BENEFIT - The most We will pay for a Nursing Home (skilled, intermediate, or custodial), an Assisted Living Facility or Hospice Facility for expenses you incur in any month is \$ _____.

HOME AND COMMUNITY CARE BENEFIT – The most We will pay for Home Health Care, Hospice Care, Adult Day Care, and Respite Care (one month) for expenses you incur in any month is \$ _____.

ALTERNATIVE PLAN OF CARE BENEFIT - If you would otherwise be eligible to receive benefits, We may pay the expenses you incur for services provided under a written Alternate Plan of Care. For this Alternate Plan of Care to be approved: (1) it must be agreed upon in advance by you, your Licensed Health Care Practitioner and Us; and (2) it must be a cost effective manner to provide benefits for your claim.

BED RESERVATION BENEFIT - If you are temporarily absent while receiving Facility Care Benefits, and the Elimination Period has been met, We will pay the expenses you incur to reserve your bed We will pay Bed Reservation Benefits for up to 60 days of absence during a Calendar Year.

EXTENSION OF BENEFITS - Termination of this Policy shall be without prejudice to any benefits payable for Facility Care Benefits under this Policy if such confinement began while this Policy was in force and continues without interruption after termination

RESTORATION OF BENEFITS - If the Maximum Benefit has not been paid, We will restore the Maximum Benefits of this Policy listed in your Policy’s Schedule including increases from any rider or endorsement, subject to the following conditions: (1) you must be certified by a Licensed Health Care Practitioner that you are not Chronically Ill; (2) that status has been maintained for at least six consecutive months from the date of the certification; and (3) you have not received services covered by this Policy for a period of at least six months.

ELIGIBILITY FOR PAYMENT OF ADDITIONAL BENEFITS: If you are eligible for benefits, these Additional Benefits are available to you. The Elimination Period does not apply to these Additional Benefits and they will not count toward satisfying the Elimination Period. These Additional Benefits will not count toward your Maximum benefit. These Additional Benefits are also subject to our Claims Evaluation Process and all other Policy provisions.

AMBULANCE SERVICE BENEFIT - We will pay for services provided by a local licensed ambulance service for transportation to or from a Nursing Home, an Assisted Living Facility, a Hospice Facility or a hospital in accordance with the following: (1) expenses incurred by you, not to exceed \$75 per trip; and (2) Lifetime Maximum of \$300.

FIRST-TIME CASH BENEFIT - The first time you are eligible for benefits, We will pay you a one-time lump sum of \$1,000. This benefit will only be paid once in your lifetime.

NOTICE: Since First-Time Cash Benefit is made without regard to expenses you incur, part of the benefits could be considered taxable income. You should consult with a tax advisor for more information concerning the tax implications.

HOME FIRST BENEFIT - This is a Home First Benefit Lifetime Maximum of \$_____ which may be used for the expenses you incur for the following services: (1) Medical Alert System; (2) Durable Medical Equipment; or (3) Home Safety Check.

HOME MODIFICATION BENEFIT - This is a Home Modification Benefit Lifetime Maximum of \$_____ which may be used for expenses you incur for modifications to your Home that are primarily being made to improve your ability to perform the Activities of Daily Living and allow you to live safely in your Home

INFORMAL CAREGIVER TRAINING BENEFIT - This is an Informal Caregiver Training Benefit Lifetime Maximum of \$_____ which may be used for the expenses you incur in training your Informal Caregiver to take care of you in your Home.

INTERNATIONAL COVERAGE BENEFIT – This is an International Coverage Benefit Lifetime Maximum of \$_____ which may be used for care outside the United States of America, its territories and possessions provided by a Nursing Home while you are confined as a resident inpatient. We will pay the expenses you incur if the following conditions are met:

- (1) We will not provide Care Coordination Advisor in connection with this benefit;
- (2) Waiver of Premium does not apply to this benefit;
- (3) We receive Proof of Loss proving admittance to a Nursing Home that is satisfactory to Us. At your own expense, you must obtain and furnish Us with complete documentation in English. Such documentation includes, but is not limited to:
 - (a) certification as a Chronically Ill Individual;
 - (b) a Plan of Care prescribed by a Licensed Health Care Practitioner;
 - (c) properly completed claim forms, billing statements, and supporting medical and care documentation; and
 - (d) a copy of your passport, airline ticket or other proof acceptable to Us that you are outside the United States of America, its territories and possessions; and
- (4) payment will only be made to you, in the lawful money of the United States of America. Any foreign exchange rate will be as determined by Us.

RESOURCE ADVISOR - A Resource Advisor is available to assist you with questions concerning the following: (1) eligibility of benefits; (2) availability of resources in your area; or (3) any other questions you may have about a claim for benefits.

CARE COORDINATION ADVISOR - After you have spoken with your Resource Advisor and in the event you require additional care coordination assistance, We will arrange, at not cost, for a Care Coordination Advisor, to contract you, who will: (1) be a Licensed Health Care Practitioner; (2) assess and coordinate appropriate care and services; (3) prescribe a Plan of Care appropriate for your condition; (4) monitor your Plan of Care, including periodic assessments of your situation; and (5) assist with necessary claims documentation.

CONTINGENT NON-FORFEITURE BENEFIT: This Contingent Non-Forfeiture Benefit applies during the first three years after the Policy Effective Date. It also applies after the first three years if a Shortened Benefit Period Non-Forfeiture Rider is not attached to your Policy.

We will provide you a Contingent Non-Forfeiture Benefit when all of the following take place:

- (1) We have notified you of a Substantial Premium Increase; and
- (2) your Policy lapses within 120 days following the due date of the Substantial Premium Increase.

A Substantial Premium Increase is a cumulative percentage increase over your initial premium. The cumulative percentage needed to trigger the Contingent Non-Forfeiture Benefit will vary depending upon your age at issue. Any increase in premium due to an increase in benefits is excluded from calculating a Substantial Premium Increase. The following lists the Substantial Premium Increase percentages.

SUBSTANTIAL PREMIUM INCREASE TABLE

Issue Age	Premium Increase Over Initial Premium	Issue Age	Premium Increase Over Initial Premium
29 and under	200%	72	36%
30-34	190%	73	34%
35-39	170%	74	32%
40-44	150%	75	30%
45-49	130%	76	28%
50-54	110%	77	26%
55-59	90%	78	24%
60	70%	79	22%
61	66%	80	20%
62	62%	81	19%
63	58%	82	18%
64	54%	83	17%
65	50%	84	16%
66	48%	85	15%
67	46%	86	14%
68	44%	87	13%
69	42%	88	12%
70	40%	89	11%
71	38%	90 and over	10%

We will notify you of your Contingent Non-Forfeiture Benefit option at least 30 days prior to the due date of a Substantial Premium Increase.

Once you are eligible for the Contingent Non-Forfeiture Benefit, you may select one of the following options:

- (1) To reduce Policy benefits provided by your current coverage without the requirement of additional underwriting so that required premium payments are not increased; or
- (2) To convert your coverage to paid-up status and your new Maximum Benefit will be the greater of:
 - (a) 100% of the sum of all premiums paid for your Policy and any attached riders; or
 - (b) your Facility Care Benefit in effect on the date of the lapse, including any increases resulting from an Inflation Protection Benefit Rider or Guaranteed Purchase Option Rider.

If the Contingent Non-Forfeiture Benefit is in effect and you do not notify Us to the contrary at the time of lapse, We will apply option 2.

LIMITATIONS AND EXCLUSIONS - the Policy does not provide benefits for expenses incurred:

- (1) while your Policy is not in force, except as provided in the Extension of Benefits provision;
- (2) due to intentional, self-inflicted injury or attempted suicide;
- (3) that are payable by Medicare or any other Federal or State program, except Medicaid;
- (4) outside the United States, its territories or possessions; except as described in the International Coverage Benefit;
- (5) that are payable under any workers' compensation or employer's liability laws;

- (6) due to treatment for alcoholism or drug addiction;
- (7) for hospital or physician services, prescription drugs, x-rays, and lab work;
- (8) due to injuries or sickness resulting from an act of declared or undeclared war; or
- (9) for services provided by a Family Member, unless: (a) the Family Member is a Licensed Health Care Practitioner; (b) the Family Member is a regular employee of the organization furnishing the service of care; (c) the organization receives the payment for the services; and (d) the Family Member receives no compensation other than the normal compensation for employees in his or her job category.

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

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 plan may be adjusted. The benefit levels of the base Policy will not increase over time, unless you have elected to purchase inflation protection. For an additional premium payment, you may purchase one of the following optional riders: Compound Inflation Protection Benefit Rider; 3% Compound Inflation Protection Benefit Rider; 4% Compound Inflation Protection Benefit Rider; Compound Inflation Protection Benefit Rider – 2X Maximum; and Guaranteed Purchase Option Rider.

OPTIONAL COMPOUND INFLATION PROTECTION BENEFIT RIDER (B182Z) - For an additional premium payment, this rider will automatically increase the benefits listed under the Covered Services of this policy and the remaining Maximum Benefit by 5%. These increases will be compounded annually on each Policy anniversary date for the lifetime of your Policy, even when you are receiving benefits.

Inflation protection coverage can only be purchased at the time of Application for this Policy.

OPTIONAL 3% COMPOUND INFLATION PROTECTION BENEFIT RIDER (B324) - For an additional premium payment, this rider will automatically increase the benefits listed under the Covered Services of this policy and the remaining Maximum Benefit by 3%. These increases will be compounded annually on each Policy anniversary date for the lifetime of your Policy, even when you are receiving benefits.

Inflation protection coverage can only be purchased at the time of Application for this Policy.

OPTIONAL 4% COMPOUND INFLATION PROTECTION BENEFIT RIDER (B325) - For an additional premium payment, this rider will automatically increase the benefits listed under the Covered Services of this policy and the remaining Maximum Benefit by 4%. These increases will be compounded annually on each Policy anniversary date for the lifetime of your Policy, even when you are receiving benefits.

Inflation protection coverage can only be purchased at the time of Application for this Policy.

OPTIONAL COMPOUND INFLATION PROTECTION BENEFIT RIDER – 2X MAXIMUM (B183Z) - For an additional premium payment, this rider will automatically increase the benefits listed under the Covered Services of this policy and the remaining Maximum Benefit by 5%. These increases will be compounded annually on each Policy anniversary date, even when you are receiving benefits, until the benefits listed under the Covered Services of this policy equal two times the amount of the original benefits in effect on the Rider Effective Date.

