



LONG-TERM CARE
INSURANCE

Custom Care III & Core Care

Comprehensive coverage that meets your clients' needs



Important Notice to Producers

Please note that all benefit features and selections may not be available in every state. In addition, some benefit selections may have been altered due to state requirements. Therefore, it is very important that you are aware of any product/benefit differences in the state(s) where you are soliciting business. Please refer to the state-specific policy and benefit selection sheet for any state exceptions or variations.

State regulations require that, unless appropriately licensed, appointed (where required), and having completed the necessary initial and ongoing training requirements (where required), insurance producers must not attempt to solicit, negotiate, or sell long-term care insurance. Requirements vary by state.

John Hancock

Helping you protect your clients' future

In a relatively young industry that continues to change and evolve, deciding how to best meet your clients' LTC insurance needs is a continuous process. As you consider your options, one thing you can always expect from John Hancock is responsible leadership — reflected in the design of our products and in our commitment to being there in the future, when your clients and their families need us most.

LEADERSHIP, EXPERIENCE AND STRENGTH

Backed by John Hancock's 145 years of experience, and financial strength ratings among the highest in the insurance industry,¹ you and your clients can be confident that we will be there to deliver on our promise.

- A responsible leader in LTC insurance, committed to the market since 1987
- The nation's largest provider of LTC insurance, ranking #1 in sales in 2007, 2008, 2009 and 2010²
- Over 1.3 million LTC insurance policyholders, and more than \$3.4 billion in LTC insurance claims paid³

**Help your clients secure their future with John Hancock —
a name people know and trust.**

1. To view our most current financial ratings, please go to www.johnhancockLTC.com. Financial strength ratings measure the Company's ability to honor its financial commitments and are subject to change. The ratings are not an assessment or recommendation of specific policy provisions, premium rates, or practices of the insurance company.

2. LIMRA, Individual and Group year-end LTC insurance market surveys, 2007, 2008, 2009, and 2010. Based on new premium sold through individual and group markets as well as the Federal LTC Insurance Program.

3. Based on internal data as of December 31, 2010. Includes individual and group LTC insurance, and the Federal LTC Insurance Program.



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Introduction

Meeting your clients' needs with responsibly designed products

John Hancock's latest LTC insurance offerings, Custom Care III and Core Care, were developed based on today's realities. The design, benefits, and pricing of each product reflects:

- recent trends in our growing body of claims experience, and the prevailing conditions that exist within today's economic environment
- our commitment to providing flexible solutions that enable you to meet the individual needs, preferences, and budget of each client

Below are a few key highlights:

BENEFITS	CUSTOM CARE III	CORE CARE
Policy design	<ul style="list-style-type: none"> • A highly customizable solution offering a variety of optional riders, similar to its predecessor Custom Care II Enhanced 	<ul style="list-style-type: none"> • A streamlined solution based on the Custom Care III chassis, emphasizing greater affordability and simplified policy design to help facilitate the sales process
Coverage	Comprehensive coverage of care in all care settings	
Elimination periods	<ul style="list-style-type: none"> • Choice of 30, 60, 90, 180, or 365 service days 	<ul style="list-style-type: none"> • 90 service days
Inflation options	<ul style="list-style-type: none"> • CPI Compound Inflation • CPI Compound Inflation to Age 75 • 5% Compound Inflation • Guaranteed Purchase Option (GPO) 	<ul style="list-style-type: none"> • CPI Compound Inflation to Age 75 • 5% Compound Inflation • Guaranteed Purchase Option (GPO)
Benefits & Services	<ul style="list-style-type: none"> • Caregiver Support Services • Consumer Protection Provisions • Additional Stay At Home Benefit • Advantage Provider Program 	
Built-in benefits for under age 65	<ul style="list-style-type: none"> • Double Coverage for Accident • Return of Premium 	
Optional riders	<ul style="list-style-type: none"> • SharedCare • Survivorship and Waiver of Premium • Waiver of Home Health Care Elimination Period • Additional Cash Benefit • Nonforfeiture 	<ul style="list-style-type: none"> • SharedCare • Nonforfeiture

Whether you offer Custom Care III or Core Care, you can feel confident that you are helping your clients protect their future with responsibly designed products from a leader in LTC insurance.

How it works — Custom Care III

When you are designing an LTC insurance policy, it is important to base your recommendation on your client's financial needs and goals. Also, be sure to consider their health history and the cost of care in their area. Take a look at all the policy benefits and features that Custom Care III has to offer.

Policy Design Options⁴

Applicant Age

- 18–79

Daily or Monthly Benefit Amount

- **Daily Benefit Options** (standard rates): \$50–500 per day benefit is available, in \$10 increments.
- **Monthly Benefit Options** (for additional cost): \$1,500–\$15,000 per month benefit is available, in \$100 increments.
- The policy will pay the actual covered charge, not to exceed the maximum Benefit Amount, subject to the Elimination Period, policy conditions, and exclusions.
- Any unused portion of the maximum Benefit Amount will remain in the policy for later use, which may extend the chosen Benefit Period.

Benefit Period

The Benefit Period represents the minimum period of time the coverage will last. It is also used as a multiplier to calculate the Total Pool of Money.

Choices available are:

- 2 years (730 days) (24 months)
- 3 years (1,095 days) (36 months)
- 4 years (1,460 days) (48 months)
- 5 years (1,825 days) (60 months)
- 6 years (2,190 days) (72 months)
- 10 years (3,650 days) (120 months)

Total Benefit — Total Pool of Money

This policy provides a single Pool of Money that can be used for care in any setting, allowing maximum flexibility for your client. To determine the Total Benefit, or Total Pool of Money, multiply the Daily or Monthly Benefit by the selected Benefit Period:

DAILY EXAMPLE:

\$200/day benefit x 5 years (1825 days) =
\$365,000 (Total Benefit)

MONTHLY EXAMPLE:

\$6,000/month benefit x 5 years (60 months) =
\$360,000 (Total Benefit)

Care Advisory Services and Additional Stay at Home Benefits do not reduce the Total Pool of Money.

Elimination Period

Think of the Elimination Period as a deductible, where the client must pay for covered services before the policy begins paying benefits.

- The options are 30, 60, 90, 180, or 365 days of service.
- Elimination Period only needs to be satisfied once during the life of the policy.
- For Home Health Care, a minimum of two hours of covered care per day is required to count as one day toward the Elimination Period.
- If the policyholder is receiving home care one or more days a week, 1 day will be applied toward satisfying the Elimination Period for each instance (i.e., 1=1).
- Care Advisory Services and Additional Stay at Home Benefits can be paid before the Elimination Period is satisfied.

4. Policy benefits and features may vary by state.

Inflation Options

Your client can choose from one of the following four inflation options:

- CPI Compound Inflation
- CPI Compound Inflation to Age 75
- 5% Compound Inflation
- GPO (Guaranteed Purchase Option)/None

Keep in mind that, if this policy is being sold as a Partnership policy, a specific inflation option may be required based on the client's age at time of purchase. Please refer to pages 33-34 of this guide for more information.

CPI Compound Inflation

This inflation option ensures that clients get the compound inflation protection they need in a cost-effective manner. Annual increases in benefits are based on changes in the Consumer Price Index (CPI).⁵

Every year, on a client's policy anniversary, his or her Daily/Monthly Benefit and Total Pool of Money automatically will be adjusted on a compounded basis, according to increases in the CPI, for the life of the policy.⁶ The potential amount of your client's annual CPI increase is unlimited, even during periods of the highest inflation. In the event that the CPI decreases, the benefit amount will not be reduced.⁷ The increase is automatic and will be made even if the insured is on claim.

In addition to any annual CPI increases received, your client will also have a **Guaranteed Increase Option (GIO)**, which gives them the opportunity every three years to increase their existing benefits by 5% — for any reason, and with no health questions or exams. Benefit increases made through the GIO will require additional premium.⁸

CPI Compound Inflation to Age 75

Annual increases in benefits are based on changes in the CPI, and will occur on each policy anniversary through your client's 75th birthday. GIO is also included in this inflation option. This option is available to clients age 70 and younger.

5% Compound Inflation

On each policy anniversary, the Benefit Amount and remaining Total Pool of Money will increase by 5%, compounded annually, for the life of the policy. The increase is automatic and will be made even if the insured is on claim.

5. CPI refers to the Consumer Price Index—All Urban Consumers, published by the Bureau of Labor Statistics for the United States Department of Labor.

6. The rate used to determine the increase in benefits will be calculated based on the percentage change in the CPI three months prior to the policy anniversary date compared to the monthly CPI for the same time period one year prior.

7. Future CPI increases to the benefit amount will be offset by prior decreases in the CPI.

8. GIO offers will not be available after age 75, after two declined offers, if your client was Chronically Ill in the two-year period prior to their option date, or if the Limited-Payment Option is selected. GIO offers can be reinstated if we are provided with evidence of insurability. Premium increases under GIO are based on your client's attained age and the rates in effect on the option date, and the original risk category.

