producer guide

Long-Term Care Insurance

Custom Care II, Essential Care II, FamilyCare Benefit

John Hancock®

- Commitment, innovation, and leadership in the long-term care insurance market
- Giving you greater access to new markets

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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 where you are soliciting. Please refer to the state specific policy and benefit selection sheet for any state exceptions or variations.

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I. INTRODUCTION

John Hancock continues its rich tradition of providing product innovation to meet the diverse spectrum of consumer needs. Our LTCI portfolio is the evolution of Custom Care — one of the most popular, pacesetting products in the market. While keeping a similar look and feel, Custom Care II sets the product standard for today's changing LTCI environment. At the same time, it reaffirms John Hancock's leadership position by providing the younger market with innovative, built-in features — while expanding the broad, multi-generational appeal of the product offering.

John Hancock's LTCI portfolio consists of two distinct products: Custom Care II, including the innovative FamilyCare Benefit, and Essential Care II. Together, these products expand the reach and depth of our LTCI product line. While Custom Care II offers a competitively priced, comprehensive product, the FamilyCare Benefit responds to multigenerational concerns and Essential Care II offers a simplified product that competes exceptionally well on price with solid LTCI benefits.

We are proud to introduce two benefits for the younger consumer. The Double Coverage for Accidents Benefit and Return of Premium upon death benefit are available to individuals ages 64 and younger in our Custom Care product.

This LTCI portfolio provides John Hancock's distribution partners with unprecedented access to product solutions that address the full spectrum of consumers' long-term care needs. This LTCI portfolio strengthens our commitment to providing cutting edge products aligned with one of the most respected brands in the nation.

John Hancock's new long-term care insurance policies will help you succeed in the increasingly competitive long-term care insurance market. With two strong core products that allow benefit flexibility, and a new range of home care and family options, John Hancock is positioned to meet the needs of our customers. Add to that our outstanding financial strength, competitive pricing, and widely recognized brand strength, and you will find John Hancock's Custom Care II and Essential Care II policies hard to beat.

Custom Care II

Experience, Innovation, and Integrity — these John Hancock qualities formed the building blocks for Custom Care II. It's a policy that truly meets the unique and evolving needs of individuals and their families.

Custom Care II provides the utmost in comprehensive long-term care coverage. With a rich range of benefits and unmatched features, this policy focuses on the reality of long-term care — that it's a personal issue that affects the entire family. Custom Care II simplifies the decision-making process by offering built-in benefits that are key to comprehensive care. At the same time, it offers the flexibility to choose additional benefits that address your clients' unique needs. And it makes it easy for your clients to elect the precise combination of long-term care insurance benefits that are right for them.

While expanding the choices for all our LTCI consumer markets, the addition of the Double Coverage for Accidents Benefit[1] and Return of Premium at death (both built into the policy for use prior to age 65) clearly adds considerable value for the younger consumer. The Double Coverage for Accidents Benefit reimburses charges up to two times the benefit amount if care received is due to an accident prior to age 65. The Return of Premium at death pays a designated beneficiary premiums paid (less claims) if death occurs prior to age 65. These built-in features address the specific "today" needs of the younger market and help answer the "why now" question when prospects purchase LTC insurance.

1. Double coverage for accident benefit is not available w/lifetime benefits and subject to underwriting approval.

Custom Care II's FamilyCare Benefit

John Hancock's product innovation, the FamilyCare Benefit, is a multigenerational long-term care insurance benefit that's available with the Custom Care II policy. The FamilyCare Benefit is a rider on the Custom Care II policy and referred to as the FamilyCare II Benefit in the Consumer Marketing Collateral. This benefit gives your clients an affordable way to insure themselves, their immediate family, and their extended family at the same time. Up to four family members — including spouses, parents, grandparents, and children — can be covered by a single Custom Care II long-term care insurance policy.

Your clients don't know who in their family may need long-term care in the future, but they want to be prepared. The FamilyCare Benefit allows them to extend their long-term care insurance coverage to three additional family members, to be chosen at the time of application. So either the client or any one of their named family members can access the long-term care insurance benefits. If only some of the benefits are used, the remaining pool of funds is available for coverage at a later date. And since this benefit allows the policy to cover other family members, it's likely that their benefits will be put to good use — even if your client never needs long-term care.

For clients who want to share their long-term care coverage and increase the chance that someone will benefit from their policy, the FamilyCare Benefit is the right choice and one of the only options of its kind on the market today.

Essential Care II

Substantial protection that emphasizes two fundamental principles — essential coverage and consumer value — are the foundation of this new long-term care insurance policy.

At John Hancock, we know that your clients want to live life to its fullest, with the freedom to choose the way they live. That's why we designed Essential Care II to give them key coverage in a variety of care settings: at home, in their community, in an assisted living facility, or in a nursing home.

Essential Care II is long-term care insurance that provides essential coverage and consumer value.