Inflation protection coverage can only be purchased at the time of Application for this Policy.

OPTIONAL GUARANTEED PURCHASE OPTION RIDER (B185) - For an additional premium payment, on any anniversary date of your Policy, you may, at your option, increase the benefits listed under the Covered Services of this policy and remaining Maximum Benefit by 5%. No additional underwriting or health screening is required. An additional premium will be charged for the additional coverage. The additional premium will be based upon your age at that time you elect to exercise your option to increase your benefits, premium rates then in effect and the dollar amount of increase in the Facility Care Benefit on that option date.

This rider can only be purchased at the time of Application for this Policy.

OPTIONAL SHORTENED BENEFIT PERIOD NON-FORFEITURE RIDER (B186) - For an additional premium payment, this rider provides for your coverage to remain in force as paid-up status if you lapse your Policy and this rider after the 3rd Policy anniversary. Your new Maximum Benefit during the paid-up status will be the greater of: (1) 100% of the sum of all premiums paid for the Policy and any attached riders, or (2) your Facility Care Benefit on the date of the lapse, including any increase resulting from an inflation protection rider or Guaranteed Purchase Option Rider. However, no benefits will be paid in excess of the Maximum Benefit that would have been in effect if you had continued to pay premiums as required.

This rider can only be purchased at the time of Application for this Policy.

OPTIONAL SURVIVING SPOUSE WAIVER OF PREMIUM RIDER (B187) - For an additional premium payment, this rider will waive the premium that comes due for this Policy and all riders attached to this Policy for the remainder of your lifetime beginning the latter of: (1) the date of the death of your spouse; or (2) the 10th anniversary date of this rider, if the death of your spouse occurs before the rider's 10th anniversary.

The Waiver of Premium provision provided by this rider will only apply if:

- (1) you and your spouse have the same Policy Effective Date and Rider Effective Date for coverage with Us under the same Policy form with this rider form attached to both Policies; and
- (2) your coverage is continuously in effect from the Rider Effective Date until the date that We begin to waive your premiums under the Waiver of Premium provision of this rider; and
- (3) your spouse's coverage is continuously in effect from the Rider Effective Date until the earlier of:
 - (a) the date of death of your spouse, or
 - (b) the date your spouse's Policy terminates after We have paid out the Maximum Benefit.

This rider can only be purchased at the time of Application for this Policy.

OPTIONAL JOINT WAIVER OF PREMIUM RIDER (B188) - For an additional premium payment, this rider will waive the premium that comes due for your Policy and all riders attached to your Policy during the time that your spouse qualifies for the Waiver of Premium provision under his or her Policy.

Waiver of Premium will no longer apply and premium payments will resume at the next premium due date according to the Premium Payment Mode in effect at the time, if:

- (1) your spouse's coverage terminates for any reason, including complete payment of the Maximum Benefit; or
- (2) your spouse's coverage remains in effect, however, he or she no longer qualifies for the Waiver of Premium provision under his or her Policy.

The Waiver of Premium provision provided by this rider will only apply if:

- (1) you and your spouse have the same Policy Effective Date and Rider Effective Date for coverage with Us under the same Policy form with this rider attached to both Policies; and
- (2) you and your spouse's coverage are continuously in effect from the Rider Effective Date until the date that We begin to waive your premiums under the Waiver of Premium provision of this rider.

This rider can only be purchased at the time of Application for this Policy.

OPTIONAL FULL RETURN OF PREMIUM RIDER (B189) – For an additional premium payment, upon your death, this rider will pay your beneficiary, or your estate if no beneficiary has been designated, a Return of Premium Benefit equal to the total premiums paid for your Policy and all riders attached to your Policy.

This rider can only be purchased at the time of Application for this Policy.

OPTIONAL RETURN OF PREMIUM RIDER (B190) – For an additional premium payment, upon your death, this rider will pay your beneficiary, or your estate if no beneficiary has been designated, a Return of Premium Benefit equal to the total premiums paid for your Policy and all riders attached to your Policy, reduced by the total of benefits paid. If the total of benefits exceeds the total of premiums paid, this Return of Premium Benefit will be zero. This rider can only be purchased at the time of Application for this Policy.

OPTIONAL HOME CASH BENEFIT RIDER (B191) – For an additional premium payment each month, We will pay you the Home Cash Benefit shown on your Policy schedule if: (1) if you meet the eligibility of benefit requirements on your Policy; (2) you have satisfied your Elimination Period; and (3) you have received Home Health Care at least one day during the calendar month. Benefits paid under the Home Cash Benefit will not

reduce the Maximum Benefit. If your Policy has an Inflation Protection Rider or Guaranteed Purchase Option Rider, it will also apply to the Home Cash Benefit amount. Payment of the Home Cash Benefit will end on the earlier of the following: (1) the date that you are no longer eligible for benefits under your Policy; or (2) the date the Maximum Benefit has been exhausted.

The Home Cash Benefit provision provided by this rider will not apply if; (1) you have been confined in a Nursing Home, an Assisted Living Facility, or a Hospice Facility for any part of the calendar month; or (2) you are receiving care or services outside the United States of America, its territories and possessions.

This rider can only be purchased at the time of Application for this Policy.

NOTICE: Since Home Cash Benefits are made without regard to expenses you incur, part of the benefits could be considered taxable income. You should consult with a tax advisor for more information concerning the tax implications.

OPTIONAL WAIVER OF THE ELIMINATION PERIOD FOR HOME AND COMMUNITY CARE RIDER (B192) – For an additional premium payment, We will waive your Elimination Period requirement while you are receiving services covered under your Home and Community Care Benefit. The Elimination Period must still be satisfied, if any, before benefits are payable under your Facility Care Benefit. However, each day counted under the Elimination Period definition in your Policy will count toward the Elimination Period for the Facility Care Benefit.

This provision will not apply if: (1) you are confined in a Nursing Home, an Assisted Living Facility, or a Hospice Facility; or (2) you are receiving care or services outside the United States of America, its territories and possessions.

This rider can only be purchased at the time of Application for this Policy.

OPTIONAL SHARED CARE BENEFIT RIDER (B193) – For an additional premium payment, if you or your spouse exhaust the Maximum Benefit of your Policy, We will continue to pay benefits until the Shared Care Maximum is exhausted. Benefit will be paid at the same Monthly Maximum and, if applicable, same Daily Maximum, subject to the provisions of your Policy. If your Policy has an Inflation Protection Rider or Guaranteed Purchase Option Rider attached, the remaining Shared Care Maximum will increase in the same manner as the Maximum Benefit. The Restoration of Benefits provision in your Policy, if applicable, does not apply to the Shared Care Maximum. If you and your spouse are eligible to receive benefits from the Shared Care Maximum at the same time, We will pay benefits for both spouses until the Shared Care Maximum is exhausted. In the case of divorce or termination of your spouse's Policy by non-payment of premium, half of the Shared Care Maximum amount remaining will be added to your Maximum Benefit with no increase in premium. If your Spouse dies while his or her Policy is in force, the Shared Care Maximum amount remaining will be added to your Maximum Benefit with no increase in premium.

The Shared Care Benefit provision provided by this rider will only apply if:

- (1) you and your spouse have the same Policy Effective Date and Rider Effective Date for coverage with Us under the same Policy form with this rider attached to both Policies; and
- (2) you and your spouse's coverage are continuously in effect from the Rider Effective Date until the date that We begin providing benefits under the Shared Care Benefit provision of this rider.

This rider can only be purchased at the time of Application for this Policy.

OPTIONAL SPOUSE PREMIUM DISCOUNT RIDER (B198) - We will reduce the premium of your Policy and all attached riders by an amount equal to 30% of the total premium charged for your Policy and all attached riders. In order to qualify for such discount: (1) you must be married on the first day this rider becomes effective; and (2) your spouse must have a Long-Term Care Policy with Us, which is in effect on the first day this rider became effective.

OPTIONAL MARRIED PREMIUM DISCOUNT RIDER (B200) - We will reduce the premium of your Policy and all attached riders by an amount equal to 10% of the total premium charged for your Policy and all attached riders. In order to qualify for such discount you must be married on the first day this rider becomes effective.

OPTIONAL FAMILY MEMBER PREMIUM DISCOUNT RIDER (B211) – We will reduce the premium of your Policy and all attached riders by an amount equal to 10% of the total premium charged for your Policy and all attached riders. In order to qualify for such discount: (1) you must currently be living with a Family Member in your Home; (2) you must have lived with the above mentioned Family Member for at least two years before the Rider Effective Date; and (3) you and the above mentioned Family Member must have a Long Term Care Policy with Us, which is in effect on the first day this Rider becomes effective.

ALZHEIMER’S DISEASE AND OTHER ORGANIC BRAIN DISORDERS - Subject to any applicable Elimination Period, Limitations or exclusions described above, the Policy provides coverage if you are clinically diagnosed as having Alzheimer’s disease, and other forms of senile dementia or mental disorders caused by demonstrable, structural brain damage.