Guaranteed Purchase Option (GPO)⁹

On every third anniversary the policyholder will be able to increase his/her Benefit Amount by 10% of the current Benefit Amount. GPO is normally the default option if no other inflation options are chosen. Benefit increase made with GPO will require additional premium.

AGE 65 CONVERSION OPTION

John Hancock will make a one-time written offer on the policy anniversary that falls on or after the policyholder's 65th birthday to switch the GPO option to CPI Compound Inflation. The offer will be available for a period of 60 days. The election must be in writing on the form that John Hancock will provide. The increase in the premium will be equal to the difference between the premium for CPI Compound Inflation and the GPO coverage at the attained age for then current benefits. If the conversion offer is accepted, no further GPO offers will be made. This offer will not be available if your client was Chronically Ill in the two-year period prior to their option date or if the Limited-Payment Option is selected.

GPO is not available with Limited-Payment Options, or Survivorship and Waiver of Premium.

No Inflation

This option is only available if a Limited-Payment Option or Survivorship and Waiver of Premium Benefit is selected.

Note: All inflation options may be removed after the policy issue date.



9. GPO offers will not be available after age 75, after two declined offers, if your client was Chronically Ill in the two-year period prior to their option date, or if the Limited-Payment Option or Survivorship and Waiver of Premium Benefit is selected. Premium increases are based on your client's age, the rates in effect on the option date, and the original risk category.

How it works — Core Care

If you are looking to simplify the options for your client and still retain the same comprehensive coverage, you may want to consider Core Care. Take a look at the benefits and features this policy has to offer.

Policy Design Options¹⁰

Applicant Age

- 18–79

Daily Benefit Amount

- The choices are \$100, \$150, \$200, \$250, or \$300 a day.
- The policy will pay the actual covered charge, not to exceed the maximum Benefit Amount, subject to the Elimination Period, policy conditions and exclusions.
- Any unused portion of the maximum Benefit Amount will remain in the policy for later use, which may extend the chosen Benefit Period.

Benefit Period

The Benefit Period represents the minimum period of time the coverage will last. It is also used as a multiplier to calculate the Total Pool of Money.

Choices available are:

- 3 years (1,095 days) (36 months)
- 5 years (1,825 days) (60 months)

Total Benefit — Total Pool of Money

This policy provides a single Pool of Money that can be used for care in any setting, allowing maximum flexibility for your client. To determine the Total Benefit, or Total Pool of Money, multiply the Daily Benefit by the selected Benefit Period:

EXAMPLE:

$$\begin{aligned} & \$200/\text{day benefit} \times 5 \text{ years (1825 days)} = \\ & \$365,000 \text{ (Total Benefit)} \end{aligned}$$

Care Advisory Services and Additional Stay at Home Benefits do not reduce the Total Pool of Money.

Elimination Period

Think of the Elimination Period as a deductible, where the client must pay for covered services before the policy begins paying benefits.

- Elimination Period is 90 days of service.
- Elimination Period only needs to be satisfied once during the life of the policy.
- For Home Health Care, a minimum of two hours of covered care per day is required to count as one day toward the Elimination Period.
- If the policyholder is receiving home care one or more days a week, 1 day will be applied toward satisfying the Elimination Period for each instance (i.e., 1=1).
- Care Advisory Services and Additional Stay at Home Benefits can be paid before the Elimination Period is satisfied.

10. Policy benefits and features may vary by state.

Inflation Options

Your client can choose from one of the following three inflation options:

- CPI Compound Inflation to Age 75
- 5% Compound Inflation
- GPO

Keep in mind that, if this policy is being sold as a Partnership policy, a specific inflation option may be required based on the client's age at time of purchase. Please refer to page 33-34 of this guide for more information.

CPI Compound Inflation to Age 75

Annual increases in benefits are based on changes in the CPI, and will occur on each policy anniversary through your client's 75th birthday. (Not available to clients age 70 and older.)

Every year, on a client's policy anniversary, his or her Daily Benefit and Total Pool of Money automatically will be adjusted on a compounded basis, according to increases in the CPI.¹¹ The potential amount of your client's annual CPI increase is unlimited, even during periods of the highest inflation. In the event that the CPI decreases, the benefit amount will not be reduced.¹² The increase is automatic and will be made even if the insured is on claim. In states where CPI Compound Inflation to Age 75 is not available, CPI Compound Inflation will be offered.

In addition to any annual CPI increases received, your client will also have a **Guaranteed Increase Option (GIO)**, which gives them the opportunity every three years to increase their existing benefits by 5% — for any reason, and with no health questions or exams. Benefit increases made through the GIO will require additional premium.¹³

5% Compound Inflation

On each policy anniversary, the Benefit Amount and remaining Total Pool of Money will increase by 5%, compounded annually, for the life of the policy. The increase is automatic and will be made even if the insured is on claim.

11. The rate used to determine the increase in benefits will be calculated based on the percentage change in the CPI three months prior to the policy anniversary date compared to the monthly CPI for the same time period one year prior.
12. Future CPI increases to the benefit amount will be offset by prior decreases in the CPI.
13. GIO offers will not be available after age 75, after two declined offers, if your client was Chronically Ill in the two-year period prior to their option date, or if the Limited-Payment Option is selected. GIO offers can be reinstated if we are provided with evidence of insurability. Premium increases under GIO are based on your client's attained age and the rates in effect on the option date, and the original risk category.

Guaranteed Purchase Option (GPO)¹⁴

On every third anniversary the policyholder will be able to increase his/her Benefit Amount by 10% of the current Benefit Amount. GPO is normally the default option if no other inflation options are chosen.

AGE 65 CONVERSION OPTION

John Hancock will make a one-time written offer on the policy anniversary that falls on or after the policyholder's 65th birthday to switch the GPO option to CPI Compound Inflation. The offer will be available for a period of 60 days. The election must be in writing on the form that John Hancock will provide. The increase in the premium will be equal to the difference between the premium for CPI Compound Inflation and the GPO coverage at the attained age for then current benefits. If the conversion offer is accepted, no further GPO offers will be made. This offer will not be available if your client was Chronically Ill in the two-year period prior to their option date or if the Limited-Payment Option is selected.

No Inflation

This option is only available if the Limited-Payment Option is selected.

Note: All inflation options may be removed after the policy issue date.



14. GPO offers will not be available after age 75, after two declined offers, if your client was Chronically Ill in the two-year period prior to their option date, or if the Limited-Payment Option is selected. Premium increases are based on your client's age, the rates in effect on the option date, and the original risk category.

Built-in features — Custom Care III & Core Care

Double Coverage for Accident Benefit¹⁵

Geared toward the younger market, this built-in feature will reimburse expenses to the policyholder for up to two times the Daily or Monthly Benefit Amount if qualified services are needed due to an accident prior to age 65.

The doubling of the Benefit Amount will be for the entire duration of the claim (as long as the claim was incurred prior to age 65). Benefits paid in excess of the Daily or Monthly Benefit Amount will not be deducted from the Total Pool of Money.

This benefit is specifically underwritten (a policy can be issued without the benefit endorsement). It is added in the form of an endorsement due to the fact that the inclusion of such benefit is contingent upon the applicant completing the age, occupation, and lifestyle questions in a satisfactory manner.

Return of Premium Benefit

This is another benefit designed for the younger market. If death occurs prior to age 65 while the policy is in-force, a benefit will be paid to the beneficiary equal to total premiums paid less the policy benefits paid. This benefit is contained within the core of the policy and applies to individuals age 64 or younger.

Caregiver Support Services¹⁶

Chances are your clients will be called upon to provide care for someone else before they need care of their own. At a minimum, they may want to help their loved ones get the best care they can when that

time comes. John Hancock's Caregiver Support Services does just that, by providing personalized telephone and website support on caregiving questions, concerns, or situations people may be experiencing as caregivers.

Policyholders can access quality reports and ratings on a range of home care providers, nursing homes, and assisted living facilities nationwide. In addition, policyholders will get access to exclusive provider discounts and care advisory services for family members,¹⁷ which may enable them to save anywhere from 7–35% on the cost of care provider services.

Advantage Provider Program

This benefit gives your client access to discounts at thousands of providers nationwide. It also offers quality ratings and reports on LTC providers, as well as access to a care advocate who will work on your client's behalf to identify providers that are most appropriate to their needs.

Care Advisory Services¹⁸

The policyholder can choose an independent professional to assist in determining their care and treatment plan. The benefit is covered up to the Care Advisory Services amount. This amount is equal to $\frac{1}{3}$ of the Monthly Benefit (or 10 times the Daily Benefit) per calendar year. This benefit can be paid before the Elimination Period is satisfied. Care Advisory Services benefits paid do not count toward the Elimination Period. This benefit does not reduce the Total Pool of Money.

15. Subject to underwriting approval.

16. Caregiver Support Services is a service made possible through a partnership between John Hancock and a third-party organization. Discounts are not guaranteed and may be discontinued by the provider. John Hancock reserves the right to change third-party organizations, modify, or discontinue this service in the future. This benefit becomes active after the Free-Look Period ends.