II. FACTS AT A GLANCE	CUSTOM CARE II	CUSTOM CARE II FAMILYCARE BENEFIT	ESSENTIAL CARE II
Benefit Trigger	• 2/6 ADLs, • Hands-on or standby assistance • Cognitive impairment. • Standardized tests • 90 day certification	• Same as Custom Care II	• Same as Custom Care II
Policy Limit	1 pool of money	1 pool of money for all insureds	1 pool of money
Issue Ages	• 18–84 • 80–84 restricted benefits	• Each person must be between ages 18–79	• Same as Custom Care II
Maximum daily/monthly Benefits	1. Monthly • $1,500 to $15,000 for ages 18–79 • $1,500 to $7,500 for ages 80–84 • in $100 increments 2. Daily Benefit • $50 to $500 for ages 18–79 • $50 to $250 for ages 80–84 • in $10 increments	1. Monthly • $1,500 to $15,000 • in $100 increments 2. Daily Benefit • $50 to $500 • in $10 increments	NH Daily Benefit: $50–500 in $10 increments $50–$250 for ages 80–84
Benefit Periods[2]	2, 3, 4[1], 5[1], 6[1], or 10[1] yrs, or Lifetime[1]	4, 5, 6, or 10 yrs	2, 3, 4[1], 5[1], 6[1], or 10[1] yrs, or Lifetime[1]
Elimination Periods (EP)	• 30[1], 60[1], 90, 180 or 365 days • True cumulative EP, days do not need to be consecutive or within same claim • 1–7 = 7. i.e. At least one day of HHC in a week equals 7 days towards EP • Base rates include the 90 day EP • Rates are (+20/+10/+0/-10/-20%) of base rates for 30/60/90/180/365 respectively	• 30, 60, 90, 180 or 365 days • True cumulative EP, days do not need to be consecutive or within same claim • All dates of service by all insureds count toward EP (but days where more than one are on claim count as 1 day only) • 1–7 = 7. i.e. At least one day of HHC in a week equals 7 days towards EP. • Base rates include the 90 day EP • Rates are (+20/+10/+0/-10/-20%) of base rates for 30/60/90/180/365 respectively	• 30[1], 60[1], 90, 180 or 365 days • True cumulative EP, days do not need to be consecutive or within same claim • 1 = 1. i.e. Each day of HHC benefits counts as one day only toward the EP • Rates are (+20/+10/+0/-10/-20%) of base rates for 30/60/90/180/365 respectively
Inflation Options	• 5%/5% Compound Inflation — LTC Benefit Amount & remaining Policy Limit increase 5% compounded each year. • 5%/3% Compound Inflation[3] — LTC Benefit Amount increases 5% compound while remaining policy limit increases 3%. • 5% Simple Inflation • Guaranteed Purchase Option — Increase = 0, 5, 10, or 15% of original LTC Benefit Amount. Offered every 3 years if no benefits paid in past 2 years and PH is < 91 — One time switch to either 5%/3% or 5%/5% compound at age 65 — Default if no inflation chosen • None for limited pay, Family care, employer pay all situations, or if Survivorship and Waiver of Premium rider is elected • All inflation options may be dropped	• 5%/5% Compound Inflation — LTC Benefit Amount & remaining Policy Limit increase 5% compounded each year. • 5%/3% Compound Inflation — LTC Benefit Amount increases 5% compound while remaining policy limit increases 3%. • 5% Simple • None • Increases are applied to remaining policy limit • Inflation may be dropped	• Same as Custom Care II

1. Options not available for ages 80–84.
2. Benefit Periods are approximate, and used as multipliers to calculate policy limits.
3. Producers must remind their client that 5/3% inflation may accelerate the usage of the chosen benefit period.

FACTS AT A GLANCE	CUSTOM CARE II	CUSTOM CARE II FAMILYCARE BENEFIT	ESSENTIAL CARE II
Nursing Home Benefits	• Part of LTC benefit • 100% of actual NH Facility charges are covered, up to the LTC Benefit Amount • All benefits will be deducted from this one LTC Benefit Amount	• Same as Custom Care II • Single benefit limit even if more than one on claim	• 100% of actual NH charges are covered, up to the Nursing Home Daily Benefit (NH DB)
Assisted Living Facilities Benefit	• Part of the LTC benefit • 100% of actual ALF charges are covered, up to the LTC Benefit Amount • All benefits will be deducted from this one LTC Benefit Amount	• Same as Custom Care II • Single benefit limit even if more than one on claim	• 100% of actual ACLF charges are covered, up to 80% of the NH DB
Home Health Care Benefit	• Part of the LTC benefit • 100% of HHC services are covered up to the LTC Benefit Amount • Services covered include: Adult Day Care, Professional Care in your home, Hospice Care services, and Incidental homemaker services • All benefits will be deducted from one LTC benefit pool	• Same as Custom Care II • Single benefit limit even if more than one on claim	• Choices of 100% 80%, or 50% of the NH DB • 100% of HHC services are covered up to the HHC DB • Services covered include: Adult Day Care, Professional Care in your home, Hospice Care services, and Incidental homemaker services
Double Coverage for Accident Benefit	• We will reimburse charges up to 2 times the LTCI Benefit Amount if care/ services received are due to an accident prior to age 65. • Benefits paid in excess of the Benefit Amount will not be deducted from the Policy Limit • Not available with lifetime benefit period. • This product feature is underwritten and will not be included in the policy if the individual is age 65 or older.	• Not available with FamilyCare	• Not available with Essential Care II
Return of Premium At Death	• If death occurs prior to age 65, we will pay a benefit to the designated beneficiary equal to total premium paid less claims paid	• Not available with FamilyCare	• Not available with Essential Care II
Respite Care Benefits	• <u>Monthly Option</u>: Respite Care = up to 21 days x 1/30th of the LTC benefit amount per calendar year • <u>Daily Option</u>: Respite Care = up to 21 days at the LTC benefit amount per calendar year • Not subject to nor does it satisfy the EP. (Weeks in which respite care is received do not count toward EP.) • Reduces policy limit • After the EP, respite care is paid under the LTC benefit	• Same as Custom Care II • 21 day limit even if more than one on claim	• Respite Care not paid during EP. • Can be paid in a NH, ACLF or via home care. • Paid under the facility or HHC benefit, depending on site of care.
Bed Hold Benefit	• Part of LTC benefit amount • Covers 60 days of bed-hold per calendar year • Any reason • Subject to EP • Reduces policy limit	• Same as Custom Care II • 60-day limit even if more than one on claim	• Will pay up to the applicable DB for up to 21-days per calendar year • For hospitalizations only • Subject to EP • Reduces policy limit

FACTS AT A GLANCE	CUSTOM CARE II	CUSTOM CARE II FAMILYCARE BENEFIT	ESSENTIAL CARE II
Care Advisory Services	• Monthly: Care Advisory: actual charges up to 1/3 of LTC (monthly) benefit amount per calendar year • Daily: Care Advisory: actual charges up to 10x the LTC benefit per calendar year • Not subject to nor does it satisfy the EP • Will not reduce policy limit	• Same as Custom Care II • 1/3 of LTC Monthly or 10x daily limit even if more than one on claim	• Not available
Stay at Home Benefit	• "Stay at home benefit" pays for home modifications, emergency alert systems, home safety check, caregiver training, provider care check designed to enable a claimant to remain at home • Monthly: Separate lifetime pool equal to 1 times the Monthly LTC Benefit • Daily: Separate lifetime pool equal to 30 times the Daily LTC Benefit • Not subject to nor does it satisfy the EP	• Same as Custom Care II • 1x Monthly or 30x Daily Benefit limit over the life of the policy, even if more than one claim	• Not available
Waiver of Premium	• After EP is met & while benefits are payable • See also Survivor Waiver and Waiver of EP for HHC Riders	• Same as Custom Care II • Entire premium waived if any insured on claim	• After EP is met if confined in NH or ACLF • Not available if receiving HHC, Adult Day Care, and Hospice or Respite Care if provided in a non-facility setting
Exclusions	• Care provided by a member of your immediate family is excluded unless: — Family member is listed professional, and — Paid skilled employee of organization • No limitation of pre-existing conditions • See additional Custom Care II exclusions on page 19	• Same as Custom Care II except international coverage- coverage of individuals other than policy owner are not covered outside the U.S. or O.C. • See additional Custom Care II exclusions on page 19	• Same as Custom Care II • See additional Essential Care II exclusions and limitations on page 25
International Coverage	• Paid on a reimbursement basis up to 100% of the LTC benefit amount for 1 year • All services covered except Stay at Home, Respite Care & Care Advisory • No restriction on countries, but it is up to the policyholder to provide acceptable proof	• Same as Custom Care II	• Same as Custom Care II, except: • Actual charges incurred for certain eligible LTC benefits up to 100% of the applicable NH Daily Benefit
Contingent Nonforfeiture (NF)	• Contingent NF • Will be automatically included in the policy in the event that traditional NF is declined (See nonforfeiture optional rider)	• Same as Custom Care II	• Same as Custom Care II

