



INFLATION 101

Knowing the different types of inflation options is a key element in determining the plan design that will best fit your clients' needs. Below are some definitions of the different inflation options that the carriers offer.

None:

Benefit amount will not increase over the life of the policy.

GPO:

Guaranteed Purchase Option offers the client to increase the benefit amount and policy limit by 5 percent, 10 percent or 15 percent of the original amount without evidence of insurability.

5% Simple:

Benefit amount will increase 5 percent annually throughout the life of the policy.

5% Compound 2x Max

Benefit amount and policy limit will increase with 5 percent compounding inflation annually until the daily benefit and policy limit has reached twice its initial amount.

5%/3% Compound:

Benefit amount will increase by 5 percent and policy limit (pool of money) will increase by 3 percent on a compounding basis.

5%/5% Compound:

Your daily or monthly benefit amount will increase by 5 percent and the policy limit (pool of money) will increase by 5 percent on a compounding basis.

5% Compound:

Daily or monthly benefit and policy limit (pool of money) will increase by 5 percent on a compounding basis over the life of the policy. This inflation option is also available in 3 and 4 percent increments with select carriers.

CPI Inflation:

Compound inflation based on Consumer Price Index that increases annually over the life of the policy.

For more information please contact us at:
1-800-245-8108



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