17. Family members include spouses or partners, grandparents, parents, siblings, children, and all in-law and step equivalents of the policyholder.

18. Policyholder must be benefit-eligible to access this feature.

Additional Stay at Home Benefit

The Additional Stay at Home Benefit amount is equal to the Monthly Benefit (or 30 times the Daily Benefit) on a lifetime basis. This benefit is not subject to the Elimination Period, and benefits paid do not count toward the Elimination Period. This benefit does not reduce the Total Pool of Money, as it is a separate Pool of Money. The following are covered up to the Additional Stay at Home Benefit amount:

- Home modifications
- Home safety checks
- Durable medical equipment
- Provider care checks
- Caregiver training
- Medical alert systems

Bed Hold Benefit

Actual covered charges, up to the applicable Benefit Amount, will be paid to ensure a place will be held at the nursing home or assisted living facility when a stay is interrupted for any reason. The maximum number of days held is 60 per calendar year. This benefit is subject to the Elimination Period and does reduce the Total Pool of Money.

Waiver of Premium

Waiver of Premium is applicable when the policyholder is on claim. It begins once the Elimination Period is satisfied. It ends when benefits are no longer payable for that claim.

International Coverage

This benefit provides coverage anywhere outside of the United States, for up to one year. The Benefit Amount will be based on 100% of the Daily or Monthly Benefit (paid in U.S. dollars).

All services are covered except for the Additional Stay at Home Benefit, Independent Care Providers, Care Advisory Services, Double Coverage for Accident Benefit, Waiver of Home Health Care Elimination Period, and Additional Cash Benefit. We will not pay for care or treatment in any sanctioned countries or territories.

Coordination of Benefits¹⁹

John Hancock will reduce benefits payable under the policy for covered services if we also pay benefits for such services under any other individual LTC or Nursing Home-Only insurance policy issued by John Hancock. This does not include John Hancock Group LTC insurance or John Hancock combination products. Benefits will be reduced only when payment under the policy and all other John Hancock policies combined would exceed the actual amount the policyholder incurs for covered care or services.

If multiple policies are involved, the policy with the earliest effective date of coverage will be deemed primary coverage and pay first. Thereafter, payment will be made under any additional policy (deemed secondary coverage) in order of effective date, from the earliest to the latest. Any policy without a similar Coordination of Benefits provision will pay first, without any reduction in its benefits.

19. May not be available in every state.

Consumer Protection Provisions

These additional built-in features are available in Custom Care III and Core Care:

Alternate Services Benefit

This benefit helps to ensure that policyholders will have access to emerging services that may develop over time, but are not currently identified in their policy. For example, in certain circumstances, benefits for services not specifically covered under the policy, like robotics, may be authorized at the time of the claim. The benefit paid must be a lower-cost alternative to covered services.

Lifestyle Benefit Changes

Policyholders may adjust their Daily/Monthly Benefit once a year. Increases in coverage are subject to underwriting approval, and if approved, are subject to an additional premium for the increase in coverage. The premium for the additional coverage will be based upon attained age on the date the request is made, at the rates then in effect. The premium for underlying coverage will remain unchanged. Each change in coverage will become effective on the next policy anniversary.

Policyholders may make a written request to decrease benefits at any time. Any election to decrease coverage is not subject to evidence of insurability. Premium will be based on the reduced amount of coverage and original issue age. Each change in coverage will become effective on the next policy anniversary.

Independent Third-Party Review

This provision provides policyholders with an important assurance of our commitment to fair and objective claims paying practices. In the event that a claim is denied, the policyholder will have the right to request an independent third-party review. The decision of that third party will be binding and must be upheld by John Hancock.

Timely Payment of Claims

John Hancock understands that efficient processing of claims is an extremely important aspect of our service to both you and your clients. On average, the vast majority of our claims are paid within 15 days of approval. In the event that a claim payment takes longer than 30 days to process, we will pay the policyholder an interest penalty of 1% of the claim amount per month.²⁰

20. Benefit may vary if a higher percentage rate is required by state law or regulation. In FL, this interest penalty is 10%.

Contingent Nonforfeiture

If the optional Nonforfeiture rider is not chosen, this feature will be included in the policy at no cost. If the policy lapses following a rate increase that exceeds a certain cumulative percentage (varies by issue age), the policyholder will have the right to reduce their policy benefits so the premium payments do not increase, or convert coverage to a paid-up status, under which no further payments are due. The policy will remain in-force with a reduced Total Pool of Money equal to the sum of the premiums they have paid. This means that a reduced benefit will be payable instead of the Total Pool of Money. The benefit will be no less than 30 times the Daily Benefit Amount.

Added Protection Against Lapse

The policyholder may designate someone to receive notice of the overdue premium before the policy lapses.

30-Day Free Look

If the policyholder, for any reason, is not completely satisfied with the policy, he/she may return the policy within 30 days after it was delivered for a refund of all premiums paid.

Guaranteed Renewable

The policy is guaranteed renewable for life or until the policy limit is reached. *Premiums are not guaranteed to remain unchanged.* As long as your client pays the required premium, they have the right to continue the policy for as long as they live or until the policy limit is reached. We cannot cancel the policy unless your client does not make the required premium payments on a timely basis. To continue the policy, your client must make sure that they pay the premiums when they are due. We cannot change the provisions of the policy without their consent. **However, we do reserve the right to increase premium as of any premium due date in the future. Any changes in premium rates must apply to all similar policies issued in their state to policyholders in the same class on the policy form. This means we cannot single out your client for an increase because of their advancing age, declining health, claim status, or for any other reason related solely to them.**

Grace Period

Custom Care III and Core Care have a 65-day grace period. This means that if a renewal premium is not paid within 30 days from the date it is due, we will notify the policyholder and the person(s) designated to receive notification. There is an additional 35-day period after the notice is sent to pay the premium. During the grace period, the policy will stay in effect.

Optional benefits²¹

SharedCare Rider²²

This benefit allows partners to access the available benefits under the other's policy once their own policy is exhausted. If either partner dies, the survivor's policy is automatically increased by the remainder of deceased's Total Pool of Money. Premiums for both riders and the deceased's policy are dropped.

There is a 60-day purchase offer²³ of a 2-year benefit plan for the policyholder whose benefits are exhausted by their partner. Rates are based on attained age; the policyholder will not be subject to underwriting and cannot be determined Chronically Ill in the prior two years in order to qualify. This offer is good through age 90.

Note: Couples (spouses/partners) include policyholders who:²⁴

- Are married
- Have lived with a family member of the same generation (sibling or cousin) for at least three years
- Have lived with a partner of the same sex or opposite sex in a committed relationship for at least three years

Survivorship and Waiver of Premium

(Not available with Core Care)

Both partners are not required to purchase this rider, although both must have a John Hancock individual LTC insurance policy.

The partner who purchases this rider will have a paid-up policy if their partner dies, or will have their premiums waived while their partner's premiums are waived if the following conditions apply:

- No benefits (except for Care Advisory Services) have been paid under either policy during the first 10 years in-force
- On the date of the partner's death or premium waiver, both partners have policies in-force for a period of 10 consecutive full years
- On the date of the partner's death or premium waiver, this rider has been in-force for 10 years

Survivorship and Waiver of Premium is not available with:

- Limited-Payment Options
- Guaranteed Purchase Option (GPO)
- Guaranteed Increase Option (GIO)

21. Policy benefits and features vary by state. Please refer to the outline of coverage and a sample policy for details.

22. Partners must select the same benefit options, except Elimination Period. In AZ, available only with the 4-, 5-, 6-, or 10-year Benefit Period. For policies issued Substandard class, SharedCare is only available with a 2 or 3-year Benefit Period and in AZ it is only available with a 4-year Benefit Period.

23. Purchase offer not available in AZ or CT.

24. The definition of who qualifies as a couple or partner may vary by state.

**Waiver of Home Health Care Elimination Period²⁵
(Zero-Day Home Health Care Elimination Period)**
(Not available with Core Care)

This option waives the Elimination Period for home health care, creating a Zero-Day Elimination Period. The days of home health care count toward satisfying the facility Elimination Period. The waiver of premium begins once the facility Elimination Period is met. This rider is not available with a 180-day or 365-day Elimination Period.

Additional Cash Benefit
(Not available with Core Care)

This indemnity benefit is a separate Pool of Money that assists the policyholder in staying at home. The monthly cash benefit is equal to 15% of the Monthly Benefit Amount or 4.5 times the Daily Benefit Amount. It is payable if the insured is receiving home health care (and not receiving facility care during the month) and can be used to pay for a variety of expenses. This benefit is subject to the Elimination Period, but does not reduce the Total Pool of Money.

The monthly benefit will continue to be paid until the insured is no longer eligible or the policy ends. At certain benefit levels, benefits received may create a taxable event.

Nonforfeiture

If the policyholder selects this option, he or she will receive a policy with a reduced Total Pool of Money if the policy lapses after it has been in-force for at least three years (one year with a Limited-Payment Option). The reduced Pool of Money will be the sum of the total premiums paid, but not less than 30 times the Daily or one times the Monthly Benefit Amount. The Benefit Amount will remain the same with a resulting shortened Benefit Period. This optional rider may be dropped after issue.