FACTS AT A GLANCE	CUSTOM CARE II	CUSTOM CARE II FAMILYCARE BENEFIT	ESSENTIAL CARE II
Limited Pay Options	• 10 pay, paid up at age 65 • Guaranteed renewable during premium paying period, non-cancelable after • Not available with GPO, or survivorship and waiver of premium optional rider • Paid-up to 65 only available to ages up to 55	• No limited pay options available	• Same as Custom Care II
Partners	• A partner is defined as: — a spouse of a married couple — same sex or opposite sex partners that have lived together for 5 years — family members of the same generation that have lived together for 5 years	• Same as Custom Care II	• Same as Custom Care II
Coordination of Benefits	We will coordinate benefits with other JH individual LTCI policies	• Same as Custom Care II	• Same as Custom Care II

OPTIONAL BENEFITS	CUSTOM CARE II	CUSTOM CARE II FAMILYCARE BENEFIT	ESSENTIAL CARE II
SharedCare Rider	• Allows partners to access the available benefits under the other's policy once their own policy is exhausted • If either partner dies, survivor's policy is automatically increased by remainder of deceased's policy limit (premiums for both riders and the deceased's policy are dropped) • Partners must have rider and identical benefit options (except for EP and optional riders) • 60 day guarantee purchase offer of a 2-year benefit plan for PH whose benefits are exhausted by partner. No underwriting, attained age rates, no claim for prior 2 years, and up through age 90 • Not available with Lifetime BP • Not available to ages 80–84 • Price is 26%, 16%, 11%, 10%, 8%,5% for 2/3/4/5/6/10 year BPs, respectively	• Not available with FamilyCare Benefit	• Same as Custom Care II
Nonforfeiture Rider	• Paid up shortened BP after 3 years inforce (or 1 year if limited payment option is selected) • New policy limit = total premiums paid minus benefits paid • Monthly Minimum policy limit = 1x Monthly LTC Benefit Amount • Daily Minimum policy limit = 30x Daily LTC Benefit Amount • Price is 6%	• Same as Custom Care II	• Same as Custom Care II

OPTIONAL BENEFITS	CUSTOM CARE II	CUSTOM CARE II FAMILYCARE BENEFIT	ESSENTIAL CARE II
Survivorship and Waiver of Premium Benefit Rider	• If both have inforce policies and riders and no benefits payable in the first 10 years, the insured's policy is paid up upon the death of their partner • If both have inforce policies and riders for 10 years, no claims were payable in the first 10 years time, and one partner then goes on claim after 10 years, the premiums are waived for both for the duration of the claim. Upon recovery, both must pay premiums again • Not available with GPO • Both partners do not need to purchase the rider, but only those who purchase get the benefit • The benefit is available to the policyholder that purchases the rider • Price is 9%	• Not available with FamilyCare Benefit	• Not available
Enhanced Return of Premium at Death Rider	• At death, designated beneficiary is paid a benefit equal to total premium less claims paid, regardless of age of the policyholder at death • Receipt of returned premium may cause a taxable event for estate or beneficiary • Price range is 35%-150%	• Not available with FamilyCare Benefit	• Not available
Restoration of Benefits Rider	• Policy limit is restored once if insured is "fully recovered" and does not meet benefit triggers for a period of 180 days • Only one such restoration is allowed over the policies lifetime • JH chooses doctor to certify recovery • Not available w/2yr, 10 yr or Lifetime BPs • Not available to ages 80–84 • Price is 4%	• Not available with FamilyCare Benefit	• Not available
Waiver of Home Health Care Elimination Period	• Waives EP for HHC, creating a 0 day EP for HHC • Days of HHC count toward the facility EP • Waiver of premium begins once the Facility EP is met • Not available with 180 or 365-day EP • Not available to ages 80–84 • Price is 9%	• Same as Custom Care II	• Not available
Additional Cash Benefit Rider	• In addition to LTC Benefit amount, this rider will provide a cash indemnity benefit in the following amount if receiving Home Health care and not receiving facility care • <u>Monthly</u>: 15% of the LTC Monthly Benefit per month • <u>Daily</u>: 4.5x the LTC Daily Benefit per month • At certain levels, benefits received may create a taxable event • Price is 10%	• Same as Custom Care II	• Not available

OPTIONAL BENEFITS	CUSTOM CARE II	CUSTOM CARE II FAMILYCARE BENEFIT	ESSENTIAL CARE II
Discounts Available	• Partners Discount • 15% discount if one partner applies • 30% discount if both partners apply and are approved • Preferred and partner discount maximum is 40% • Group Discounts — Sponsored Group • 5% eligible employee or association — Family Discount • 5% (works like sponsored group, must have at least 3 members of immediate Family buy individual policies) • Can have both partner discount, and either family or sponsored group (not both) — Loyality Credit • 5% premium discount provided to existing customers who have a prior policy series in force for at least 2 years and are replacing with CCII	• Partners Discount • Same as Custom Care II • Applies to each individual insured • Policy discount is based on blended average of all insureds — Sponsored Group • Same as CC II — Family Discount • 5% Must have at least 3 members of immediate family buy separate individual policies • Can have both partner discount, and either Family or Sponsored Group (not both) — Loyality Credit • Same as CC II	• Same as Custom Care II
Underwriting Classes	• Preferred -15% • Select • Class I and II (+25% and +50%) • Substandard not available with 10 year and LTBP	• Same as Custom Care II • Applies to each insured • Policy underwriting factor is based on a blended factor	• Same as Custom Care II