ANNUAL PREMIUM

P146 Premium	\$ _____
Compound Inflation Protection Benefit Rider – B182Z	\$ _____
3% Compound Inflation Protection Benefit Rider – B324	\$ _____
4% Compound Inflation Protection Benefit Rider – B325	\$ _____
Compound Inflation Protection Benefit Rider – 2X Maximum-B183Z	\$ _____
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Shortened Benefit Period Non-Forfeiture Rider – B186	\$ _____
Surviving Spouse Waiver of Premium Rider – B187	\$ _____
Joint Waiver of Premium Rider – B188	\$ _____
Full Return of Premium Rider – B189	\$ _____
Return of Premium Rider – B190	\$ _____
Home Cash Benefit Rider – B191	\$ _____
Waiver of Elimination Period for Home and Community Care Rider – B192	\$ _____
Shared Care Benefit Rider – B193	\$ _____
Spouse Premium Discount Rider – B198	\$ _____
Married Premium Discount Rider – B200	\$ _____
Family Member Premium Discount Rider – B211	\$ _____

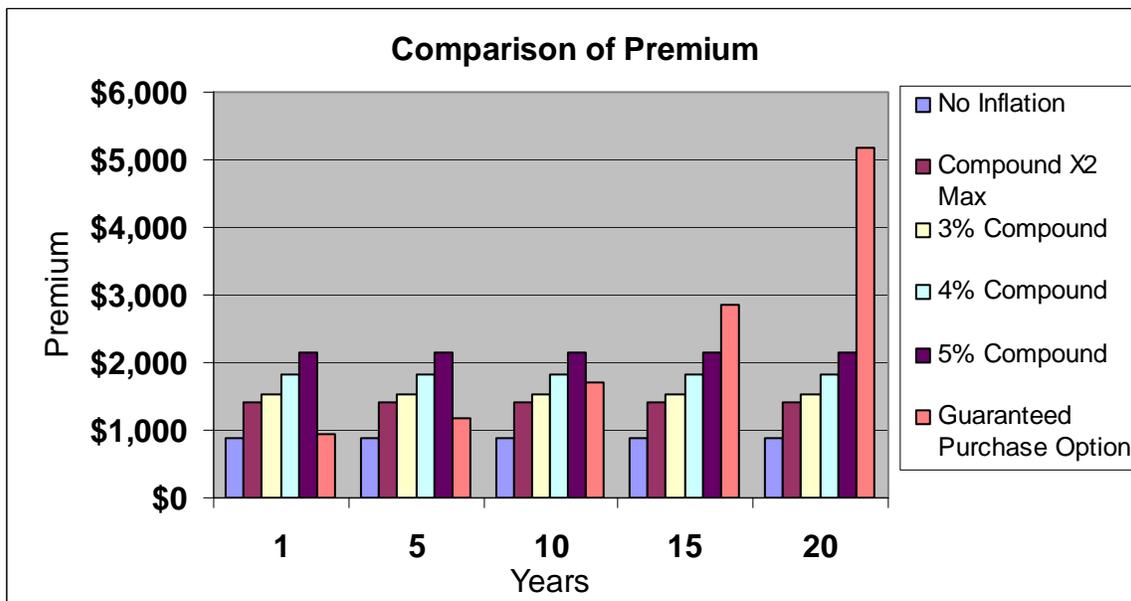
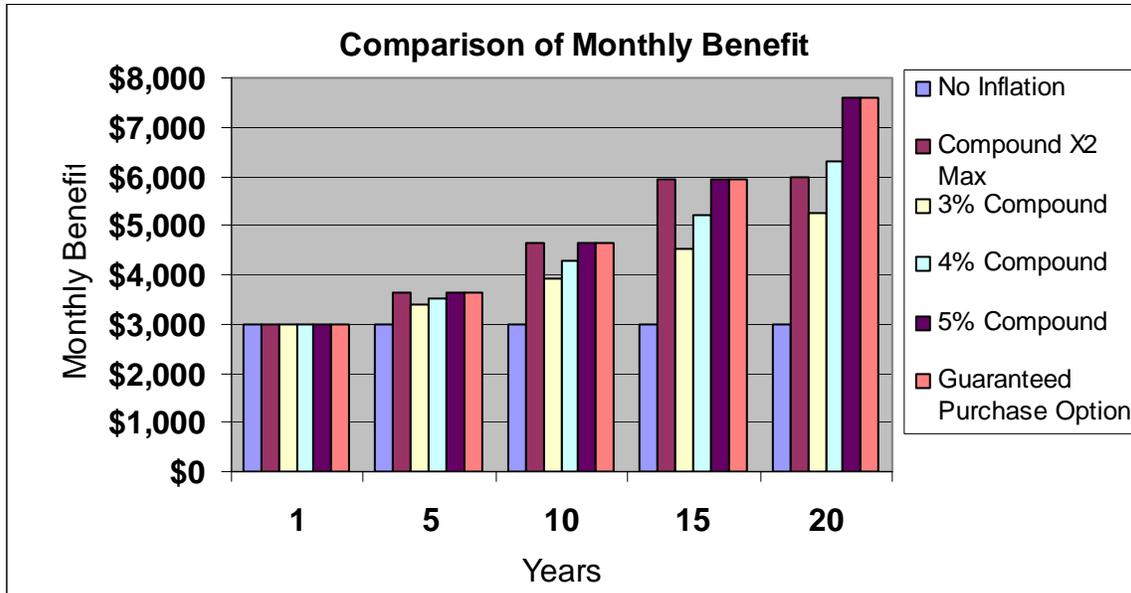
TOTAL ANNUAL PREMIUM \$ _____

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WAIVER OF PREMIUM - After you have been eligible for benefits for a period of at least six months, We will waive all future premiums coming due according to the Premium Payment Mode in effect at the time you become eligible for Waiver of Premium. Premiums will be waived until you are no longer eligible for benefits. Waiver of Premium can only be retroactive up to six months prior to the date on which We receive notice of eligibility.

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THIS IS NOT MEDICARE SUPPLEMENT COVERAGE - If you are eligible for Medicare, review the Medicare Supplement Buyer's Guide available from your agent. Neither Physicians Mutual Insurance Company nor its agents represent Medicare, the federal government, or any state government.

LONG-TERM CARE COVERAGE - Policies of this category are designed to provide coverage for one or more necessary or medically necessary diagnostic, preventive, therapeutic, rehabilitative, maintenance, or personal

care services. Coverage for these services may be provided in a setting such as in a community or in the home, but not in an acute care unit of a hospital. The Policy pays the expenses incurred for any services as shown in the Policy, subject to the Policy Limitations, Exclusions and Elimination Periods.

BENEFITS PROVIDED BY THIS POLICY - When you meet the definition of a “Chronically Ill Individual,” We will pay the expenses you incur for Home and Community Care Services. “Chronically Ill Individual” means any individual who has been certified within the preceding 12 month period by a Licensed Health Care Practitioner as: being unable to perform (without Substantial Assistance from another individual) at least two Activities of Daily Living (which are bathing, eating, dressing, continence, transferring and toileting) for a period of at least 90 days due to a loss of Functional Capacity; having a similar level of disability; or requiring Substantial Supervision to protect such individual from threats to health and safety due to severe Cognitive Impairment.

ELIGIBILITY FOR PAYMENT OF BENEFITS: If you are certified as a Chronically Ill Individual and a Plan of Care has been prescribed by a Licensed Health Care Practitioner, these benefits are available to you. The benefits are subject to the Elimination Period and Maximum benefit shown in your Policy’s Schedule, our Claims Evaluation Process and all other Policy provisions.

HOME AND COMMUNITY CARE BENEFIT - The most We will pay for Home Health Care, Hospice Care, Adult Day Care, and Respite Care (one month) for expenses you incur in any month is \$ _____.

EXTENSION OF BENEFITS - Termination of this Policy shall be without prejudice to any benefits payable under this Policy, which began while this Policy was in force and continues without interruption after termination.

RESTORATION OF BENEFITS - If the Maximum Benefit has not been paid, We will restore the Maximum Benefits of this Policy listed in your Policy’s Schedule including increases from any rider or endorsement, subject to the following conditions: (1) you must be certified by a Licensed Health Care Practitioner that you not Chronically Ill; (2) that status has been maintained for at least six consecutive months from the date of the certification; and (3) you have not received services covered by this Policy for a period of at least six months.

ELIGIBILITY FOR PAYMENT OF ADDITIONAL BENEFITS: If you are eligible for benefits, these Additional Benefits are available to you. The Elimination Period does not apply to these Additional Benefits and they will not count toward satisfying the Elimination Period. These Additional Benefits will not count toward your Maximum benefit. These Additional Benefits are also subject to our Claims Evaluation Process and all other Policy provisions.

AMBULANCE SERVICE BENEFIT - We will pay for services provided by a local licensed ambulance service for transportation to or from a Nursing Home, an Assisted Living Facility, a Hospice Facility or a hospital in accordance with the following: (1) expenses incurred by you, not to exceed \$75 per trip; and (2) Lifetime Maximum of \$300.

FIRST-TIME CASH BENEFIT - The first time you are eligible for benefits, We will pay you a one-time lump sum of \$1,000. This benefit will only be paid once in your lifetime.

NOTICE: Since First-Time Cash Benefit is made without regard to expenses you incur, part of the benefits could be considered taxable income. You should consult with a tax advisor for more information concerning the tax implications.

HOME FIRST BENEFIT - This is a Home First Benefit Lifetime Maximum of \$_____ which may be used for the expenses you incur for the following services: (1) Medical Alert System; (2) Durable Medical Equipment; or (3) Home Safety Check.

HOME MODIFICATION BENEFIT - This is a Home Modification Benefit Lifetime Maximum of \$_____ which may be used for expenses you incur for modifications to your Home that are primarily being made to improve your ability to perform the Activities of Daily Living and allow you to live safely in your Home.

INFORMAL CAREGIVER TRAINING BENEFIT - This is an Informal Caregiver Training Benefit Lifetime Maximum of \$_____ which may be used for the expenses you incur in training your Informal Caregiver to take care of you in your Home.

RESOURCE ADVISOR - A Resource Advisor is available to assist you with questions concerning the following: (1) eligibility of benefits; (2) availability of resources in your area; or (3) any other questions you may have about a claim for benefits.

CARE COORDINATION ADVISOR - After you have spoken with your Resource Advisor and in the event you require additional care coordination assistance, We will arrange, at no cost, for a Care Coordination Advisor to contact you, who will: (1) be a Licensed Health Care Practitioner; (2) assess and coordinate appropriate care and services; (3) prescribe a Plan of Care appropriate for your condition; (4) monitor your Plan of Care, including periodic assessments of your situation; and (5) assist with necessary claims documentation.

CONTINGENT NON-FORFEITURE BENEFIT: This Contingent Non-Forfeiture Benefit applies during the first three years after the Policy Effective Date. It also applies after the first three years if a Shortened Benefit Period Non-Forfeiture Rider is not attached to your Policy.

We will provide you a Contingent Non-Forfeiture Benefit when all of the following take place:

- (1) We have notified you of a Substantial Premium Increase; and
- (2) your Policy lapses within 120 days following the due date of the Substantial Premium Increase.