25. In FL, this benefit is referred to as Waiver of Elimination Period (Zero-Day Elimination Period). In OR, referred to as Waiver of Non-Facility Elimination Period.

Ratings & discounts²⁶

Underwriting Classes

- Preferred (discounted 10% off Select premium)
- Select (Standard)
- Class I (125% of Select premium)²⁷
- Class II (150% of Select premium)²⁷

Couples (Spouses/Partners) Discount²⁸

Partners are defined as:

- Married couples
- People who have lived with a family member of the same generation for at least three years
- People who have lived with a partner of the same sex or opposite sex for at least three years

The Couples/Partner discount is 30% if both insureds apply, are approved, and accept the coverage.

- The maximum combination of Preferred and Couples/Partner Discounts is 35%
- All discounts are based on Select (Standard) rates

Sponsored Group Discount²⁹

Enables you to provide employers and associations with a way to make individual LTC insurance policies available to their employees or members at a 5% discount. This discount can also extend to their eligible family members and retirees.

Eligible family members include spouses, partners, children, parents, grandparents, siblings, and all in-law and step equivalents.

This discount is not available in conjunction with the Family Discount or Valued Client Discount. This discount is multiplicative. There is a commission reduction when this discount is applied.

Family Discount³⁰

If three or more members of an immediate family purchase individual John Hancock LTC insurance policies, a 5% discount will apply. Eligible family members include spouses, partners, children, parents, grandparents, siblings, and all in-law and step equivalents.

The discount is not available in conjunction with the Valued Client Discount or the Sponsored Group Discount. This discount is multiplicative. There is a commission reduction when this discount is applied.

26. Discounts may not be available in all states.

27. Not available with a 10-year Benefit Period.

28. The definition of who qualifies as a couple or partner may vary by state. In NY, discount is 20% when both apply and are approved.

29. Referred to as Marketing Group Discount in NY.

30. Not available in NJ, SD, and NY.

Valued Client Discount

Your existing Manulife and John Hancock life and annuity clients may be eligible for a 5% discount on the purchase of a new LTC insurance policy. Family members, including spouses, partners, children, parents, grandparents, siblings, and all in-law and step equivalents, are also eligible for the Valued Client Discount. This discount is not available in conjunction with the Family Discount or the Sponsored Group Discount. This discount is multiplicative. There is a commission reduction when this discount is applied.

Loyalty Credit³¹

John Hancock will allow current John Hancock LTC insurance policyholders of a different policy series to replace their current policy with a Custom Care III or Core Care policy. By doing so, the policyholder will receive a 5% reduction in their annual premiums. The original policy must have been in-force at least two years. The Custom Care III & Core Care rates are based on attained age, and are fully underwritten. The Loyalty Credit is multiplicative.

Flexible Payment Options

Frequency and Method (premiums cannot be paid in advance beyond the period for which they are due)

Your client has the option to pay premiums in a number of ways:

- Monthly (Bank Draft)
- Quarterly
- Semi-annually
- Annually

Limited-Payment Options

There are two Limited-Payment Options: **20-Pay** (not available on Core Care) and **Paid-Up at Age 75**. Both are guaranteed renewable during the premium paying period, and become non-cancelable thereafter.

- The 20-Pay option is available through age 69.
- The Paid-Up at Age 75 option is only available for applicants up to age 55.
- Limited-Payment Options are not available with GPO and GIO.
- If a Limited-Payment Option is elected with the Nonforfeiture benefit, the Nonforfeiture benefit will trigger after one year.
- Life Standard Pay can be converted to 20-Pay (if age 69 or younger), or Paid-Up at Age 75 (if age 55 or younger), if there is no GPO. Attained age premiums would apply and there is no premium credit.
- 20-Pay and Paid-Up at Age 75 can be converted to Life Standard Pay. Original issue age premiums would apply and there is no premium credit.
- Limited-Payment plans cannot be paid up in advance.
- Policyholder will have access to a Limited-Payment Option Contingent Nonforfeiture should a rate increase occur and trigger that benefit option. (Policyholder must have paid 40% of their premium.)

31. Not available in FL and NY.

Facts-at-a-glance — Custom Care III & Core Care

Building Blocks³²

	CUSTOM CARE III	CORE CARE
Issue Ages	<ul style="list-style-type: none"> • 18–79 	Same
Maximum Daily/Monthly Benefits	<p>Daily Benefit (Standard rates)</p> <ul style="list-style-type: none"> • \$50 to \$500 • \$10 increments <p>Monthly Benefit (for additional cost)</p> <ul style="list-style-type: none"> • \$1,500 to \$15,000 • \$100 increments 	<p>Daily Benefit</p> <ul style="list-style-type: none"> • \$100 • \$150 • \$200 • \$250 • \$300
Benefit Periods	<ul style="list-style-type: none"> • 2, 3, 4, 5, 6, 10 years 	<ul style="list-style-type: none"> • 3 or 5 years
Elimination/Deductible Periods	<ul style="list-style-type: none"> • 30, 60, 90, 180, or 365 days of service • 1 day = 1 day • True cumulative Elimination Period (EP); days of service do not need to be consecutive or within same claim • Base rates include the 90-day EP • Rates are (+20/+10/+0/-10/-20%) of the base rate for 30/60/90/180/365, respectively • For Home Health Care, a minimum of two hours of covered care per day is required to count as one day toward the Elimination Period. 	<ul style="list-style-type: none"> • 90 days of service • 1 day = 1 day • True cumulative Elimination Period (EP); days of service do not need to be consecutive or within same claim • For Home Health Care, a minimum of two hours of covered care per day is required to count as one day toward the Elimination Period.
Inflation Options <i>(All inflation options may be dropped after issue)</i>	<ul style="list-style-type: none"> • CPI Compound Inflation Each year, the Daily/Monthly Benefit and Total Pool of Money will be adjusted on a compounded basis, according to increases in the Consumer Price Index (CPI). The potential amount of the annual CPI increase is unlimited, even during periods of the highest inflation. In the event that the CPI decreases, the benefit amount will not be reduced. • CPI Compound Inflation to Age 75 Each year, the Daily/Monthly Benefit and Total Pool of Money will be adjusted on a compounded basis, according to increases in the Consumer Price Index (CPI). CPI compound inflation increases will occur on each policy anniversary through your client's 75th birthday. Option not available after age 70. 	<p>Not available</p> <p>Same. In states where CPI Compound to 75 is not available, CPI Compound Inflation will be offered.</p>

32. Policy benefits and features may vary by state.

Building Blocks³²

	CUSTOM CARE III	CORE CARE
Inflation Options continued	The Guaranteed Increase Option (GIO) is available with CPI Compound Inflation and CPI to Age 75. With GIO, the policyholder will be given the option to increase their benefit by 5% every three years — for any reason, and with no health questions or exams. Benefit increases made through the GIO will require additional premium. Offers are not available after age 75, after two declined offers, if your client was Chronically Ill in the two-year period prior to their option date, or if the Limited Payment Option is selected. GIO offers can be reinstated if provided with proof of insurability. Premium increases under GIO are based on your client's age and the rates in effect on the option date and the original risk category.	Same
	<ul style="list-style-type: none"> 5% Compound Inflation Each year, your Daily/Monthly Benefit and Total Pool of Money will increase by 5% on a compounded basis. 	Same
	<ul style="list-style-type: none"> Guaranteed Purchase Option (GPO) Offer every three years, to increase the Daily/Monthly Benefit and the Total Pool of Money by 10% of the current amount without evidence of insurability. GPO offers are not available after age 75, after two declined offers, if your client was Chronically Ill in the two-year period prior to their option date, if the Limited Payment Option is selected, or if the Survivorship and Waiver of Premium Rider is selected. AGE 65 CONVERSION OPTION John Hancock will make a one-time written offer on the policy anniversary that falls on or after the policyholder's 65th birthday to switch the GPO option to CPI Compound Inflation. The offer will be available for a period of 60 days. 	Same <i>(Survivorship and Waiver Benefit not available)</i>
	<ul style="list-style-type: none"> No Inflation Available for Limited Payment Options, Employer Pay all situations, or if the Survivorship and Waiver of Premium Rider is selected. 	Same <i>(Survivorship and Waiver Benefit not available)</i>

32. Policy benefits and features may vary by state.

Building Blocks³²

	CUSTOM CARE III	CORE CARE
Eligibility for Payment of Benefits	<ul style="list-style-type: none"> • 2 out of 6 ADLs with hands-on or standby assistance, or cognitive impairment with substantial supervision • Subject to the Elimination Period • Receiving covered care or services according to an acceptable Plan of Care • Chronically Ill and need written certification from a Licensed Health Care Practitioner that claim is expected to last for a period of at least 90 days 	Same