SUMMARY OF FEATURE CHANGES — CUSTOM CARE AND ESSENTIAL CARE TO CUSTOM CARE II AND ESSENTIAL CARE II

NEW FEATURE/ PROVISION	CUSTOM CARE II	ESSENTIAL CARE II
Double Coverage for Accident Benefit	• We will reimburse charges up to 2 times the Benefit Amount if care/services received are due to an accident prior to age 65. • Benefits paid in excess of the Benefit Amount will not be deducted from the Policy Limit • Benefit is underwritten and will not be included in the policy if age 65 or older • Not available w/lifetime benefit period	• Not available with EC II
Return of Premium At Death	• If death occurs prior to age 65, we will pay a benefit to the designated beneficiary equal to total premium less claims paid	• Not available with EC II
Coordination of Benefit	• We will coordinate benefits with other JH individual LTC policies	• Same as CC II
International Coverage	• Will reimburse actual charges incurred up to 100% of the applicable daily / monthly benefit for up to one year	• Will reimburse actual charges incurred up to 100% of the NH DB (regardless of type of care received) for up to one year
Enhanced Return of Premium At Death Rider	• We will pay a benefit to the designated beneficiary equal to total premium less claims paid, regardless of the age of the PH at death	• Not available with EC II
SharedCare	• Now available with 10-year BP	• Same as CC II
Nonforfeiture Rider	• Benefit will trigger after 1-year (rather than 3 years) if a limited payment option and the NF Rider is elected	• Same as CC II
Restoration of Benefits	• Restores Policy Limit only once • We choose doctor to certify recovery • No longer available with 2 yr BP	• Not available with EC II
Additional Cash Benefit	• Removed the restriction that you could only purchase rider if the daily/monthly benefit did not exceed $150/$4,500 • Additional federal tax information included	• Not available with EC II
Upgrade Provision	• No longer available	• Same as CC II
Partner Home Care Rider	• No longer available	• N/A
Loyalty Credit	• 5% premium credit provided to existing customers who have a prior policy series inforce for at least 2 years and replace with CCII • Upgrade provision removed	• Same as CC II
Discounts	• Partner discount 15%; 30% if both apply and are approved • Preferred and partner maximum discount is 40% (rather than 45%) • Sponsored group, family and loyalty discount are all multiplicative discounts, not added to the partner/ preferred discount.	• Same as CC II

III. PRODUCER PRODUCT SECTION

Policy Description

Custom Care II, John Hancock's flagship product provides the utmost in comprehensive long-term care coverage, with a rich range of benefits and unmatched features, this policy focuses on the reality of long-term care — that its a personal issue that affects the entire family.

Custom Care II's FamilyCare Benefit allows the applicant to select up to 3 additional family members that they would like cover under their policy. The primary applicant chooses all policy benefits and options. All insureds have access to the benefits and options chosen by the primary applicant, only immediate family members may be considered. Each covered family member must complete a supplemental application.

Any family member who needs LTC can begin to receive benefits after the elimination period is satisfied. The elimination period must only be satisfied once.

The originating policyholder is responsible for making premium payments. In case of death of the originating policyholder or potential termination of the policy, ownership of the policy may be transferred to the next named family member on the policy. Benefits are paid to the policyholder unless assigned to another recipient or care provider.

Any insured may be removed from the policy (due to death or otherwise). In that case, the premium will be reduced to what it would have been for the remaining insureds.

Custom Care II and Custom Care's II FamilyCare Benefit

How a Policyholder Becomes Eligible for Benefits

A policyholder is eligible for benefits if he or she meets the following requirements:

A. Needs Substantial Assistance to perform at least two of the six Activities of Daily Living (ADLs). ADLs are bathing, continence, dressing, eating, toileting, or transferring. Substantial Assistance means you need 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 activity of daily living; or,

B. Requires substantial supervision to protect himself or herself from threats to his or 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

AND

C. A licensed health care practitioner certifies that the ADL disability triggering benefits is expected to continue for at least 90 days, or that the insured requires substantial supervision due to cognitive impairment.

Policy Building Blocks

Coverage Options

Applicant Age

- 18–84
- 80–84 restricted benefits
- Each insured must be between ages 18–79 if the FamilyCare[1] Benefit is selected

Long-Term Care Benefit Amount[1]

Choose from a Monthly or Daily LTC Benefit, FamilyCare[1] insureds share one pool of money

Monthly Benefit Options[1]

- $1,500–$15,000 in $100 increments
- For clients age 80-84, there is a $7,500 per month benefit limit

Daily Benefit Options[1]

- A $50–500 per day benefit is available, in $10 increments. (For clients age 80–84, there is a $250 per day benefit limit)

These policies will pay the actual monthly/daily covered charge, not to exceed the maximum monthly/daily benefit, subject to the elimination period, policy conditions, and exclusions for care:

- At Home (includes Adult Day Care, Professional Care, Hospice Care and Incidental Homemakers services)
- In Nursing Homes
- In an Assisted Living Facility
- Any unused amount of the maximum benefit will remain in the policy for later use, which may extend the chosen benefit

Benefit Periods

This does not refer to the length of the coverage but is used as a multiplier to calculate the total policy limit.

- 2 years (730 days)[2]
- 3 years (1,095 days)[2]
- 4 years (1,460 days)[3]
- 5 years (1,825 days)[3]
- 6 years (2,190 days)[3]
- 10 years (3,650 days)[3]
- Lifetime (unlimited days)[2,3]

Policy Limit

These policies provide a single pool of money that can be used for Nursing Homes, Assisted Living Facilities or Home Care, allowing maximum flexibility for the client. The benefits paid for the FamilyCare Benefit to any insured will reduce the overall policy limit by the same amount. One policy limit applies to all insured's for FamilyCare. To determine the policy limit, or pool of money, multiply the LTC Benefit Amount by the number of months/days in the benefit period:

For Example:

Monthly Benefit

- $5,000/ Month x 4 years (48 months) = $240,000 (policy limit)

Daily Benefit

- $150/day benefit x 4 years (1,460 days) = $219,000 (policy limit)
- Care Advisory Services and Stay-at-Home benefits do not reduce the policy limit

Annual 5%/5% Compound Inflation Option

On each policy anniversary, the LTC Benefit and remaining Policy limit 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.