A Substantial Premium Increase is a cumulative percentage increase over your initial premium. The cumulative percentage needed to trigger the Contingent Non-Forfeiture Benefit will vary depending upon your age at issue. Any increase in premium due to an increase in benefits is excluded from calculating a Substantial Premium Increase. The following lists the Substantial Premium Increase percentages.

SUBSTANTIAL PREMIUM INCREASE TABLE

Issue Age	Premium Increase Over Initial Premium	Issue Age	Premium Increase Over Initial Premium
29 and under	200%	72	36%
30-34	190%	73	34%
35-39	170%	74	32%
40-44	150%	75	30%
45-49	130%	76	28%
50-54	110%	77	26%
55-59	90%	78	24%
60	70%	79	22%
61	66%	80	20%
62	62%	81	19%
63	58%	82	18%
64	54%	83	17%
65	50%	84	16%
66	48%	85	15%
67	46%	86	14%
68	44%	87	13%
69	42%	88	12%
70	40%	89	11%
71	38%	90 and over	10%

We will notify you of your Contingent Non-Forfeiture Benefit option at least 30 days prior to the due date of a Substantial Premium Increase.

Once you are eligible for the Contingent Non-Forfeiture Benefit, you may select one of the following options:

- (1) To reduce Policy benefits provided by your current coverage without the requirement of additional underwriting so that required premium payments are not increased; or
- (2) To convert your coverage to paid-up status and your new Maximum Benefit will be the greater of:
 - (a) 100% of the sum of all premiums paid for Your Policy and any attached riders; or
 - (b) your Home and Community Care Benefit in effect on the date of the lapse, including any increases resulting from an Inflation Protection Benefit Rider or Guaranteed Purchase Option Rider.

If the Contingent Non-Forfeiture Benefit is in effect and you do not notify Us to the contrary at the time of lapse, We will apply option 2.

LIMITATIONS AND EXCLUSIONS - the policy does not provide benefits for expenses incurred:

- (1) while your Policy is not in force;
- (2) due to intentional, self-inflicted injury or attempted suicide;
- (3) that are payable by Medicare or any other Federal or State program, except Medicaid;
- (4) outside the United States, its territories or possessions;
- (5) that are payable under any workers' compensation or employer's liability laws;
- (6) due to treatment for alcoholism or drug addiction;

- (7) for hospital or physician services, prescription drugs, x-rays, and lab work;
- (8) due to injuries or sickness resulting from an act of declared or undeclared war; or
- (9) for services provided by a Family Member, unless: (a) the Family Member is one Licensed Health Care Practitioner; (b) the Family Member is a regular employee of the organization furnishing the service of care; (c) the organization receives the payment for the services; and (d) the Family Member receives no compensation other than the normal compensation for employees in his or her job category.

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

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 plan may be adjusted. The benefit levels of the base Policy will not increase over time, unless you have elected to purchase inflation protection. For an additional premium payment, you may purchase one of the following optional riders: Compound Inflation Protection Benefit Rider; 3% Compound Inflation Protection Benefit Rider; 4% Compound Inflation Protection Benefit Rider; Compound Inflation Protection Rider – 2X Maximum; or Guaranteed Purchase Option Rider.

OPTIONAL COMPOUND INFLATION PROTECTION BENEFIT RIDER (B203Z) - For an additional premium payment, this rider will automatically increase the benefits listed under the Covered Services of this policy and the remaining Maximum Benefit by 5%. These increases will be compounded annually on each Policy anniversary date for the lifetime of your Policy, even when you are receiving benefits.

Inflation protection coverage can only be purchased at the time of Application for this Policy.

OPTIONAL 3% COMPOUND INFLATION PROTECTION BENEFIT RIDER (B326) - For an additional premium payment, this rider will automatically increase the benefits listed under the Covered Services of this policy and the remaining Maximum Benefit by 3%. These increases will be compounded annually on each Policy anniversary date for the lifetime of your Policy, even when you are receiving benefits.

Inflation protection coverage can only be purchased at the time of Application for this Policy.

OPTIONAL 4% COMPOUND INFLATION PROTECTION BENEFIT RIDER (B327) - For an additional premium payment, this rider will automatically increase the benefits listed under the Covered Services of this policy and the remaining Maximum Benefit by 4%. These increases will be compounded annually on each Policy anniversary date for the lifetime of your Policy, even when you are receiving benefits.

Inflation protection coverage can only be purchased at the time of Application for this Policy.

OPTIONAL COMPOUND INFLATION PROTECTION BENEFIT RIDER – 2X MAXIMUM (B204Z) - For an additional premium payment, this rider will automatically increase the benefits listed under your Covered Services of this policy and the remaining Maximum Benefit by 5%. These increases will be compounded annually on each Policy anniversary date until the benefits listed under the Covered Services of this policy equal two times the amount of the original benefits in effect on the Rider Effective Date, even when you are receiving benefits. Thereafter, no increases will occur.

Inflation protection coverage can only be purchased at the time of Application for this Policy.

OPTIONAL GUARANTEED PURCHASE OPTION RIDER (B210) - For an additional premium payment, on any anniversary date of your Policy, you may, at your option, increase the benefits listed under the Covered Services of this policy and remaining Maximum Benefit by 5%. No additional underwriting or health screening is required. An additional premium will be charged for the additional coverage. The additional premium will be based upon your age at that time you elect to exercise your option to increase your benefits, premium rates then in effect and the dollar amount of increase in the Facility Care Benefit on that option date.

This rider can only be purchased at the time of Application for this Policy.

OPTIONAL SHORTENED BENEFIT PERIOD NON-FORFEITURE RIDER (B209) - For an additional premium payment, this rider provides for your coverage to remain in force as paid-up status if you lapse your Policy and this rider after the third policy anniversary. Your new Maximum Benefit during the paid-up status will be the greater of: (1) 100 % of the sum of all premiums paid for the Policy and any attached riders, or (2) your Home and Community Care Benefit in effect on the date of the lapse, including any increase resulting from an Inflation Protection Benefit Rider or Guaranteed Purchase Option Rider. However, no benefits will be paid in excess of the Maximum Benefit that would have been in effect if had continued to pay premiums as required.

This rider can only be purchased at the time of Application for this Policy.

OPTIONAL SURVIVING SPOUSE WAIVER OF PREMIUM RIDER (B187) - For an additional premium payment, this rider will waive the premium that comes due for this Policy and all riders attached to this Policy for the remainder of your lifetime beginning the latter of: (1) the date of the death of your spouse; or (2) the 10th anniversary date of this rider, if the death of your spouse occurs before the rider's 10th anniversary.

The Waiver of Premium provision provided by this rider will only apply if:

- (1) you and your spouse have the same Policy Effective Date and Rider Effective Date for coverage with us under the same Policy form with this rider form attached to both Policies; and
- (2) your coverage is continuously in effect from the Rider Effective Date until the date that We begin to waive your premiums under the Waiver of Premium provision of this rider; and
- (3) your spouse's coverage is continuously in effect from the Rider Effective Date until the earlier of:
 - a) the date of death of your spouse, or
 - b) the date your spouse's Policy terminates after We have paid out the Maximum Benefit.

This rider can only be purchased at the time of Application for this Policy.

OPTIONAL JOINT WAIVER OF PREMIUM RIDER (B188) - For an additional premium payment, this rider will waive the premium that comes due for your Policy and all riders attached to your Policy during the time that your spouse qualifies for the Waiver of Premium provision under his or her policy.

Waiver of Premium will no longer apply and premium payments will resume at the next premium due date according to the Premium Payment Mode in effect at the time, if:

- (1) your spouse's coverage terminates for any reason, including complete payment of the Maximum Benefit; or
- (2) your spouse's coverage remains in effect, however, he or she no longer qualifies for the Waiver of Premium provision under his or her Policy.

The Waiver of Premium provision provided by this rider will only apply if:

- (1) you and your spouse have the same Policy Effective Date and Rider Effective Date for coverage with us under the same Policy form with this rider attached to both Policies; and
- (2) you and your spouse's coverage are continuously in effect from the Rider effective date until the date that We begin to waive your premiums under the Waiver of Premium of this rider.

This rider can only be purchased at the time of Application for this Policy.

OPTIONAL SPOUSE PREMIUM DISCOUNT RIDER (B198) - We will reduce the premium of your Policy and all attached riders by an amount equal to 30 % of the total premium charged for your Policy and all attached riders. In order to qualify for such discount: (1) You must be married on the first day this rider becomes effective; and (2) Your spouse must have a Long-Term Care policy with Us, which is in effect on the first day this rider became effective.

OPTIONAL MARRIED PREMIUM DISCOUNT RIDER (B200) - We will reduce the premium of your Policy and all attached riders by an amount equal to 10 % of the total premium charged for your Policy and all attached riders. In order to qualify for such discount you must be married on the first day this rider becomes effective.

OPTIONAL FAMILY MEMBER PREMIUM DISCOUNT RIDER (B211) - We will reduce the premium of your Policy and all attached riders by an amount equal to 10% of the total premium charged for your Policy and all attached riders. In order to qualify for such discount: (1) you must currently be living with a Family

Member in your Home; (2) you must have lived with the above mentioned Family Member for at least two years before the Rider Effective Date; and (3) you and the above mentioned Family Member must have a Long Term Care Policy with Us, which is in effect on the first day this Rider becomes effective.

ALZHEIMER'S DISEASE AND OTHER ORGANIC BRAIN DISORDERS - Subject to any applicable Elimination Period, Limitations or exclusions described above, the Policy provides coverage if you are clinically diagnosed as having Alzheimer's disease, and other forms of senile dementia or mental disorders caused by demonstrable, structural brain damage.