Built-In Benefits³²

	CUSTOM CARE III	CORE CARE
Coverage	<ul style="list-style-type: none"> • Nursing Home, Assisted Living Facility, Adult Day Care, Home Care, and Hospice Care 	Same
Nursing Home and Assisted Living Facilities	<ul style="list-style-type: none"> • 100% of actual Nursing Home or Assisted Living Facility charges are covered, up to the Benefit Amount • All benefits will be deducted from the Total Pool of Money • Must meet policy definition of a qualified facility 	Same
Home Health Care	<ul style="list-style-type: none"> • 100% of Home Health Care services are covered for qualified LTC services defined in a comprehensive plan of care up to the Benefit Amount • Services covered include: Adult Day Care, care in your home, and Hospice Care Services • All benefits will be deducted from the Total Pool of Money • In the event a home health agency is not available within a 40-mile radius of the insured's home, we will pay the actual charges for home care provided by an authorized independent care provider (ICP) up to 75% of the LTC Benefit Amount • Includes incidental homemaker services (shopping not included) 	Same

32. Policy benefits and features may vary by state.

Built-in Benefits³²

	CUSTOM CARE III	CORE CARE
Additional Stay at Home Benefit	<ul style="list-style-type: none"> • Pays for home modifications, emergency alert systems, durable medical equipment, provider care checks, caregiver training, and home safety checks. Designed to enable a claimant to remain at home for as long as possible. • No monthly or daily cap; just one lifetime cap equal to one times the Benefit Amount (if monthly option), or 30 times the Benefit Amount (if daily option). • Separate Pool of Money • Not subject to, nor does it satisfy, the Elimination Period • Does not reduce the Total Pool of Money 	Same
Waiver of Premium	<ul style="list-style-type: none"> • Begins after Elimination Period is met • Continues while policyholder is on claim • Premium will not be waived if the policyholder: <ul style="list-style-type: none"> – is only receiving benefits under the Additional Stay at Home Benefit – has exhausted the International Coverage Benefit, unless and until they receive care or services for which benefits are payable under the LTC insurance benefit within the fifty (50) United States or the District of Columbia • If premium has been paid during a period for which premiums are waived, we will refund the premium for such period 	Same
International Coverage	<ul style="list-style-type: none"> • Reimburse actual charges incurred up to 100% of applicable benefit for up to one year (paid in U.S. dollars) • All services are covered except for the Additional Stay at Home Benefit, Independent Care Providers, Care Advisory Services, Double Coverage for Accident Benefit, Waiver of Home Health Care Elimination Period, and Additional Cash Benefit • No restriction on countries (except sanctioned countries or territories) 	Same
Care Advisory Services	<ul style="list-style-type: none"> • Daily: Limit equals the actual charges up to 10 times the Daily Benefit Amount each calendar year • Monthly: Limit equals the actual charges up to 1/3 of the Monthly Benefit Amount each calendar year • Not subject to, nor does it satisfy, the Elimination Period • Does not reduce the Total Pool of Money 	Same

32. Policy benefits and features may vary by state.

Built-in Benefits³²

	CUSTOM CARE III	CORE CARE
Bed Hold Benefit	<ul style="list-style-type: none"> Covers 60 days of bed-hold per calendar year for any reason Subject to the Elimination Period; reduces the Total Pool of Money 	Same
Double Coverage for Accident Benefit	<ul style="list-style-type: none"> Policy will reimburse up to two times the Benefit Amount if care/services are received as a result of an accident prior to age 65 Benefits paid in excess of the Benefit Amount will not be deducted from the Total Pool of Money This feature is underwritten and will not be included in the policy if the individual is age 65 or older at issue 	Same
Return of Premium Benefit	<ul style="list-style-type: none"> If death occurs prior to age 65, John Hancock will pay a benefit to the designated beneficiary equal to the total premiums paid less any claims paid 	Same
Advantage Provider Program	<ul style="list-style-type: none"> Information on quality ratings on thousands of LTC providers Access to a vendor advocate, who provides claimant and their families with lists of available providers in their area Negotiated discounts with LTC providers John Hancock reserves the right to change vendors, modify, or discontinue this service in the future 	Same
Caregiver Support Services	<ul style="list-style-type: none"> Extends Advantage Provider Program to insured's family members Personalized support via toll-free call Website access and information John Hancock reserves the right to change vendors, modify, or discontinue this service in the future 	Same
Coordination of Benefits	<ul style="list-style-type: none"> Will coordinate with other John Hancock LTC insurance coverage in place (will not duplicate benefits if client has multiple policies with John Hancock) May not be available in every state 	Same

32. Policy benefits and features may vary by state.

Consumer Protection Provisions³²

	CUSTOM CARE III	CORE CARE
Alternate Services Benefit	<ul style="list-style-type: none"> Helps to ensure that policyholders have access to emerging services that may develop over time, but are not currently identified in their policy <ul style="list-style-type: none"> Example: in certain circumstances, benefits for services not specifically covered under the policy may be authorized at the time of the claim, such as robotics Benefit paid must be a lower-cost alternative to covered services 	Same
Lifestyle Benefit Changes	<ul style="list-style-type: none"> Allows annual adjustments to Benefit Amount, effective on policy anniversary Increases subject to underwriting and additional premium at attained age Policyholder can also elect to decrease coverage Coverage selection change form needs to be submitted 	Same
Independent Third-Party Review	<ul style="list-style-type: none"> In the event that an insured is determined not to be Chronically Ill and denied benefits, the policyholder will have the right to request an independent third-party review Decision of that third party will be binding and must be upheld by John Hancock 	Same
Timely Payment of Claims	<ul style="list-style-type: none"> In the event (upon receipt of proof of loss) that a claim payment takes longer than 30 days to process, we will pay the policyholder an interest penalty of 1% of the claim amount per month 	Same
Contingent Nonforfeiture	<ul style="list-style-type: none"> In the event John Hancock cumulatively increases rates by more than the specific amount shown in the Contingent Nonforfeiture provision, we will provide the policyholder with the opportunity to: <ul style="list-style-type: none"> pay the increased premium decrease their benefits to a level supported by their current premium elect the Contingent Nonforfeiture Benefit Under the Contingent Nonforfeiture Benefit, the policy will remain in-force with a reduced Total Pool of Money equal to the sum of the premiums they have paid, but not less than 30 times the Daily Benefit Amount Will be automatically included in the policy at no cost, in the event that traditional Nonforfeiture is not purchased 	Same

32. Policy benefits and features may vary by state.

Ratings & Discounts³²

	CUSTOM CARE III	CORE CARE
Underwriting Classes	<ul style="list-style-type: none"> • Preferred — 10% discount off Select rates • Select (Standard) • Class I (125% of Select premium) • Class II (150% of Select premium) 	Same
Discounts Available	<ul style="list-style-type: none"> • Couples/Partner Discount <ul style="list-style-type: none"> – 30% if both individuals apply are approved, and accept coverage (In NY, discount is 20%) – Partners are defined as: <ul style="list-style-type: none"> • Married couples; • People who have lived with a family member of the same generation for at least three years; • People who have lived with a partner of the same sex or opposite sex for at least three years • Preferred Discount — 10% discount off Select rates (maximum combination of Couples/Partner and Preferred Discounts is 35%) • Sponsored Group — 5% • Valued Client — 5% • Family Discount — 5% (must have at least three members of immediate family buy separate individual John Hancock LTC insurance policies) • A policy can have either the Family, Sponsored Group, or Valued Client discount (not more than one) <ul style="list-style-type: none"> – Discounts are multiplicative and reduced commission rates apply 	Same
Loyalty Credit	<ul style="list-style-type: none"> • Allows current John Hancock LTC insurance policyholders of a different policy series to purchase Custom Care III or Core Care with a 5% reduction in the annual premium • Original policy must have been in-force at least two years • Rates are based on attained age, and are fully underwritten • This discount is multiplicative 	Same

32. Policy benefits and features may vary by state.

Payment Options³²

	CUSTOM CARE III	CORE CARE
Payment Options	<ul style="list-style-type: none"> • Direct bill — annual, semi-annual, quarterly payment options • Bank draft — monthly only • List bill 	Same
Limited-Payment Options	<ul style="list-style-type: none"> • 20-Pay (available to applicants up to age 69), Paid-Up at Age 75 (available only to applicants age 55 and younger) • Guaranteed renewable during premium paying period, non-cancelable thereafter • Not available with GPO or Survivorship and Waiver of Premium rider • Policyholder will have access to a Limited-Payment Option Contingent Nonforfeiture should a rate increase occur and trigger that benefit option (policyholder must have paid 40% of their premium) 	<ul style="list-style-type: none"> • Paid-Up at 75 (available only to applicants age 55 and younger) • Guaranteed renewable during premium paying period, non-cancelable thereafter • Not available with GPO • Policyholder will have access to a Limited-Payment Option Contingent Nonforfeiture should a rate increase occur and trigger that benefit option (policyholder must have paid 40% of their premium)

Optional Benefits (Riders)³²

SharedCare	<ul style="list-style-type: none"> • Allows a policyholder to access their partner's benefits when their benefit is exhausted. If the partner dies, their benefits will increase the surviving partner's remaining Total Pool of Money and the premium will be reduced by the cost of the SharedCare Benefit • If the policyholder's benefits are exhausted by a partner, they have the option to purchase a policy with a 2-year benefit with no underwriting. Policyholder cannot be determined Chronically Ill in the prior two years in order to qualify. This offer is good through age 90 <p>Couples/Partners include policyholders who:</p> <ul style="list-style-type: none"> – are married – have lived with a family member of the same generation for at least three years – have lived with a partner of the same sex or opposite sex for at least three years <ul style="list-style-type: none"> • Partners must select the same benefit options, except Elimination Period. In AZ, available only with the 4-, 5-, 6-, or 10-year Benefit Period. For policies issued Substandard class, SharedCare is only available with a 2- or 3-year Benefit Period (in AZ it is only available with a 4-year Benefit Period) 	<ul style="list-style-type: none"> • Same • Only available Benefit Period options are 3- and 5-year <ul style="list-style-type: none"> – 3-year only when Substandard – N/A when Substandard in AZ
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32. Policy benefits and features may vary by state.