1. We recommend that an appropriate LTC Monthly/Daily Benefit amount be selected taking into consideration the number of individuals who will be covered under the FamilyCare Benefit.
2. Not available with the FamilyCare Benefit.
3. Not available to ages 80–84.

Annual 5%/3% Compound Inflation Option
On each policy anniversary, the LTC Benefit will increase by 5% compound, while the remining policy limit will increase by 3% annually for the life of the policy. The increase is automatic and made even if the insured is on claim. Please note: due to accelerated access of the 5%/3% inflation option, a benefit period may be exhausted prior to its stated length (i.e. a 5 year could be exhausted in less than 5 years).

Annual Simple Inflation Option
On each policy anniversary, the LTC Benefit will increase by 5% of the original daily benefit for the life of the policy. The increase is automatic and will be made even if the insured is on claim. Increases are applied to the remaining policy limit.

Guaranteed Purchase Option (GPO)
On every third anniversary where the insured is less than attained age 91, the insured will be able to increase his/her LTC Benefit Amount by 5, 10 or 15% of the original LTC Benefit Amount. An additional attained age premium for the increase will be charged at the time the option is exercised. The insured will not be eligible for an increase if any benefits have been paid from his or her policy at any time during the two years preceding the offer anniversary. GPO is the default option if other inflations are not chosen.

John Hancock will make a one-time written offer on the policy anniversary which falls on or after policy holder's 65th birthday to switch the GPO option to Compound. Both the 5%/5% and 5%/3% compound versions will be offered. 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 Compound and the GPO coverage at the attained age for then current benefits.

The switch offer will not be available to anyone who has had any benefits paid under the policy during the two year period prior to the date this offer is made. If the switch offer is accepted, no further GPO offers will be made.

This benefit is not available with Limited Pay, FamilyCare, Survivorship and Waiver of Premium.

No Inflation
This option is only available if a Limited Pay Option, the Survivorship and Waiver of Premium Benefit Rider or FamilyCare option is selected. Also available to employer paid groups.

Note all inflation options may be removed after issue.

Elimination Period (EP)
- Think of the elimination period as a deductible, where the client must pay for covered services before the policy begins paying.
- The options are 30,[1] 60,[1] 90, 180, or 365 days
- One elimination period is selected, and this will be applied to the LTC Benefit. If the policyholder is receiving home care one or more days per week, seven days will be applied toward the elimination period.
- Only one complete elimination period needs to be satisfied during the life of the policy.
- Under the FamilyCare Benefit only one complete EP needs to be satisfied. All dates of services incurred by all insureds count. Days that more than one insured is receiving services only count as one day towards the EP.

1. Not available to ages 80–84.

Built-in Features

Additional Coverage Features

Double Coverage for Accident Benefit

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 limit if qualified services are needed due to accident prior to age 65.

The doubling of the limit 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 limit will not be deducted from the policy limit.

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.

Not available with FamilyCare or Lifetime benefits.

Return of Premium Benefit

Geared toward the younger market, if death occurs prior to age 65, while policy is in force, a benefit will be paid to beneficiary equal to total premiums paid less LTC policy benefits paid. This benefit is contained within the core of the policy with the caveat that it only applies to individuals age 64 or younger. Not available with FamilyCare.

Respite Care Benefit

Short-term temporary care, provided to relieve the primary uncompensated caregiver from his/her duties.

- Care is covered for up to 21 days per calendar year
- When the FamilyCare Benefit is selected 21 days apply on the policy level not to each insured
- Respite care is not subject to nor does it satisfy the elimination period. (Days when respite care is received do not count toward EP)
- Respite care does reduce the policy limit[1]

Care Advisory Services[2]

The policyholder can choose an independent professional to assist in determining the care and treatment plan. The benefit is covered up to the care advisory services amount. This amount is equal to ¹/₃ of the Monthly LTC Benefit selected (or 10x the daily benefit selected) 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 policy limit.

Stay-at-Home Benefit[2]

The Stay-at-Home Benefit amount is equal to the Monthly LTC Benefit selected (or 30x the Daily LTC Benefit selected) on a lifetime basis. This benefit is not subject to the elimination period, and Stay-at-Home Benefits paid do not count towards the elimination period. This benefit does not reduce the policy limit. The following are covered up to the Stay-at-Home Benefit amount:

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

1. In Massachusetts the policy limit is not reduced.
2. The policyholder must be benefit-eligible to access this feature.

Bed Hold Benefit

Actual covered charges will be paid to ensure a place will be available at a facility when a stay is interrupted for any reason. The maximum number of days paid is 60 per calendar year even if more than one insured with the FamilyCare Benefit is on claim. This benefit is subject to the elimination period and does reduce the policy limit.

International Coverage

Long-term care services received outside of the 50 United States or District of Columbia will be covered on a reimbursement basis up to 100% of the applicable benefit for 1 year. Payment received will be made in U.S. currency. All services covered except Stay-at-Home, Respite Care Double coverage for accidents and Care Advisory. The policyholder must provide acceptable proof of claim.

Advantage List

John Hancock has negotiated with a nationwide list of long-term care providers who offer discounts to John Hancock LTCI policyholders applied against their long-term care charges.

Pre-existing Conditions Limitations

There are none. John Hancock covers any conditions admitted in the medical section of the application provided the application for insurance is approved.

Coordination of Benefits

John Hancock will reduce benefits payable under the policy for covered services if we also pay benefits for such services under any other individual LTCI or NHI policy issued by John Hancock. This does not include JH Group LTCI or JH combination products (such as Revolution). Benefits will be reduced only when payment under the policy and all other JH policies combined would exceed the actual amount the policyholder incurs for covered care/services.

If multiple policies 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 provision will pay first without any reduction in its benefits.

Funding Flexibility

Premium Features

30-Day Free Look

If the policyholder, for any reason, is not completely satisfied with the policy, they may return the policy within 30 days after it was delivered to them for a refund of the initial premium.

Waiver of Premium

Waiver of premium begins once the elimination period is satisfied and ends when benefits are no longer payable. If any insured covered under the FamilyCare Benefit is on claim the entire premium is waived.