ANNUAL PREMIUM

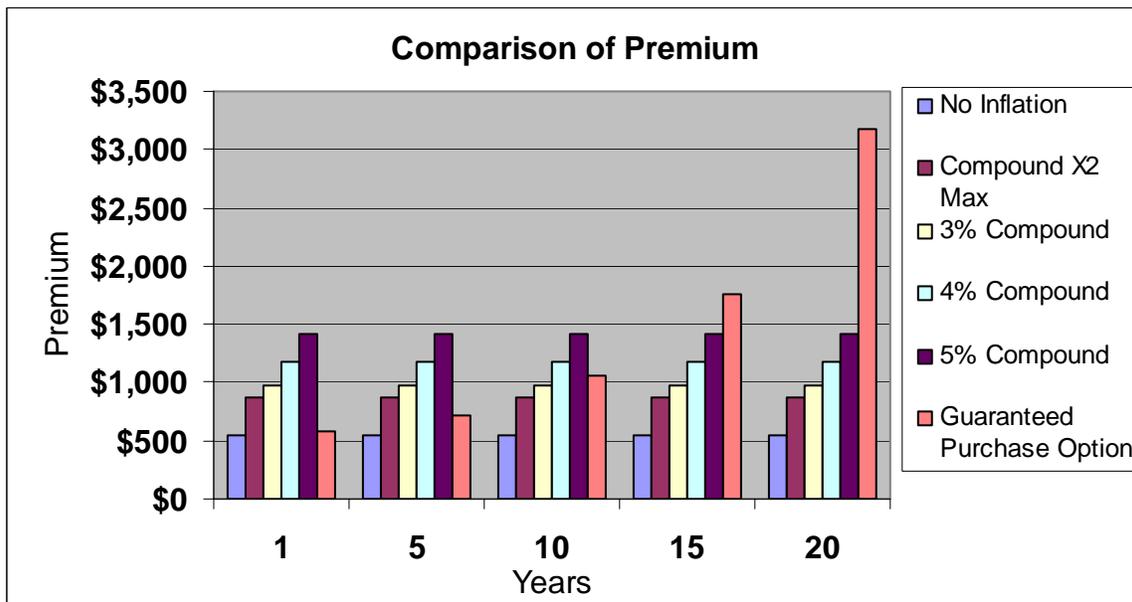
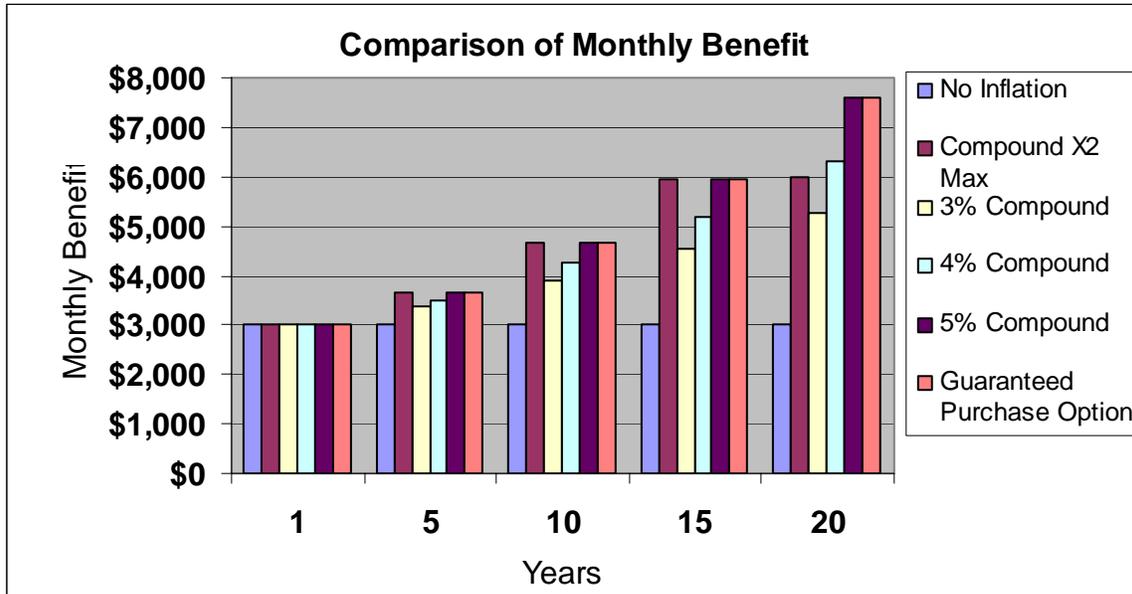
P147 Premium	\$ _____
Compound Inflation Protection Benefit Rider – B203Z	\$ _____
3% Compound Inflation Protection Benefit Rider – B326	\$ _____
4% Compound Inflation Protection Benefit Rider – B327	\$ _____
Compound Inflation Protection Benefit Rider–2X Maximum – B204Z	\$ _____
Guaranteed Purchase Optional Rider – B210	\$ _____
Shortened Benefit Period Non-Forfeiture Rider – B209	\$ _____
Surviving Spouse Waiver of Premium Rider – B187	\$ _____
Joint Waiver of Premium Rider – B188	\$ _____
Spouse Premium Discount Rider – B198	\$ _____
Married Premium Discount Rider – B200	\$ _____
Family Member Premium Discount Rider – B211	\$ _____
TOTAL ANNUAL PREMIUM	\$ _____

MEDICAL UNDERWRITING - Your insurability for the Policy will be determined by the answers given in your Application and any other authorized medical information We obtain regarding your current state of health.

GRACE PERIOD - There is a 31-day grace period for all premiums falling due after the initial premium. Your Policy will continue in force during the grace period.

The example below is an illustration of the premium and benefits for a non-increasing Policy without an Inflation Protection Benefit Rider or Guaranteed Purchase Option Rider versus an increasing Policy with an Inflation Protection Benefit Rider or Guaranteed Purchase Option Rider. The illustrations are based on a \$3000 initial monthly Home and Community Care Benefit, 90 day Elimination Period, three year Benefit Multiplier, issued to a 60 year old individual and Annual Premium Payment Mode.

INFLATION PROTECTION BENEFIT RIDER COMPARISON



Physicians Mutual Insurance Company

2600 Dodge Street
Omaha, Nebraska 68131
800-645-4300

**LONG TERM CARE INSURANCE
OUTLINE OF COVERAGE
POLICY P148**

NOTICE TO BUYER: This policy may not cover all of the costs associated with Long-Term Care incurred by the buyer during the period of coverage. The buyer is advised to review carefully all Policy Limitations.

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 will be attached to the Policy. 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:

Physicians Mutual Insurance Company
2600 Dodge Street
Omaha, Nebraska 68131

The Policy is an individual Policy of insurance.

PURPOSE OF OUTLINE OF COVERAGE - This outline of coverage provides a very brief description of the important features of the Policy. You should compare this outline of coverage to outlines of coverage 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!**

THIS POLICY IS INTENDED TO BE A FEDERALLY TAX-QUALIFIED LONG-TERM CARE INSURANCE CONTRACT UNDER SECTION 7702B(b) OF THE IRS CODE OF 1986, AS AMENDED.

TERMS UNDER WHICH THE POLICY MAY BE CONTINUED IN FORCE OR DISCONTINUED - The Policy is Guaranteed Renewable. When we receive your Renewal Premium before the Grace Period ends and before the Maximum Benefit amount has been paid, we must accept it.

TERMS UNDER WHICH THE COMPANY MAY CHANGE PREMIUMS: We may change your Renewal Premium only if we make the same change for all Policies of this form and class in the State where you live.

WAIVER OF PREMIUM - After you have received eligible benefits for a total of 90 days (the 90 days need not be consecutive), We will waive all future premiums coming due according to the Premium Payment Mode in effect at the time you become eligible for the Waiver of Premium. Premiums will be waived until you are no longer eligible for benefits. Waiver of Premium can be retroactive up to six months prior to the date on which We receive notice of eligibility.

TERMS UNDER WHICH THE POLICY MAY BE RETURNED AND PREMIUM REFUNDED - If you are not satisfied with your Policy, you have 31 days to return it to Us or our agent for a full refund of any premium you have paid. The Policy is then void as if no Policy had been issued. The Policy contains a provision for a refund of unearned premium upon death or surrender.

THIS IS NOT MEDICARE SUPPLEMENT COVERAGE - If you are eligible for Medicare, review the Medicare Supplement Buyer's Guide available from your agent. Neither Physicians Mutual Insurance Company nor its agents represent Medicare, the federal government, or any state government.

LONG-TERM CARE COVERAGE - Policies of this category are designed to provide coverage for one or more necessary or medically necessary diagnostic, preventive, therapeutic, rehabilitative, maintenance, or personal care services. Coverage for these services may be provided in a setting such as in a Nursing Home, in an Assisted Living Facility, but not in an acute care unit of a hospital. The Policy pays the expenses incurred for any services as shown in the Policy, subject to the Policy Limitations, Exclusions and Elimination Periods.

BENEFITS PROVIDED BY THIS POLICY - When you meet the definition of a “Chronically Ill Individual,” we will pay the expenses you incur for the services of a skilled, intermediate or custodial Nursing Home, Assisted Living Facility, or Hospice Facility while you are confined. “Chronically Ill Individual” means any individual who has been certified within the preceding 12 month period by a Licensed Health Care Practitioner as: (1) being unable to perform (without Substantial Assistance from another individual) at least two Activities of Daily Living (which are bathing, eating, dressing, continence, transferring and toileting) for a period of at least 90 days due to a loss of Functional Capacity; (2) having a similar level of disability; (3) or requiring Substantial Supervision to protect such individual from threats to health and safety due to severe Cognitive Impairment.

ELIGIBILITY FOR PAYMENT OF BENEFITS: If you are certified as a Chronically Ill Individual and a Plan of Care has been prescribed by a Licensed Health Care Practitioner, these benefits are available to you. The benefits are subject to the Elimination Period and Maximum benefit shown in your Policy’s Schedule, our Claims Evaluation Process and all other Policy provisions.

FACILITY CARE BENEFIT - The most We will pay for a Nursing Home (skilled, intermediate, or custodial), an Assisted Living Facility or Hospice Facility for expenses you incur in any month is \$ _____.

BED RESERVATION BENEFIT - If you are temporarily absent while receiving Facility Care Benefits, and the Elimination Period has been met, We will pay the charges incurred to reserve your bed. If the Elimination Period has not been met, then each day the insured is absent will count toward the Elimination Period. We will pay Bed Reservation Benefits for up to 30 days of absence during a Calendar Year.

EXTENSION OF BENEFITS - Termination of this Policy shall be without prejudice to any benefits payable for Facility Care Benefits under this Policy if such confinement began while this Policy was in force and continues without interruption after termination.

ELIGIBILITY FOR PAYMENT OF ADDITIONAL BENEFITS: If you are eligible for benefits, these Additional Benefits are available to you. The Elimination Period does not apply to these Additional Benefits and they will not count toward satisfying the Elimination Period. These Additional Benefits will not count toward your Maximum benefit. These Additional Benefits are also subject to our Claims Evaluation Process and all other Policy provisions.