Optional Benefits (Riders)³²

	CUSTOM CARE III	CORE CARE
Survivorship and Waiver of Premium	<ul style="list-style-type: none"> • If both policyholders have in-force policies and riders with no benefits paid during the first 10 years, the surviving partner's policy will be paid up upon the death of their partner • If both policyholders have in-force policies and riders with no benefits paid during the first 10 years, when one partner goes on claim after 10 years, the premiums are waived for both policies for the duration of the claim, upon recovery, both must pay premiums again • Not available with GPO or Limited-Payment Option • Both partners are not required to purchase this rider, but only those who have the rider receive benefits • Rider cost is 9% 	N/A
Waiver of Home Health Care Elimination Period	<ul style="list-style-type: none"> • Waives the Elimination Period for home health care, creating a Zero-Day Elimination Period for home health care • Days of home health care count toward the facility Elimination Period • Waiver of Premium begins after Elimination Period has been satisfied • Not available with 180- or 365-day Elimination Periods • Rider cost is 15% 	N/A
Additional Cash Benefit	<ul style="list-style-type: none"> • In addition to the Benefit Amount, this rider provides a cash indemnity benefit in the following amounts if insured is receiving home health care (not facility care) <ul style="list-style-type: none"> – Daily: 4.5 times the Daily Benefit Amount – Monthly: 15% of the Monthly Benefit Amount • At certain levels, benefits received may cause a taxable event • Rider cost is 10% 	N/A
Nonforfeiture	<ul style="list-style-type: none"> • If the policy lapses after three years (one year with Limited-Payment Option), a policyholder will have a paid-up policy with the Total Pool of Money reduced to the greater of premiums paid, or one times the Monthly Benefit Amount, or 30 times the Daily Benefit Amount • Rider cost is 6% 	Same

32. Policy benefits and features may vary by state.

Marketing materials³³

CONSUMER PRODUCT MATERIALS



Custom Care III Product Brochure
(ICC10-LTC-8000) (LTC-8000)
Describes the benefits and features of Custom Care III, including CPI-linked inflation, Caregiver Support Services, and more.



Core Care Product Brochure
(ICC10-LTC-8100) (LTC-8100)
Describes the benefits and features of Core Care.



Caregiver Support Services Brochure
(ICC10-LTC-8080) (LTC-8080)
Explains the Caregiver Support Services Benefit and how your clients will receive personalized telephone and online assistance to help them with common caregiver questions and concerns.



Custom Care III Application Booklet
(ICC10-LTC-8720) (LTC-8720)
This booklet includes an application, HIPAA Medical Authorization form, an outline of coverage, and all state-required forms.



Core Care Application Booklet
(ICC10-LTC-8721) (LTC-8721)
This booklet includes an application, HIPAA Medical Authorization form, an outline of coverage, and all state-required forms.



Mini Product Overview Brochure
(ICC10-LTC-8181) (LTC-8181)
Explains the product features of an LTC insurance policy. Can be used with both Custom Care III and Core Care.



CPI-linked Inflation Coverage Brochure
(ICC10-LTC-8076) (LTC-8076)
Explains how CPI-linked inflation helps benefits keep pace with the rising cost of care.

PRODUCER SALES TOOLS



Custom Care III & Core Care Facts-at-a-Glance (LTC-8022)
A quick-reference tool that includes a high-level description of the benefits and features of Custom Care III and Core Care. Download only.



Custom Care III Consumer Product Presentation
(ICC10-LTC-8001) (LTC-8001)
Focuses on the benefits and features of Custom Care III. Download only.



Core Care Consumer Product Presentation
(ICC10-LTC-8101) (LTC-8101)
Focuses on the benefits and features of Core Care. Download only.



Custom Care III Rate Card
(LTC-8003)
Step-by-step instructions on how to calculate your client's Custom Care III premiums. Download only.



Core Care Rate Card
(LTC-8103)
Step-by-step instructions on how to calculate your client's Core Care premiums. Download only.



Illustration System (eHansel)
The online version of the illustration system is at <https://ltc.ehansel.com>. Changes are automatically updated by John Hancock.

33. State-specific materials may apply. Please refer to www.jhltc.com for details on availability of approved materials. All materials with "ICC10" in the form number are for use in Compact states only.

General information, administration & resources

How a Policyholder Becomes Eligible for Benefits

A policyholder is eligible for benefits if he/she is a Chronically Ill individual. A Chronically Ill individual is someone who:

Substantial assistance to perform at least two of the six Activities of Daily Living (ADLs) due to the loss of functional capacity for at least 90 days. ADLs are bathing, continence, dressing, eating, toileting, or transferring. Substantial assistance means needing hands-on or standby assistance while performing an ADL. Standby assistance means the policyholder needs the presence of another person within arm's reach in order to prevent, by physical intervention, injury to the policyholder while they are performing the ADL; **OR**

Requires substantial supervision to protect himself/herself from threats to his/her health and safety due to the presence of a cognitive impairment, which is established by clinical evidence and standardized tests as required by John Hancock that reliably measure the insured's impairment.

To receive benefits, the policyholder must:

- Have satisfied their Elimination Period;
- Have received covered care or services while this policy is in effect;
- Have received care or services that are consistent with their care needs and are covered under the policy, specified in a plan of care, and in accordance with accepted medical and nursing standards of practice;
- Submit to John Hancock written proof of loss (such as invoice from the provider of services); and
- Have a licensed health care practitioner certify in writing that the ADL dependency is expected to continue for at least 90 days, or that the insured requires substantial supervision due to cognitive impairment.

LTC Insurance Administration

Premium Payment Modes

- Bank draft monthly (voided check and separate ADP bank draft form are required)
- Quarterly
- Semi-annually
- Annually

Please note that the more frequent premiums are paid, the higher the cost.

Direct bill is allowed for quarterly, semi-annual, and annual modes only.

List billing is available for all four modes (if employer-paid, no money required with application).

Premiums will only be billed on the anniversary date of the policy. Off-anniversary billing is not available.

New Business Advanced Payment

Prepayment of premium with the application is required. A minimum of one month's modal premium must be submitted with bank draft, list bill (unless employer-paid), and direct bill payment modes. Prepayment should be recorded on the Advance Payment Receipt, which is included with the application as a duplicate copy. One should be signed and submitted and the other should be given to the applicant.

Age at Issue

If the applicant's age changes within 30 days of the application date (include the date the application was signed and the birthdate as two of the 30 days), then the younger age is used for the premium calculation. Underwriting requirements are based upon the younger age.

Supplemental Forms

At the time of application, an applicant must receive (*included in the application booklet):

- Outline of Coverage (prior to application)*
- Medical Authorization Form (HIPAA)*
- Notice of Insurance Information Practices*
- Suitability Forms (LTC-PWK) (LTC-SUIT)*
- Replacement Forms (if replacement is involved)*
- Medicare Buyer's Guide (if eligible for Medicare) (LTC-1014) — prior to application
- Shopper's Guide to Long-Term Care Insurance (LTC-1059) (may vary by state)
- Potential Rate Increase Disclosure Form*
- Any other state-required forms or documents

Please review these materials with your applicant at the time of application. All signature-required forms must be submitted with the application.

The application needs to be received in New Business within 30 days of the signature date or it will be marked incomplete and the New Business/Underwriting Department will not process it.

Resources to Help You and Your Clients

Suitability Guidelines

(National Association of Insurance Commissioners [NAIC] Suitability Requirements)

We believe the consumer protection provisions found in the NAIC Model LTC Insurance Act and Regulation provide consumers with valuable information so that they may make informed decisions regarding their LTC insurance purchase. As such, John Hancock complies with the NAIC provisions on suitability, regardless of whether or not the state mandates suitability requirements.

In sum, these provisions require us to develop and use suitability standards to assure that the purchase or replacement of LTC insurance is appropriate for the needs of the applicant. Appropriateness of sale is based upon the individual's financial situation, goals, and needs with respect to long-term care. In addition, in a replacement situation, an analysis of the benefits and costs of an individual's existing coverage, as compared to the proposed coverage, is required.