Guaranteed Renewable

John Hancock cannot cancel a policy if the client pays premiums on time. The company does reserve the right to increase premiums by class subject to approval by the appropriate state insurance department.

Lapse Features

Grace Period

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

Added Protection Against Lapse

The policyholder may designate one person who will receive notice of the overdue premium before the policy lapses.

Contingent Nonforfeiture

If the optional Nonforfeiture rider is not chosen, this feature will be included in the policy. If the policy lapses following a rate increase that exceeds a certain 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.

Ratings/Discounts

Underwriting Classes

- Preferred (Discounted 15% of standard)
- Standard
- Class I (125% of Standard premium)[1]
- Class II (150% of Standard premium)[1]
- All applicants are subject to underwriting
- The underwriting factor for the FamilyCare Benefit is a blended factor of the individual insureds

Partner Discount

A partner is defined as a spouse in a married couple, same sex or opposite sex partners that have lived together for 3 years, or family members of the same generation that have lived together for 3 years.

There is a 15% discount for a partner applying. The discount will be 30% if both partners are approved. Partner discounts for FamilyCare are based on a blended average of all applicable discounts.

The maximum combination of preferred and partner discounts is 40% (i.e. Preferred 15% + Partners approved 30% = 45% – Maximum available is 40%).

Family Discount

If three of more members of an immediate family purchase individual policies, a 5% discount will apply. Eligible family members include spouses, parents, grandparents, step-parents, children, stepchildren, siblings and in-laws.

The discount is not available in conjunction with the sponsored group discount. There is a commission reduction with this discount. This discount is multiplicative.

Sponsored Group Discount[2]

There is a 5% sponsored group discount for approved sponsored groups (either employer or association).

This discount is not available with the Family discount. There is a commission reduction with this discount. This discount is multiplicative.

Loyalty Credit

John Hancock will allow current JH policyholders of a different policy series to replace their policy with Custom Care II with an annual reduction in premium of 5%. The original policy must have been inforce at least two years. The Custom Care II rates are based on attained age, and fully underwritten. The loyalty discount is multiplicative.

Payment Option

Limited Pay Options

There are two limited pay options: 10-Pay and Paid Up at Age 65. Both are guaranteed renewable during the premium paying period, and become non-cancelable thereafter. The Paid Up to Age 65 option is available only to age 55.

1. Not available with a 10 year or Lifetime benefit period.
2. In New York the term "Marketing Group Discount" is used.

Limited Pay Options are not available with:
• Guaranteed Purchase Option
• FamilyCare Benefit
• Survivorship and Waiver of Premium

If a limited pay option is elected with the nonforfeiture rider, the NF benefit will trigger after 1 year.

Exclusions

This policy does not cover care, treatment or charges:
• for intentionally self-inflicted injury
• required as a result of alcoholism or drug addiction (unless the drug addiction was a result of the administration of drugs as part of treatment by a physician)
• due to war (declared or undeclared) or any act of war, or service in any of the armed forces or auxiliary units
• due to participation in a felony, riot, or insurrection
• normally not made in the absence of insurance
• provided by a member of your immediate family, unless:
  — the family member is one of the following professionals: a duly licensed registered nurse, licensed vocational nurse, licensed practical nurse, physical therapist, occupational therapist, speech therapist, respiratory therapist, licensed social worker, or registered dietitian; **and**
  — the family member is a regular employee of a nursing home, assisted living facility, adult day care center, or home health care agency which is providing the services; **and**
  — the organization receives the payment for the services; **and**
  — the family member receives no compensation other than the normal compensation for employees in his or her job category
• provided outside the 50 United States and the District of Columbia, except as described in the International Coverage section

Optional Features

<u>Focus on Partner and Family Options</u>

All Optional Benefits may be removed after issue.

SharedCare Rider

Allows partners to access the available benefits under the other's policy once their own policy is exhausted. If either insured dies, the survivor's policy is automatically increased by the remainder of deceased's policy limit (premiums for both riders and the deceased's policy are dropped). Both policyholders must have rider and identical benefit options (except for EP).

There is a 60 day purchase offer of a 2-year benefit plan for the policyholder whose benefits are exhausted by the other insured. Rates are based on attained age; the policyholder will not be subject to underwriting and must have been claim free for the prior 2 years. This offer is good through age 90.

SharedCare is not available with
• The lifetime benefit period
• Issue ages 80–84
• FamilyCare Benefit or Enhanced return of Premium upon death

Survivorship and Waiver of Premium

Both partners are not required to purchase this rider, although both must have a John Hancock individual LTCI 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

Custom Care II and Custom Care's II FamilyCare Benefit
continued

- 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 Pay Options
- FamilyCare Benefit
- Guaranteed Purchase Option

Focus on Home Care and Preserving Choice

Waiver of Home Health Care Elimination Period Rider
- This option waives the Elimination Period for Home Health Care creating a 0-day elimination period. The days of home health care count towards the facility elimination period. The waiver of premium begins once the facility elimination period is met.
- This rider is not available with a 180 or 365 day elimination period, or ages 80–84.

Additional Cash Benefit Rider

This indemnity benefit is a separate pool of funds that assists the policyholder in staying at home. The monthly cash benefit is equal to 15% of the Monthly LTC Benefit Amount or 4.5x the Daily Benefit Amount, if the insured is receiving HHC (and not receiving facility care during the month) and can be used to pay for a variety of long-term care expenses. This benefit is subject to the EP, but does not reduce the policy limit.

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.

Emphasizing Benefit and Premium Preservation

Restoration of Benefits Rider

Policy limit is restored if the insured is "fully recovered" and does not meet benefit triggers for a period of 180 days. Policy limit can only be restored once.

Restoration of Benefits is not available with:
- 2, 10 year or Lifetime benefit period
- FamilyCare Benefit
- Issue ages 80–84

Nonforfeiture Rider[1]

If the insured selects this option, he or she will receive a policy with a reduced policy limit if the policy lapses after it has been in force for at least three years (one year with a limited pay option). The reduced policy limit will be the sum of the total premiums, not less than 30x the daily or 1x the monthly LTCI benefit. The LTC Benefit Amount will remain the same with a resulting shortened period. This optional rider may be dropped after issue.

- In Tennessee nonforfeiture must be elected with limited payment options.