AMBULANCE SERVICE BENEFIT - We will pay for services provided by a local licensed ambulance service for transportation to or from a Nursing Home, an Assisted Living Facility, a Hospice Facility or a hospital in accordance with the following: (1) expenses incurred by you, not to exceed \$75 per trip; and (2) Lifetime Maximum of \$300.

FIRST-TIME CASH BENEFIT - The first time you are eligible for benefits, We will pay you a one-time lump sum of \$1,000. This benefit will only be paid once in your lifetime.

NOTICE: Since First-Time Cash Benefit is made without regard to expenses you incur, part of the benefits could be considered taxable income. You should consult with a tax advisor for more information concerning the tax implications.

HOME MODIFICATION BENEFIT - This is a Home Modification Benefit Lifetime Maximum of \$_____ which may be used for expenses you incur for modification to your Home that are primarily being made to improve your ability to perform the Activities of Daily Living and allow you to live safely in your Home.

INFORMAL CAREGIVER TRAINING BENEFIT - This is an Informal Caregiver Training Benefit Lifetime Maximum of \$_____ which may be used for the expenses you incur in training your Informal Caregiver to take care of you in your Home.

RESOURCE ADVISOR - A Resource Advisor is available to assist you with questions concerning the following: (1) eligibility of benefits; (2) availability of resources in your area; or (3) any other questions you may have about a claim for benefits.

CARE COORDINATION ADVISOR - After you have spoken with your Resource Advisor and in the event you require additional care coordination assistance, We will arrange, at no cost, for a Care Coordination Advisor, designated by Us, who will: (1) be a Licensed Health Care Practitioner; (2) assess and coordinate appropriate care and services; (3) prescribe a Plan of Care appropriate for your condition; (4) monitor your Plan of Care, including periodic assessments of your situation; and (5) assist with necessary claims documentation.

CONTINGENT NON-FORFEITURE BENEFIT: This Contingent Non-Forfeiture Benefit applies during the first three years after the Policy Effective Date. It also applies after the first three years if a Shortened Benefit Period Non-Forfeiture Rider is not attached to your Policy.

We will provide you a Contingent Non-Forfeiture Benefit when all of the following take place:

- (1) We have notified you of a Substantial Premium Increase; and
- (2) your Policy lapses within 120 days following the due date of the Substantial Premium Increase.

A Substantial Premium Increase is a cumulative percentage increase over your initial premium. The cumulative percentage needed to trigger the Contingent Non-Forfeiture Benefit will vary depending upon your age at issue. Any increase in premium due to an increase in benefits is excluded from calculating a Substantial Premium Increase. The following lists the Substantial Premium Increase percentages.

SUBSTANTIAL PREMIUM INCREASE TABLE

Issue Age	Premium Increase Over Initial Premium	Issue Age	Premium Increase Over Initial Premium
29 and under	200%	72	36%
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65	50%	84	16%
66	48%	85	15%
67	46%	86	14%
68	44%	87	13%
69	42%	88	12%
70	40%	89	11%
71	38%	90 and over	10%

We will notify You of Your Contingent Non-Forfeiture Benefit option at least 30 days prior to the due date of a Substantial Premium Increase.

Once you are eligible for the Contingent Non-Forfeiture Benefit, you may select one of the following options:

- (1) To reduce Policy benefits provided by your current coverage without the requirement of additional underwriting so that required premium payments are not increased; or
- (2) To convert your coverage to paid-up status and Your new Maximum Benefit will be the greater of:
 - (a) 100% of the sum of all premiums paid for your Policy and any attached riders; or
 - (b) Your Facility Care Benefit in effect on the date of the lapse, including any increases resulting from an Inflation Protection Benefit Rider or Guaranteed Purchase Option Rider.

If the Contingent Non-Forfeiture Benefit is in effect and you do not notify Us to the contrary at the time of lapse, We will apply option 2.

LIMITATIONS AND EXCLUSIONS - the policy does not provide benefits for expenses incurred:

- (1) while your Policy is not in force;
- (2) due to intentional, self-inflicted injury or attempted suicide;
- (3) that are payable by Medicare or any other Federal or State program, except Medicaid;
- (4) outside the United States, its territories or possessions;
- (5) that are payable under any workers' compensation or employer's liability laws;
- (6) due to treatment for alcoholism or drug addiction;
- (7) for hospital or physician services, prescription drugs, x-rays, and lab work;
- (8) due to injuries or sickness resulting from an act of declared or undeclared war; or
- (9) for services provided by a Family Member, unless: a) the Family Member is a Licensed Health Care Practitioner; b) the Family Member is a regular employee of the organization furnishing the service of care; c) the organization receives the payment for the services; and d) the Family Member receives no compensation other than the normal compensation for employees in his or her job category.

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

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 plan may be adjusted. The benefit levels of the base Policy will not increase over time, unless you have elected to purchase inflation protection. For an additional premium payment, you may purchase one of the following optional riders: Compound Inflation Protection Benefit Rider; 3% Compound Inflation Protection Benefit Rider; 4% Compound Inflation Protection Benefit Rider; Compound Inflation Protection Benefit Rider – 2X Maximum; and Guaranteed Purchase Option Rider.

OPTIONAL DAILY HOME AND COMMUNITY CARE BENEFIT RIDER (B201) - For an additional premium payment, the most this rider will pay in any day is \$_____ for the expenses you incur for the services of Home and Community Care for the following services: (1) Home Health Care; (2) Hospice Care; (3) Adult Day Care; or (4) Respite Care – limited to 30 days of your Home and Community Care Benefit per Calendar Year, not to exceed_____ % of the amount of the Facility Care Benefit shown in the Policy Schedule. This rider offers the following benefits: Alternative Plan of Care Benefit - If you would otherwise be eligible to receive benefits, We may pay the expenses you incur for services provided under a written Alternate Plan of Care. For this Alternate Plan of Care to be approved: (1) it must be agreed upon in advance by you, your Licensed Health Care Practitioner and Us; (2) it must be a cost effective plan to provide benefits for your claim. Home First Benefit - This is a Home First Benefit Lifetime Maximum of \$_____ which may be used for the expenses you incur for the following services: (1) Medical Alert System; (2) Durable Medical Equipment; or (3) Home Safety Check. This benefit is not payable while you are receiving Facility Care Benefits; or You are confined as an inpatient in a hospital.

This rider can only be purchased at the time of Application for this Policy.

OPTIONAL MONTHLY HOME AND COMMUNITY CARE BENEFIT RIDER (B202) - For an additional premium payment, the most this rider will pay in any month is \$_____ for the expenses you incur for the services of Home and Community Care for the following services: (1) Home Health Care; (2) Hospice Care; (3) Adult Day Care; or (4) Respite Care – limited to 30 days of your Home and Community Care Benefit per Calendar Year, not to exceed _____ % of the amount of the Facility Care Benefit shown in the Policy Schedule. This Rider offers the following benefits: Alternative Plan of Care Benefit - If you would otherwise be eligible to receive benefits, We may pay the expenses you incur for services provided under a written Alternate Plan of Care. For this Alternate Plan of Care to be approved: (1) it must be agreed upon in advance by you, your Licensed Health Care Practitioner and Us; (2) it must be a cost effective plan to provide benefits for your claim. Home First Benefit - This is a Home First Benefit Lifetime Maximum of \$_____ which may be used for the expenses you incur for the following services: (1) Medical Alert System; (2) Durable Medical Equipment; or (3) Home Safety Check. This benefit is not payable while you are receiving Facility Care Benefits; or You are confined as an inpatient in a hospital.

This Rider can only be purchased at the time of Application for this Policy.

OPTIONAL COMPOUND INFLATION PROTECTION BENEFIT RIDER (B203Z) - For an additional premium payment, this rider will automatically increase the benefits listed under the Covered Services of this policy and the remaining Maximum Benefit by 5%. These increases will be compounded annually on each Policy anniversary date for the lifetime of your Policy, even when you are receiving benefits.

Inflation Protection coverage can only be purchased at the time of Application for this Policy.

OPTIONAL 3% COMPOUND INFLATION PROTECTION BENEFIT RIDER (B326) - For an additional premium payment, this rider will automatically increase the benefits listed under the Covered Services of this policy and the remaining Maximum Benefit by 3%. These increases will be compounded annually on each Policy anniversary date for the lifetime of your Policy, even when you are receiving benefits.

Inflation protection coverage can only be purchased at the time of Application for this Policy.

OPTIONAL 4% COMPOUND INFLATION PROTECTION BENEFIT RIDER (B327) - For an additional premium payment, this rider will automatically increase the benefits listed under the Covered Services of this policy and the remaining Maximum Benefit by 4%. These increases will be compounded annually on each Policy anniversary date for the lifetime of your Policy, even when you are receiving benefits.

Inflation protection coverage can only be purchased at the time of Application for this Policy.

OPTIONAL COMPOUND INFLATION PROTECTION BENEFIT RIDER - 2X MAXIMUM (B204Z) - For an additional premium payment, this rider will automatically increase the benefits listed under the Covered Services of this policy and the remaining Maximum Benefit by 5%. These increases will be compounded annually on each Policy anniversary date until the benefits listed under the Covered Services of this policy equal two times the amount of the original benefits in effect on the Rider Effective Date, even when you are receiving benefits.

Inflation protection coverage can only be purchased at the time of Application for this Policy.

OPTIONAL GUARANTEED PURCHASE OPTION RIDER (B206) - For an additional premium payment, on any anniversary date of your Policy, you may, at your option, increase the benefits listed under the Covered Services of this policy and the remaining Maximum Benefit by 5%. No additional underwriting or health screening is required. An additional premium will be charged for the additional coverage. The additional premium will be based upon your age at that time you elect to exercise your option to increase your benefits, premium rates then in effect and the dollar amount of increase in the Facility Care Benefit on the option date.

This rider can only be purchased at the time of Application for this Policy.