Minimum Suitability Standards

Annual income standards apply per person, rather than per couple. If an individual does not meet both the income and asset minimums below, we have the right to decline the application as being an unsuitable purchase.

- An individual must have an income of \$20,000 or greater.
- The combined income for a couple must be at least \$40,000.
- An individual must have assets (savings and investments) which equal at least \$30,000. *(Note: Assets do not include the applicant's house.)*
- A couple must have combined assets which equal at least \$50,000.

These guidelines state that an individual should not purchase the policy if the premium would exceed 7% of their income. In addition, if the individual's assets are less than \$30,000, we will recommend that the applicant consider other options for financing their long-term care. Note that these standards may be waived in certain appropriate instances (e.g., child is paying the parent's premium).

In order to assure that a particular LTC insurance product is suitable, the following elements must also be taken into consideration:

- Who will pay the premium (applicant, a child, etc.)
- Where will the premium come from (income, savings, investments, etc.)
- What are their living arrangements (are family and friends available to assist in care, if needed)
- What is the actual cost of care in the area where the applicant lives
- How will the individual fund their care costs during the Elimination Period
- What are the applicant's needs and how can a particular LTC insurance product satisfy those needs
- Which benefits have been selected, including benefit levels, inflation choices, optional benefits, etc.
- What could happen if the individual experiences a change in financial circumstances
- Do they understand that rates could possibly change in the future

Delivery of Forms

Prior to completing the application, all applicants must receive the following:

- “Long-Term Care Personal Worksheet,” which is completed and signed by both the client and the producer
- “Things You Should Know Before you Buy Long-Term Care Insurance”
- “Long-Term Care Insurance Potential Rate Increase Disclosure Form”

Filling Out the Personal Worksheet

The producer must review with the applicant the income, asset, goals, and needs information from the application. The applicant will be required to either:

- fill out the Personal Worksheet, or
- indicate that they choose not to provide the information

(Both the consumer and the agent sign the Personal Worksheet in the space provided)

If the applicant declines to provide the financial information, or does not meet our suitability standards, we will suspend the application until we obtain oral or written verification that the individual still chooses to purchase LTC insurance (assuming the application is approved) and still does not want to provide us with the financial information. If telephone verification is used, the call must be clearly documented in the applicant's file. Signed copies of the Personal Worksheet and written documentation that we checked (either in writing or by phone) that the applicant chose not to provide financial information (or does not meet our suitability standards and still wants to purchase the insurance policy) must become part of the permanent application file.

Closing Files at Day 60

Cases will be closed (Incomplete) 60 days from the Application Received Date if the necessary medical or non-medical requirements have not been received. Non-medical requirements include forms, outstanding application information, and/or licensing requirements. Any premium submitted with the application will be refunded directly to the applicant. If the outstanding requirements are received after the file has been closed, we will reopen the case and continue to process accordingly.

First Household Rule

John Hancock's First Household Rule applies to situations where two LTC insurance applications are submitted on one or more of our LTC insurance products, from different producers, on the same applicant, within the same household.

The First Household Rule states that the first producer to submit an LTC insurance application is considered the agent of record for that household for a period of at least six months following the submission of the first application.

In effect, this means that regardless of which policy is ultimately selected by the prospect and consequently placed within the household, the agent of record is credited with the business and paid the full commission. Application received dates are reviewed to determine the agent of record. Once the agent of record is determined, John Hancock's Underwriting Department notifies all affected producers.

John Hancock will only accept or process a second application from another producer after a period of six months from the submission date of the original application, or the policy issue date, whichever is later. Of course, evidence of insurability will be required.

The First Household Rule is strictly adhered to for all producers. It applies whether or not an advance payment is made on an application, whether or not an age change occurs within the six-month period, and whether or not we receive a letter from the client expressing a preference for one producer or the other.

In a competitive marketplace, some conflict is inevitable. Nevertheless, experience shows that the First Household Rule significantly reduces the frequency of conflict, provides clear guidelines for

resolution, expedites the processing of new business, better preserves the producer's investment in a client relationship, and protects John Hancock's reputation in the marketplace.

Underwriting

If you are unsure if your client will qualify for LTC insurance coverage, you can get fast pre-qualification information by simply calling 888-604-7296, Option 3 (available from 8AM – 6PM EST, Monday through Friday).

Some clients may also be approved for Preferred rates. Your client can fill out the Preferred Self-Screening Questionnaire (LTC-2976) to see if they would qualify for these discounted rates.

Other underwriting tools available:

- **John Hancock Field LTC Insurance Underwriting Guide (LTC-1727):** Find out quickly whether your clients' medical conditions will have an impact on their eligibility for LTC insurance coverage, as there are diseases and conditions that may lead our Underwriting Department to decline an applicant. This guide provides a complete understanding of our underwriting programs and processing.
- **Consumer Underwriting Process Brochure (LTC-1590):** Available to assist you in preparing your client for our underwriting process. It explains in clear language our four underwriting programs. It is essential that your client receive this brochure during the sales process, as this will set your client's expectations and help ensure the most favorable results.
- Cognitive impairment claims are estimated to make up as much as 40% of claim volume. In our telephone or personal interview, we administer the Minnesota Cognitive Acuity Screen. This simple 15-minute screen identifies cognitively impaired persons with 98% accuracy.

Getting Approval for Marketing Materials

Producers must obtain prior approval from John Hancock for use of any advertisement they create relating to, or containing the name of, John Hancock or its products.

John Hancock uses an intranet workflow application to facilitate the electronic review of advertisements, sales material and training material. Access to the system is limited to Home Office, regional, and agency staff of the insurer. Brokers are requested to provide copies of advertisements about or relating to John Hancock or its products to their sales/marketing liaison, who will take care of the Home Office review process.

John Hancock asks that all items submitted for review be in electronic format. Adobe PDF is preferred, as well as native file formats such as MS Word, MS PowerPoint, etc. Alternatively, items may be scanned as PDF, JPG, or TIF files.

All submissions must be accompanied by a comprehensive written description of the item, how it will be used and by whom, and the state(s) in which distribution is intended.

The Interstate Insurance Compact and LTC Insurance

The Interstate Insurance Compact (“Compact”) is an important modernization initiative that benefits state insurance regulators, consumers, and the insurance industry.

Its goal is to enhance the efficiency and effectiveness of the way insurance products are filed, reviewed, and approved allowing consumers to have faster access to competitive insurance products in an ever-changing marketplace. The Compact promotes uniformity through the application of national product standards embedded with strong consumer protections.

The Compact functions through a multi-state public entity, the Interstate Insurance Product Regulation Commission (IIPRC), which develops standards and serves as a central point of electronic filing by insurers.

The individual LTC insurance uniform standards were adopted in August 2010 with separate standards applying to: application forms, outlines of coverage, policy contracts, initial rate filings, rate increase filings, advertisements, benefit features, and riders/endorsements.

The following thirty-four states are currently members of the Compact for LTC insurance:

Alaska, Colorado, Georgia, Idaho, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nebraska, New Hampshire, New Mexico, North Carolina, Ohio, Oklahoma, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming.

The Interstate Compact — Marketing Materials and Policy Forms

Marketing materials, applications, and policy forms filed through the Interstate Compact require a specific numbering system in order to identify and confirm that the material has been reviewed and approved.

All form numbers will have an “ICC” prefix. Please take notice if you are doing business in one or more of the above compact states to ensure you are using the appropriate material market with the ICC prefix.

State Insurance Department Review

Advertisements are generally reviewed by regulators in the order they are received. Processing time fluctuates

widely, (averaging around 4–6 weeks) depending on the volume and complexity of filings being handled by an insurance department. Analysts review advertising for content, context, prominence, and position of required disclosures, omissions of required information, violations of statutes, regulations, policy provisions, and licensing regulations.

Notice of objections, disapprovals, and approvals are sent to the insurer, who will then communicate with the owner of the advertisement. Owners are required to retain a copy of the notice of approval in their records for the advertisement.

Out-of-State Solicitation

Under John Hancock's process, the application form to use is dictated by the state where the application is being solicited and signed.

If an applicant is signing an application outside of his/her resident state, you will be required to submit a John Hancock LTC Situs Verification Form (LTC-SITUS) to explain why. Use of this form, however, will not enable a Partnership policy to be issued to an individual who is not a resident of a Partnership state. Partnership policies can only be issued to residents of a Partnership state.

GOVERNING PRINCIPLES

In most cases, state of issue will be where solicitation takes place. Solicitation is any act or activity undertaken by the producer that is designed, or has the tendency, to induce another person or entity to purchase LTC insurance. The following governing principles must always be followed when determining state of issue:

- The producer must be licensed and appointed in the state where solicitation took place.
- The product must be approved in the state where solicitation took place.

- The application form must be for the state where solicitation took place.
- Policy delivery must be (or must be deemed to be) occurring in the state where solicitation took place.
- There must be a relationship between the applicant of the LTC insurance policy and state of solicitation.
- The allowable relationships are defined on the John Hancock LTC insurance SITUS Verification Form.