Enhanced Return of Premium upon Death Benefit

John Hancock will pay to the beneficiary the Enhanced Return of Premium upon Death Benefit if the policy is in force on the date of the policy holder's death regardless of his/her age at the time of death. This benefit will be calculated by subtracting the sum of all benefits paid under the policy for charges incurred prior to the date of death from the sum of all premiums paid for the policy (accumulated without interest).

Payment of benefit may cause a taxable event for estate or beneficiary to the extent that the policy holder originally deducted his her LTCI premium in their federal income tax return.

1. Maryland nonforfeiture is based on at least 5 years in force. The reduced policy limit is based on the number of years the policy is in force.

Essential Care II

Coverage for Care at Home in an Assisted Living Facility Hospice an Adult Day Care Center or Nursing Facility

How a Policyholder Becomes Eligible for Benefits

A policyholder is eligible for benefits if he or she meets the following requirements:

A. Needs Substantial Assistance to perform at least two of the six Activities of Daily Living (ADLs). ADLs are bathing, continence, dressing, eating, toileting, or transferring. Substantial Assistance means you need 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 activity of daily living; or,

B. Requires substantial supervision to protect himself or herself from threats to his or 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

AND

C. A licensed health care practitioner certifies that the ADL disability triggering benefits is expected to continue for at least 90 days, or that the insured requires substantial supervision due to cognitive impairment.

Policy Building Blocks

Applicant Age

- 18–84
- 80–84 restricted benefits

Nursing Home Daily Benefit (NH DB)

- A $50–500 per day benefit is available, in $10 increments. (For clients age 80–84, select from $50–$250 per day benefit limit in $10 increments).
- These policies will pay the actual daily covered charge, not to exceed the maximum daily benefit, subject to the elimination period, policy conditions, and exclusions.
- Any unused amount of the minimum daily benefit will remain in the policy for later use, which may extend the chosen benefit.

Assisted Living Facilities Daily Benefit (ALF DB)

- Assisted Living Facility Daily Benefit is 80% of the Nursing Home Daily Benefit
- 100% of actual charges are covered, up to the Assisted Living Facilities Daily Benefit

Home Health Care Benefit (HHC DB)

- Choices of 100%, 80%, or 50% of the Nursing Home Daily Benefit
- 100% of HHC services are covered up to the Home Health Care Daily Benefit
- Services covered include: Adult Day Care, Professional Care in your home, Hospice Care services, and Incidental homemaker services

Benefit Periods

- 2 years (730 days)
- 3 years (1,095 days)
- 4 years (1,460 days)[1]
- 5 years (1,825 days)[1]
- 6 years (2,190 days)[1]
- 10 years (3,650 days)[1]
- Lifetime (unlimited days)[1]

1. Not available to ages 80–84.

Policy Limit

- These policies provide a single pool of money that can be used for Nursing Homes, Assisted Living Facilities or Home Care, allowing maximum flexibility for the client. To determine the policy limit, or pool of money, multiply the nursing home daily benefit by the number of days in the benefit period:
- $100/day benefit x 4 years (1,460 days) = $146,000 (policy limit)

Annual 5%/5% Compound Inflation Option

On each policy anniversary, the LTC Benefit and remaining Policy limit 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.

Annual 5%/3% Compound Inflation Option

On each policy anniversary, the LTC Benefit will increase by 5% compound, while the remaining policy limit will increase by 3% annually for the life of the policy. The increase is automatic and made even if the insured is on claim. Please note: due to accelerated access of the 5%/3% inflation option, a benefit period may be exhausted prior to its stated length (i.e. a 5 year could be exhausted in less than 5 years.

Annual Simple Inflation Option

On each policy anniversary, the LTC Benefit will increase by 5% of the original daily benefit for the life of the policy. The increase is automatic and will be made even if the insured is on claim. Increases are applied to the remaining policy limit.

Guaranteed Purchase Option (GPO)

On every third anniversary where the insured is less than attained age 91, the insured will be able to increase his/her LTC Benefit Amount by 5, 10 or 15% of the original LTC Benefit Amount. An additional attained age premium for the increase will be charged at the time the option is exercised. The insured will not be eligible for an increase if any benefits have been paid from his or her policy at any time during the two years preceding the offer anniversary. GPO is the default option if other inflations are not chosen.

John Hancock will make a one-time written offer on the policy anniversary which falls on or after policy holder's 65th birthday to switch the GPO option to Compound. Both the 5%/5% and 5%/3% compound versions will be offered. 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 Compound and the GPO coverage at the attained age for then current benefits. The switch offer will not be available to anyone who has had any benefits paid under the policy during the two year period prior to the date this offer is made. If the switch offer is accepted, no further GPO offers will be made.

This benefit is not available with Limited Pay.

Elimination Period

Think of the elimination period as a deductible, where the client must pay for covered serviced before the policy begins paying.

- The options are 30,[1] 60,[1] 90, 180, or 365 days
- One elimination period is selected, and this will be applied to the nursing home benefit, assisted living facilities benefit, or home care benefit. If the policyholder is receiving home care one day per week it will count as one day only toward the elimination period.
- Only one complete elimination period needs to be satisfied during the life of the policy.

1. Not available to ages 80–84.

Built-in Features

Additional Coverage Features

Respite Care Benefit

- Can be paid in a Nursing Home, Assisted Living Facility or via home care
- Paid under the Nursing Home or Home Health Care benefit, depending on site of care
- Respite Care not paid during Elimination Period

Bed Hold Benefit

Actual covered charges, up to the applicable nursing home daily benefit or assisted living facility daily benefit will be paid to ensure a place will be available at the facility when a stay is interrupted for hospitalization only. The maximum number of days paid is 21 per calendar year. This benefit is subject to the elimination period and does reduce the policy limit.

International Coverage

Long-term care services received outside of the 50 United States or District of Columbia will be covered on a reimbursement basis up to 100% of the applicable nursing home (regardless of type of care received) daily benefit for 1 year. Payment received will be made in U.S. currency. The policyholder must provide acceptable proof of claim.

Advantage List

John Hancock has negotiated with a nationwide list of long-term care providers who offer discounts to John Hancock LTCI policyholders applied against their long-term care charges.

Pre-existing Conditions Limitations

There are none. John Hancock covers any conditions admitted in the medical section of the application provided the application for insurance is approved.

Coordination of Benefits

John Hancock will reduce benefits payable under the policy for covered services if we also pay benefits for such services under any other individual LTCI or NHI policy issued by John Hancock. This does not include JH Group LTCI or JH combination products (such as Revolution). Benefits will be reduced only when payment under the policy and all other JH policies combined would exceed the actual amount the policyholder incurs for covered care/services.

