

# Corporate Solutions

Long Term Care Insurance for the Business Market





**John Hancock's Corporate Solutions gives business owners a smart way to provide individual long term care insurance to employees, either on an employer pay basis or on a voluntary basis, depending on your business objectives.**

## John Hancock understands long term care issues

### Consider the Facts

- Nursing home care in 2003 cost an average of \$181 per day for a private room or about \$66,000 annually,<sup>1</sup> and 24-hour home care can cost as much or more than nursing home care.
- Most of these costs aren't covered by health or disability insurance.<sup>2</sup>
- Medicare pays for less than 20% of our nation's long term care bill.<sup>3</sup>
- Medicaid<sup>4</sup> dictates that people must impoverish themselves before they can receive government assistance.<sup>5</sup>

1. Congressional Budget Office, Financing Long-Term Care for the Elderly, April 2004.

2. Family Caregiver Alliance, National Center on Caregiving: Insuring your future: What Caregivers Need to Know about Long-term Care Insurance, 9/02.

3. Family Caregiver Alliance, National Center on Caregiving: Insuring your future: What Caregivers Need to Know about Long-term Care Insurance, p.2, 9/02.

4. Known as Medi-Cal in California.

5. Testimony of the Honorable David. F. Durenberger, Chairman, Citizens for Long-Term Care, to the United States Senate Special Committee on Aging, 6/28/01.



## How a Long Term Care Situation Affects Your Employees

Even those who are young and in good health may still find themselves facing a long term care situation. In addition to their own risk of needing long term care, working age adults may need to provide care for an aging parent or family member. This can have a profound impact on their health and their performance at work.

### Did you know

- 40% of people who need long term care are working-age adults between 18 and 64.<sup>6</sup>
- More than 26% of the adult U.S. population provided care for a chronically ill, disabled, or aged family member or friend during the past year.<sup>7</sup>
- 59% of caregivers are employed.<sup>8</sup>
- According to the 2001 study by AARP, nearly 20% of sandwich generation caregivers — those between ages 45 and 55 — have cut back their work hours, even though they're in their prime earning years. And 27% help pay expenses for older family members.<sup>9</sup>
- 33% of caregivers say they experience emotional stress due to caregiving.<sup>10</sup>

John Hancock knows that people need a strategy to protect themselves in the event that long term care is needed someday. Especially if someday is tomorrow.

6. U.S. General Accounting Office, "Where Does the Population Live and Who Cares for Them?" January 2001.  
7. National Family Caregivers Association, Random Sample Survey, 10/13/00.  
8. Caregiving in the U.S., National Alliance for Caregiving and AARP, 2004.  
9. "And Thou Shall Honor, The Caregiving Companion," edited by McLeod, B., 2002.  
10. Caregiving in the U.S., National Alliance for Caregiving and AARP, 2004.



## Meeting your needs by meeting their needs

### Long Term Care Insurance is the Answer

#### It helps protect your assets

Long term care insurance saves an average of \$1,668 in out-of-pocket expenditures per month for insureds who use home care and \$2,458 per month for insureds who need nursing home care.<sup>11</sup>

#### It gives you a choice about your care

Collecting private home care benefits would allow approximately 52% of long term care recipients to remain at home.<sup>12</sup>

#### It may ease the burden on caregivers

68% of informal caregivers reported a decrease in stress when the care recipient had long term care insurance.<sup>13</sup>

#### It helps give you peace of mind

98% of enrollees said they felt more secure about their future.<sup>14</sup>

11. Health Insurance Association of America, "Benefits of Long-Term Care Insurance: Enhanced Care for Disabled Elders, Improved Quality of Life for Caregivers and Savings to Medicare and Medicaid," p.7, 9/02.
12. Department of Health and Human Services, "A Descriptive Analysis of Patterns of Informal and Formal Caregiving among Privately Insured and Non-Privately Insured Disabled Elders Living in the Community." Final Report to the Assistant Secretary for Planning and Evaluation, Aging and Disability Policy, Department of Health and Human Services. (Washington, D.C.: Department of Health and Human Services, 4/99).
13. Department of Health and Human Services, "Informal Caregivers of Elders with Long-Term Care Insurance." Final Report to the Assistant Secretary for Planning and Evaluation, Aging, and Disability Policy, Department of Health and Human Services (Washington, D.C., Department of Health and Human Services, October 2000).
14. Health Insurance Association of America, "Who Buys Long-Term Care Insurance in the Workplace? A Study of Employer Long-Term Care Insurance Plans, 2000–2001" (Washington, D.C., Health Insurance Association of America, 2001).