ADMINISTRATIVE INFORMATION

We will require that all producers complete and submit the SITUS Verification Form in situations where the application is being signed outside the applicant's resident state. This form (LTC-SITUS) can be downloaded from the producer website (www.jhltc.com) under Working with John Hancock > Licensing, or ordered through your normal ordering process.

Note: Both clients and producers are required to sign this form.

Guideline 1: If the owner is a resident of the state where the application is taken (signed), the application and the state of issue will be the state where the owner resides.

Example:

- Applicant's state of residence is Massachusetts
- Application is taken (signed) in Massachusetts using a Massachusetts application
- Policy delivery will be in Massachusetts
- State of issue is Massachusetts, provided all of the above

Guideline 2: If the applicant's state of residence and state where the application is taken (signed) differ, whether or not the product is approved in the owner state of residence, the state of issue and policy form will be the state where the application is taken if:

- The producer is appointed in the state where the application is taken.
- The product is approved in the state where the application is taken.
- Solicitation takes place in the state where the application is taken.
- There is a reasonable basis to justify delivery in the state where the application is taken versus delivery in the state where the owner resides.

Example:

- Applicant's state of residence is New York
- Applicant's secondary residence is Florida
- Application is taken in Florida using a Florida application
- State of issue is Florida

Note: These principles are not applicable to applicants for Partnership policies in NY, CT, IN, and CA due to the specific regulatory requirements on producers who sell Partnership policies, including CE certification and the fact that the applicant of the Partnership policy must be a resident of the state in which they are living.

Applicants Abroad

Producers are not permitted to solicit applications in foreign countries. We require that:

- A U.S. address be entered as the address of record on our application form
- It be signed in a U.S. city and state
- Delivery of the policy by the producer be to a U.S. address — not mailed abroad
- The individual must have lived in the U.S. for at least 4 months prior to applying.

Also, applications will not be accepted from applicants who are residing or traveling in the U.S. on temporary visas/waivers (e.g. students on J-1 visa, workers on H-1B visas, foreign tourists, etc.).

Tax Information

The Internal Revenue Service allows certain amounts of LTC insurance premium payments to be deducted from taxable income. The deductions increase with age. For more details please refer to the LTC insurance Tax Guide (GFR-TX).

Claims

Determining how someone will be cared for can often be a stressful time. That is why financial assistance is not the only kind of support your client needs when faced with a long-term illness or injury. They'll want resources to talk to about care in general.

These resources can help design a plan of care that meets their needs and makes the most of their benefits. John Hancock offers these services at no additional cost:

- A plan of care
- Assistance with the claims process
- Advice regarding caregiving resources in their community
- Resources to help their family manage the complexities of any care decisions

Licensing

You may obtain a John Hancock appointment by filling out the Appointment Datasheet and submitting it to us, along with any required registrations or certifications.

To obtain a John Hancock appointment:

1. Submit a current insurance license copy for each state in which you are requesting an appointment.
2. Submit any additional forms if required, such as Health Insurance, LTC insurance certification, Partnership certification, or initial/ongoing training certification.

3. Mail, email, or fax the datasheet and forms to:
John Hancock Licensing and Registration
One John Hancock Way, Suite 1600
Boston, MA 02117-1600
Fax: 617-450-8057
Email: mgalicensing@jhancock.com

To check your appointment status, call 800-377-7311.

For information on state restrictions and education requirements, download the Guide to Licensing from www.jhltc.com. If you are selling LTC insurance products in states that require CE or Partnership requirements, please review the Training and Resource Guide (LTC-3251) or the Guide to LTC Insurance Licensing for pertinent information.

Medicare/Medicaid

Contrary to what your client might think, many long-term care services are not typically covered by any other kind of insurance, including health and long-term disability insurance. LTC insurance policies cover the day-to-day assistance your client needs when they have a chronic illness, disability, or cognitive impairment. As for government programs, Medicare pays only for short periods of care.

Medicaid covers those whose assets and income are at or below state-required levels. Medicaid generally will not pay for custodial care, adult day care, board and care facilities, or assisted-care living facilities.

MEDICARE: The federal program providing hospital and medical insurance to people aged 65 or older and to certain younger ill or disabled persons. It will pay benefits for skilled care or sub-acute nursing care that is provided by a licensed nursing professional, but these benefits are limited and require that the patient show progress toward recovery. Medicare will not generally pay for non-skilled custodial care, which makes up the vast majority of LTC services. This insurance does not pay your client's Medicare

deductibles or coinsurance and is not a substitute for Medicare Supplement Insurance.

- **MEDICAID:** The medical and health welfare program supported by federal, state, and local funds, and administered by each state to provide health care for eligible poverty-level individuals. Generally, Medicaid will cover LTC in a skilled nursing facility only if the individual meets medical criteria set by the state and spends down assets prior to becoming eligible for coverage. These assets may include cash, stocks, bonds, all general investments, qualified plans, life insurance, vacation property, and investment property.
Please note: Coverage provided by Medicaid programs may vary by state.

If you need further information, please visit www.cms.hhs.gov/MedicaidEligibility or contact your local Medicaid office.

National Partnership

With the signing of the Deficit Reduction Act (DRA) of 2005 in February 2006, the federal government took steps to encourage Americans to take more personal responsibility for covering the cost of their long-term care. One provision in the DRA allows states to establish Qualified State Long-Term Care Insurance Partnership (QSLTCIP) Programs. The intention of these government-sponsored LTC programs is to:

- Help protect the stability of state Medicaid programs
- Promote the importance and value of private LTC insurance coverage
- Offer Medicaid Asset Protection to consumers who buy LTC insurance, enabling them to protect an additional dollar amount of personal assets and still remain eligible to apply for Medicaid coverage of LTC services if needed

John Hancock's Custom Care III and Core Care LTC insurance policies are designed and certified to meet the requirements for Partnership-qualified policies in states that implement National Partnership programs. Our policies are tax qualified and meet or exceed all currently applicable National Association of Insurance Commissions (NAIC) consumer protection standards. As a reminder, there are some important steps that consumers must take to ensure that their policy retains its Partnership-qualified status.

Specifically, they must:

- Be a resident of the state at the time the policy is issued
- Select the appropriate level of inflation protection based on their age at the time of purchase

Age at time of purchase	Minimum required level of inflation coverage
for issue ages under 61	CPI Compound Inflation Coverage
	CPI Compound Inflation Coverage through Age 75
	5% Compound Inflation Coverage
for issue ages 61-75	CPI Compound Inflation Coverage
	CPI Compound Inflation Coverage through Age 75 (only available through age 70)
	5% Compound Inflation Coverage
for issue ages 76 and over	CPI Compound Inflation Coverage
	5% Compound Inflation Coverage
	Guaranteed Purchase Inflation Option

Please note that your client's Custom Care III or Core Care policy may no longer be Partnership-qualified in the future under the following situations:

- They revise their benefits in a manner that no longer meets the requirements for a Partnership-qualified policy (e.g., drop their inflation coverage)
- They move to a state that does not have the same Partnership program or does not recognize their Partnership-qualified policy
- State and/or federal laws change and the Partnership program is modified or discontinued at a future date

Currently, John Hancock has Partnership-approved policies in several states, and new states will continue to be added over the course of the next year. For a complete list of Partnership-approved states and other training and legislative information, please visit the Partnership section of www.jhltc.com. *Please note: Partnership requirements vary by state, and the information above does not apply to the original partnership programs in CA, CT, IN, or NY.*

Sales Support

If you have any questions about Custom Care III, Core Care, or any John Hancock LTC insurance products, contact one of the following LTC insurance sales support teams:

- JHFN Producers and Brokers:
888-604-7296
- National Accounts and Broker/Dealers:
800-270-1700
- MGA's and Affiliated Producers:
800-377-7311

34. In KY, CPI Compound Inflation does not meet State Partnership inflation requirements. In TN, CPI Compound Inflation does not meet State Partnership inflation requirements for ages 60 and younger.

Conclusion

Helping your clients protect their future

John Hancock's latest LTC insurance products are designed to help you feel more confident about the recommendations you make to help your clients protect their future. Whether you include one or both products part in your business model, **Custom Care III** and **Core Care** provide you with the flexibility to respond to each client's unique needs, preferences, and budget.

Financial markets, claims experience, and product design across the LTC insurance industry will continue to evolve over time. However, the one thing you can be certain of is John Hancock's commitment to providing responsible leadership in the marketplace, and delivering on our promise — to be there in the future, when our policyholders and their family members need us most.

Help your clients secure their future with **John Hancock** — a name that people know and trust.





LONG-TERM CARE
INSURANCE

For financial professional use only. Not for use with the public.

Long-term care insurance is underwritten by John Hancock Life Insurance Company (U.S.A.), Boston, MA 02117
(not licensed in New York) and in New York by John Hancock Life & Health Insurance Company, Boston, MA 02117.

Policy Series:
ICC10-LTC-11, LTC-11