OPTIONAL SHORTENED BENEFIT PERIOD NON-FORFEITURE RIDER (B186) - For an additional premium payment, this rider provides for your coverage to remain in force as paid-up status if you lapse your Policy and this rider after the third policy anniversary. Your new Maximum Benefit during the paid-up status

will be the greater of: (1) 100 % of the sum of all premiums paid for the Policy and any attached riders, or (2) your Facility Care Benefit on the date of the lapse, including any increase resulting from an Inflation Protection Rider or Guaranteed Purchase Option Rider. However, no benefits will be paid in excess of the Maximum Benefit that would have been in effect if premiums had continued to pay premiums as required.

This rider can only be purchased at the time of application for this Policy.

OPTIONAL SURVIVING SPOUSE WAIVER OF PREMIUM RIDER (B187) - For an additional premium payment, this rider will waive the premium that comes due for the Policy and all riders attached to the Policy for the remainder of your lifetime beginning the latter of: (1) the date of the death of your spouse; or (2) the 10th anniversary date of this rider, if the death of your spouse occurs before the rider's 10th anniversary.

The Waiver of Premium provision provided by this rider will only apply if:

- (1) you and your spouse have the same Policy Effective Date and Rider Effective Date for coverage with us under the same Policy form with this rider form attached to both Policies; and
- (2) your coverage is continuously in effect from the Rider Effective Date until the date that We begin to waive your premiums under the Waiver of Premium provision of this rider; and
- (3) your spouse's coverage is continuously in effect from the Rider Effective Date until the earlier of:
 - a) the date of death of your spouse, or
 - b) the date your spouse's Policy terminates after We have paid out the Maximum Benefit.

This rider can only be purchased at the time of Application for this Policy.

OPTIONAL JOINT WAIVER OF PREMIUM RIDER (B188) - For an additional premium payment, this rider will waive the premium that comes due for your Policy and all riders attached to your Policy during the time that your spouse qualifies for the Waiver of Premium provision under his or her policy.

Waiver of Premium will no longer apply and premium payments will resume at the next premium due date according to the Premium Payment Mode in effect at the time, if:

- (1) your spouse's coverage terminates for any reason, including complete payment of the Maximum Benefit; or
- (2) your spouse's coverage remains in effect, however, he or she no longer qualifies for the Waiver of Premium provision under his or her Policy.

The Waiver of Premium provision provided by this rider will only apply if:

- (1) you and your spouse have the same Policy Effective Date and Rider Effective Date for coverage with Us under the same Policy form with this rider attached to both Policies; and
- (2) you and your spouse's coverage are continuously in effect from the Rider Effective Date until the date that We begin to waive your premiums under the Waiver of Premium provision of this rider.

This rider can only be purchased at the time of Application for this Policy.

OPTIONAL FULL RETURN OF PREMIUM RIDER (B189) – For an additional premium payment, upon your death, this rider will pay your beneficiary, or your estate if no beneficiary has been designated, a Return of Premium Benefit equal to the total premiums paid for your policy and all riders attached to your policy.

This rider can only be purchased at the time of Application for this Policy.

OPTIONAL RETURN OF PREMIUM RIDER (B190) – For an additional premium payment, upon your death, this rider will pay your beneficiary, or your estate if no beneficiary has been designated, a Return of Premium Benefit equal to the total premiums paid for your policy and all riders attached to your policy, reduced by the total of benefits paid. If the total of benefits exceeds the total of premiums paid, this Return of Premium Benefit will be zero.

This rider can only be purchased at the time of application for this policy.

OPTIONAL SHARED CARE BENEFIT RIDER (B193) – For an additional premium payment, if you or your spouse exhaust the Maximum Benefit of your Policy, We will continue to pay benefits until the Shared Care Maximum is exhausted. Benefit will be paid at the same Monthly Maximum and, if applicable, same Daily Maximum, subject to the provisions of your Policy. If your Policy has an Inflation Protection Rider or Guaranteed Purchase Option Rider, the Shared Care Maximum will increase in the same manner as the

Maximum Benefit. The Restoration of Benefit provision, if applicable, in your Policy, if applicable, does not apply to the Shared Care Maximum. If both you and your spouse are eligible to receive benefits from the Shared Care Maximum at the same time, We will pay benefits for both spouses until the Shared Care Maximum is exhausted. In the case of divorce or termination of your spouse's Policy by non-payment of premium, half of the Shared Care Maximum amount remaining will be added to your Maximum Benefit with no increase in premium. If your Spouse dies while his or her Policy is in force, the Shared Care Maximum amount remaining will be added to your Maximum Benefit with no increase in premium.

The Shared Care Benefit provision provided by this rider will only apply if:

- (1) both you and your spouse have the same Policy Effective Date and Rider Effective Date for coverage with Us under the same Policy form with this rider attached to both Policies; and
- (2) both you and your spouse's coverage are continuously in effect from the Rider Effective Date until the date that We begin providing benefits under the Shared Care Benefit provision of this rider.

This rider can only be purchased at the time of Application for this Policy.

OPTIONAL RESTORATION OF BENEFIT RIDER (B207) – For an additional premium payment, if the Maximum Benefit has not been paid, We will restore the Maximum Benefits of this Policy listed in your Policy's Schedule, including increases from any rider or endorsement, subject to the following conditions:

- (1) you must be certified by a Licensed Health Care Practitioner that you are not a Chronically Ill Individual;
- (2) that status has been maintained for at least six consecutive months from the date of the certification; and
- (3) you have not received services covered by this Policy for a period of at least six months. This will not apply when the Policy is in force under any non-forfeiture benefit provision.

This rider can only be purchased at the time of Application for this Policy.

OPTIONAL CALENDAR DAY ELIMINATION PERIOD RIDER (B208) – For an additional premium payment, We will begin to count days to satisfy your Calendar Day Elimination Period on the first day you are eligible for benefits. Each day that you are eligible for benefits will count towards your Calendar Day Elimination Period.

This rider can only be purchased at the time of Application for this Policy.

OPTIONAL SPOUSE PREMIUM DISCOUNT RIDER (B198) - We will reduce the premium of your Policy and all attached riders by an amount equal to 30 % of the total premium charged for your Policy and all attached riders. In order to qualify for such discount: (1) you must be married on the first day this rider becomes effective; (2) your spouse must have a Long-Term Care Policy with Us, which is in effect on the first day this rider became effective.

OPTIONAL MARRIED PREMIUM DISCOUNT RIDER (B200) - We will reduce the premium of your Policy and all attached riders by an amount equal to 10 % of the total premium charged for your Policy and all attached riders. In order to qualify for such discount you must be married on the first day this rider becomes effective.

OPTIONAL FAMILY MEMBER PREMIUM DISCOUNT RIDER (B211) – We will reduce the premium of your Policy and all attached riders by an amount equal to 10% of the total premium charged for your Policy and all attached riders. In order to qualify for such discount: (1) you must currently be living with a Family Member in your Home; (2) you must have lived with the above mentioned Family Member for at least two years before the Rider Effective Date; and (3) you and the above mentioned Family Member must have a Long Term Care Policy with Us, which is in effect on the first day this Rider becomes effective.

ALZHEIMER'S DISEASE AND OTHER ORGANIC BRAIN DISORDERS - Subject to any applicable Elimination Period, Limitations or exclusions described above, the Policy provides coverage if you are clinically diagnosed as having Alzheimer's disease, and other forms of senile dementia or mental disorders caused by demonstrable, structural brain damage.

ANNUAL PREMIUM

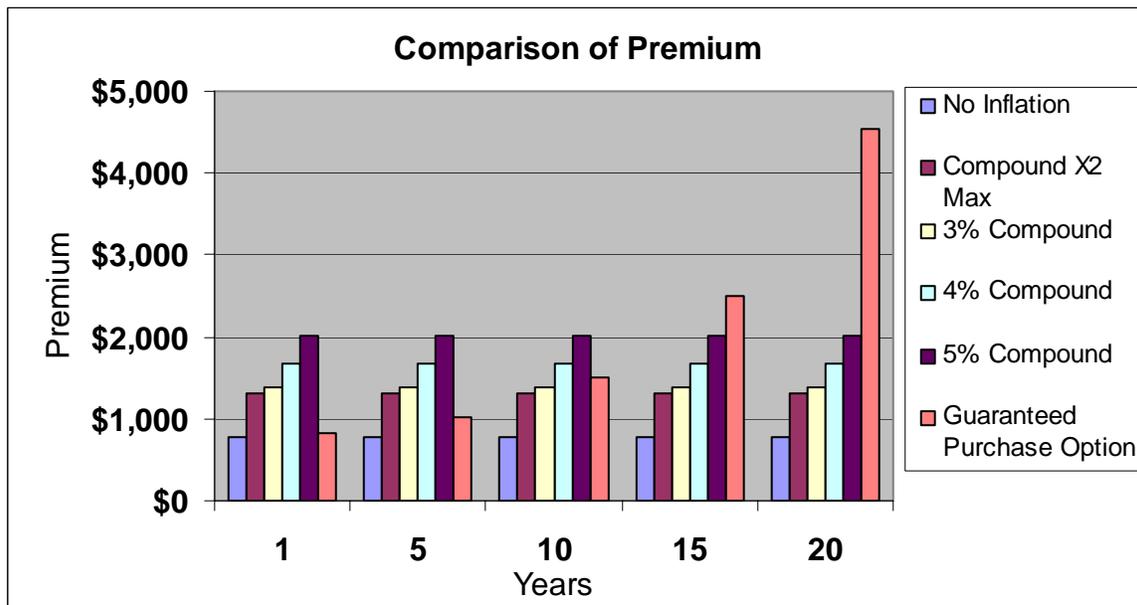
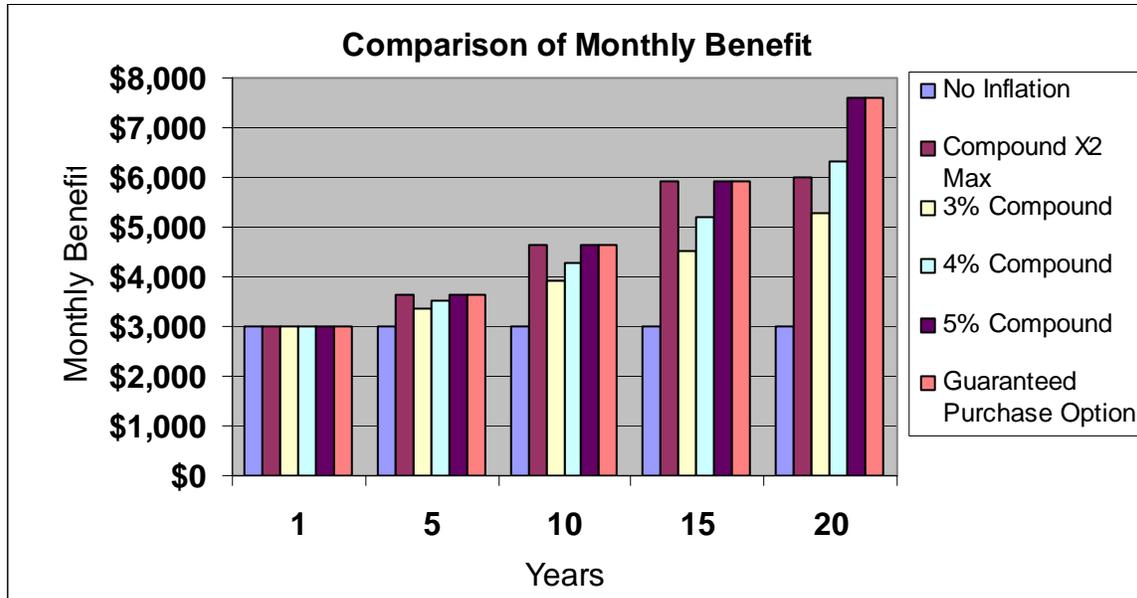
P148 Premium	\$ _____
Daily Home and Community Care Benefit Rider – B201	\$ _____
Monthly Home and Community Care Benefit Rider – B202	\$ _____
Compound Inflation Protection Benefit Rider – B203Z	\$ _____
3% Compound Inflation Protection Benefit Rider – B326	\$ _____
4% Compound Inflation Protection Benefit Rider – B327	\$ _____
Compound Inflation Protection Benefit Rider – 2X Maximum-B204Z	\$ _____
Simple Inflation Protection Benefit Rider – B205Z	\$ _____
Guaranteed Protection Option Rider – B206	\$ _____
Shortened Benefit Period Non-Forfeiture Rider – B186	\$ _____
Surviving Spouse Waiver of Premium Rider – B187	\$ _____
Joint Waiver of Premium Rider – B188	\$ _____
Full Return of Premium Rider – B189	\$ _____
Return of Premium Rider – B190	\$ _____
Shared Care Benefit Rider – B193	\$ _____
Restoration of Benefit Rider – B207	\$ _____
Calendar Day Elimination Period Rider – B208	\$ _____
Spouse Premium Discount Rider – B198	\$ _____
Married Premium Discount Rider – B200	\$ _____
Family Member Premium Discount Rider – B211	\$ _____
TOTAL ANNUAL PREMIUM	\$ _____