## How You Benefit as an Employer

It's important to your business to attract and retain the best employees. Providing individual long term care insurance policies as part of your overall benefits package helps convey your commitment to your employees by ensuring that they will be prepared for whatever life brings.

Long term care insurance can also help improve workforce productivity by enabling employees to remain on the job despite a long term care event in their family.

### Consider the Savings

- Cost of replacing a managerial employee can reach 250% of annual salary.<sup>15</sup>
- Cost of replacing a non-managerial employee can reach 150% of annual salary.<sup>16</sup>
- U.S. businesses lose as much as \$29 billion annually in lost productivity due to caregiving.<sup>17</sup>

15. Work and Family, 12/00, citing management consultant William Bliss.

16. Work and Family, 12/00, citing management consultant William Bliss.

17. National Caregiving Alliance before the U.S. Senate Finance Committee, 3/27/01.

## John Hancock's commitment to long term care insurance

### Selecting the Right Carrier

When it comes to long term care insurance, you need to find a carrier you can count on. There are many reasons to consider John Hancock.

- Our financial strength and stability — combined with the strength of Manulife, we are stronger than ever.
- The depth of our commitment to long term care insurance. We are currently the leader in both the retail and group LTC insurance markets.
- The quality of our individual LTC insurance products for the employer market
- The experience of our LTC claims professionals

John Hancock has been a trusted name in insurance for over 140 years. We have built an impressive long term care insurance business, serving over 700,000 insureds.<sup>18</sup> We're also proud to be one of only two carriers chosen to introduce and administer the Federal Long Term Care Insurance Program for the 20 million members of the Federal Family.

18. Based on year-end 2003 LIMRA sales data, including individual, group, and the Federal Long Term Care Insurance Program.

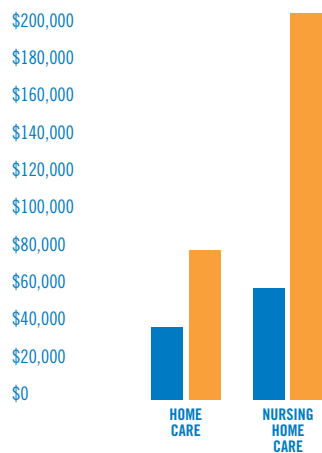


### A Name Your Employees Can Trust

We care about our insureds. John Hancock knows that long term care insurance is a benefit that people may not have to use for many years. John Hancock is committed to long term care insurance and has earned some of the strongest ratings for financial strength and stability in the industry.

### Get to Know John Hancock

If you want to know more about long term care insurance, get to know John Hancock. Our plan designs are innovative and our experienced staff work hard to make things easy for policyholders. You deserve to look back at your long term care insurance carrier selection as being one of the best decisions you've made. With John Hancock, you will.



**Long Term Care is Expensive** Over the next three decades the cost of LTC will more than triple.<sup>19</sup>

■ 2000 ■ 2030

19. Health Insurance Association of America, "Who Buys Long-Term Care Insurance in 2000?" 10/02

## Corporate Solutions

### The unique benefits include:

- ★ **Flexible Plan Design** — Offers coverage to a select group of employees or to your entire employee population depending on your business objectives. If you do not want to offer the coverage to all employees, one of the advantages of using Corporate Solutions is that most employers are permitted by law to designate a subset of employees to receive the coverage.
- ★ **Favorable Tax Advantages** — If you opt for the employer-pay plan, your business may be able to deduct the full amount of premiums paid. In addition, long term care benefits are not considered taxable income to your employees. (Please consult a tax adviser for treatment of long term care insurance to your business.)
- ★ **Corporate Solutions Discount** — Policies are provided at a discount as part of employer-pay plans and they are also available with a discount when offered to your employees on a voluntary basis.
- ★ **Modified Underwriting and Simplified Application Process** — Employees enjoy a more simplified application and underwriting process with fewer questions through Corporate Solutions.
- ★ **Minimal Participation Requirements** — 3% or 15 eligible employee lives must be approved, (whichever is greater). The program is available to actively-at work employees working 30 hours per week or more between the ages of 18 and 64.





Long term care insurance is underwritten by  
John Hancock Life Insurance Company, Boston, Massachusetts 02117.  
**For financial professional use only. Not for use with the general public.**

Policy Series LTC-03  
In Idaho: LTC-03ID  
In Pennsylvania: LTC-03FRPA  
In New York: SG-03NY  
In North Carolina: LTC-03NC  
In Oklahoma: LTC-03OK