MEDICAL UNDERWRITING - Your insurability for the Policy will be determined by the answers given in your Application and any other authorized medical information We obtain regarding your current state of health.

GRACE PERIOD - There is a 31-day grace period for all premiums falling due after the initial premium. Your Policy will continue in force during the grace period.

The example below is an illustration of the premium and benefits for a non-increasing Policy without an Inflation Protection Benefit Rider or Guaranteed Purchase Option Rider versus an increasing Policy with an Inflation Protection Benefit Rider or Guaranteed Purchase Option Rider. The illustrations are based on a \$3000 initial monthly Facility Care Benefit, 100% daily Home and Community Care Benefit, 90 day Elimination Period, three year Benefit Multiplier, issued to a 60 year old individual and Annual Premium Payment Mode.

INFLATION PROTECTION BENEFIT RIDER COMPARISON



SERFF Tracking Number: *PHYS-125472471* *State:* *Arkansas*
Filing Company: *Physicians Mutual Insurance Company* *State Tracking Number:* *38136*
Company Tracking Number:
TOI: *LTC06 Long Term Care - Other* *Sub-TOI:* *LTC06.000 Long Term Care - Other*
Product Name: *B324 et al*
Project Name/Number: *B324 et al/B324 et al*

Superseded Attachments

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Original Date:	Schedule	Document Name	Replaced Date	Attach Document
No original date	Form	3% COMPOUND INFLATION PROTECTION BENEFIT RIDER	02/04/2008	B324.pdf
No original date	Form	4% COMPOUND INFLATION PROTECTION BENEFIT RIDER	02/04/2008	B325.pdf
No original date	Form	3% COMPOUND INFLATION PROTECTION BENEFIT RIDER	02/04/2008	B326.pdf
No original date	Form	4% COMPOUND INFLATION PROTECTION BENEFIT RIDER	02/04/2008	B327.pdf

3% COMPOUND INFLATION PROTECTION BENEFIT RIDER

This Rider is part of the Policy and subject to its limitations, definitions and other provisions not in conflict with this Rider.

RIDER EFFECTIVE DATE

If the Rider premium has been paid, this Rider is effective the same date as the Policy.

RIDER PREMIUMS

Rider premiums are included in the premiums shown in Your Policy's Schedule.

CONSIDERATION

This Rider is issued in consideration of the First Premium paid and the statements made in the attached copy of the Application.

BENEFITS

On each anniversary of the Policy Effective Date, for as long as You own this Policy and Rider, We will increase the benefits listed under Covered Services in Your Policy and remaining Maximum Benefit by 3%, compounded annually. Benefits will continue to increase annually while Your Policy is in force, including while you are receiving benefits under Your Policy. There is no limit on the maximum amounts available under the provisions of this Rider.

Each annual increase will apply to each day for which benefits are payable on or after the date of the increase.

TERMINATION

This Rider terminates upon the earlier of:

- (1) Termination of the Policy; or
- (2) Your failure to pay the Renewal Premium for this Rider before the Grace Period ends.

The termination of this Rider will not automatically terminate the Policy to which it is attached. If the Rider is terminated, it cannot be reinstated, and the benefits listed under Covered Services in Your Policy and Maximum Benefit will remain at Your current benefit levels.

PHYSICIANS MUTUAL INSURANCE COMPANY



President

4% COMPOUND INFLATION PROTECTION BENEFIT RIDER

This Rider is part of the Policy and subject to its limitations, definitions and other provisions not in conflict with this Rider.

RIDER EFFECTIVE DATE

If the Rider premium has been paid, this Rider is effective the same date as the Policy.

RIDER PREMIUMS

Rider premiums are included in the premiums shown in Your Policy's Schedule.

CONSIDERATION

This Rider is issued in consideration of the First Premium paid and the statements made in the attached copy of the Application.

BENEFITS

On each anniversary of the Policy Effective Date, for as long as You own this Policy and Rider, We will increase the benefits listed under Covered Services in Your Policy and remaining Maximum Benefit by 4%, compounded annually. Benefits will continue to increase annually while Your Policy is in force, including while you are receiving benefits under Your Policy. There is no limit on the maximum amounts available under the provisions of this Rider.

Each annual increase will apply to each day for which benefits are payable on or after the date of the increase.

TERMINATION

This Rider terminates upon the earlier of:

- (1) Termination of the Policy; or
- (2) Your failure to pay the Renewal Premium for this Rider before the Grace Period ends.

The termination of this Rider will not automatically terminate the Policy to which it is attached. If the Rider is terminated, it cannot be reinstated, and the benefits listed under Covered Services in Your Policy and Maximum Benefit will remain at Your current benefit levels.

PHYSICIANS MUTUAL INSURANCE COMPANY



President

3% COMPOUND INFLATION PROTECTION BENEFIT RIDER

This Rider is part of the Policy and subject to its limitations, definitions and other provisions not in conflict with this Rider.

RIDER EFFECTIVE DATE

If the Rider premium has been paid, this Rider is effective the same date as the Policy.

RIDER PREMIUMS

Rider premiums are included in the premiums shown in Your Policy's Schedule.

CONSIDERATION

This Rider is issued in consideration of the First Premium paid and the statements made in the attached copy of the Application.

BENEFITS

On each anniversary of the Policy Effective Date, for as long as You own this Policy and Rider, We will increase the benefits listed under Covered Services in Your Policy and remaining Maximum Benefit by 3%, compounded annually. Benefits will continue to increase annually while Your Policy is in force, including while you are receiving benefits under Your Policy. There is no limit on the maximum amounts available under the provisions of this Rider.

Each annual increase will apply to each day for which benefits are payable on or after the date of the increase.

TERMINATION

This Rider terminates upon the earlier of:

- (1) Termination of the Policy; or
- (2) Your failure to pay the Renewal Premium for this Rider before the Grace Period ends.

The termination of this Rider will not automatically terminate the Policy to which it is attached. If the Rider is terminated, it cannot be reinstated, and the benefits listed under Covered Services in Your Policy and Maximum Benefit will remain at Your current benefit levels.

PHYSICIANS MUTUAL INSURANCE COMPANY



President

4% COMPOUND INFLATION PROTECTION BENEFIT RIDER

This Rider is part of the Policy and subject to its limitations, definitions and other provisions not in conflict with this Rider.

RIDER EFFECTIVE DATE

If the Rider premium has been paid, this Rider is effective the same date as the Policy.

RIDER PREMIUMS

Rider premiums are included in the premiums shown in Your Policy's Schedule.

CONSIDERATION

This Rider is issued in consideration of the First Premium paid and the statements made in the attached copy of the Application.

BENEFITS

On each anniversary of the Policy Effective Date, for as long as You own this Policy and Rider, We will increase the benefits listed under Covered Services in Your Policy and remaining Maximum Benefit by 4%, compounded annually. Benefits will continue to increase annually while Your Policy is in force, including while you are receiving benefits under Your Policy. There is no limit on the maximum amounts available under the provisions of this Rider.

Each annual increase will apply to each day for which benefits are payable on or after the date of the increase.

TERMINATION

This Rider terminates upon the earlier of:

- (1) Termination of the Policy; or
- (2) Your failure to pay the Renewal Premium for this Rider before the Grace Period ends.

The termination of this Rider will not automatically terminate the Policy to which it is attached. If the Rider is terminated, it cannot be reinstated, and the benefits listed under Covered Services in Your Policy and Maximum Benefit will remain at Your current benefit levels.

PHYSICIANS MUTUAL INSURANCE COMPANY



President