If multiple policies 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 provision will pay first without any reduction in its benefits.

Funding Flexibility

Premium Features

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 the initial premium.

Waiver of Premium

Waiver of premium begins once the elimination period is satisfied and the policyholder is receiving Nursing Home or Assisted Living Facility benefits and the waiver ends when benefits are no long payable. Premium is not waived if the individual is receiving Home Health Care or Adult Day Care.

Guaranteed Renewable

John Hancock cannot cancel a policy if the client pays premiums on time. The company does reserve the right to increase premiums by class subject to approval by state insurance department.

Lapse Features

Grace Period

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

Added Protection Against Lapse

The policyholder may designate one person who will receive notice of the overdue premium before the policy lapses.

Contingent Nonforfeiture

If the optional Nonforfeiture rider is not chosen, this feature will be included in the policy. If the policy lapses following a rate increase that exceeds a certain 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.

Ratings/Discounts

Underwriting Classes

- Preferred (Discounted 15% of standard)
- Standard
- Class I (125% of Standard premium)[1]
- Class II (150% of Standard premium)[1]

Partner Discount

A partner is defined as a spouse in a married couple, same sex or opposite sex partners that have lived together for 3 years, or family members of the same generation that have lived together for 3 years.

There is a 15% discount for a partner applying. The discount will be 30% if both partners are approved.

The maximum combination of preferred and partner discounts is 40% (i.e. Preferred 15% + Partners approved 30% = 45% – Maximum available is 40%).

Family Discount

If three of more members of an immediate family purchase individual policies, a 5% discount will apply. Eligible family members include spouses, parents, grandparents, step-parents, children, stepchildren, siblings and in-laws.

The discount is not available in conjunction with the sponsored group discount. There is a commission reduction with this discount. This discount is multiplicative.

Sponsored Group Discount[2]

There is a 5% sponsored group discount for approved sponsored groups (either employee or association)

This discount is not available with the Family discount. There is a commission reduction with this discount. This discount is multiplicative.

Loyalty Credit

John Hancock will allow current JH policyholders of a different policy series to replace with Essential Care II with an annual reduction in premium of 5%. The original policy must have been inforce at least two years. The Essential Care II rates are based on attained age, and fully underwritten. The loyalty discount is multiplicative.

Payment Option

Limited Pay Options

There are two limited pay options: 10-Pay and Paid Up at Age 65. Both are guaranteed renewable during the premium

1. Not available with 10 year or LT benefit period.
2. In New York the term “Marketing Group Discount” is used.

paying period, and become non-cancelable thereafter. The Paid Up to Age 65 option is available only to age 55.

- Limited Pay Options are not available with:
- Guaranteed Purchase Option

If a limited pay option is elected with the nonforfeiture rider, the NF benefit will trigger after 1 year.

Exclusions

This policy does not cover care, treatment or charges:

- for intentionally self-inflicted injury
- required as a result of alcoholism or drug addiction (unless the drug addiction was a result of the administration of drugs as part of treatment by a physician)
- due to war (declared or undeclared) or any act of war, or service in any of the armed forces or auxiliary units
- due to participation in a felony, riot, or insurrection
- normally not made in the absence of insurance
- provided by a member of your immediate family, unless:
  - — the family member is one of the following professionals: a duly licensed registered nurse, licensed vocational nurse, licensed practical nurse, physical therapist, occupational therapist, speech therapist, respiratory therapist, licensed social worker, or registered dietitian; **and**
  - — the family member is a regular employee of a nursing home, assisted living facility, adult day care center, or home health care agency which is providing the services; **and**
  - — the organization receives the payment for the services; **and**
  - — the family member receives no compensation other than the normal compensation for employees in his or her job category
- provided outside the 50 United States and the District of Columbia, except as described in the International Coverage section

Essential Care II Limitations

If services are received under the NHDB, ALF benefit or HHC DB on the same day, the only benefit payable will be the greater of the NHDB, ALF benefit or the HHC DB.

Optional Features

Focus on Partner and Family Options

All Optional Benefits may be removed after issue.

SharedCare Rider

Allows partners to access the available benefits under the other's policy once their own policy is exhausted. If either insured dies, the survivor's policy is automatically increased by the remainder of the deceased's policy limit (premiums for both riders and the deceased's policy are dropped). Both policyholders must have rider and identical benefit options (except for EP).

There is a 60 day purchase offer of a 2-year benefit plan for the policyholder whose benefits are exhausted by the other insured. Rates are based on attained age; the policyholder will not be subject to underwriting and must have been claim free for the prior 2 years. This offer is available through age 90.

SharedCare is not available with

- The lifetime benefit period
- Issue ages 80–84.

Emphasizing Benefit Preservation

Nonforfeiture Rider[1]

If the insured selects this option, he or she will receive a policy with a reduced policy limit if the policy lapses after it has been in force for at least three years (one year with a limited pay option). The reduced policy limit will be the sum of the total premiums never less than 30x the daily benefit amount. The Daily benefit will remain the same with a resulting shortened period. This optional rider may be dropped after issue.

1. Maryland nonforfeiture is based on 5 years inforce and the reduced policy limit is based on number of years the policy is in force. In Tennessee nonforfeiture must be elected with limited payment options.

IV. PRODUCER MARKETING SECTION

Product Marketing

Overview

Refer to the Product section of this guide and sample policy for product and policy details. Thoroughly read and understand both before you speak with your clients and prospects. Be aware that policy options and features may vary by state.

1. John Hancock is helping people preserve and improve the quality of their lives

- Focus on Quality of Life
- Focus on Home Care
- Focus on Preserving Consumer Choice
- Emphasis on Partner and Family Options

2. Custom Care II, FamilyCare Benefit, and Essential Care II build upon John Hancock's existing competitive advantages:

- Company Strength
- Claims Process and Staff
- Advantage List
- SharedCare

Target Market

Target Markets for Long-Term Care Insurance

The target market for long-term care insurance is anyone ages 18–84 who is concerned about how to cover the cost of long-term care without having it impact his/her financial well-being. The reality is that the very wealthy may not need long-term care insurance to cover the cost of their care and the very poor cannot afford to pay for insurance and must resort to Medicaid. As such, the main target market for long-term care insurance includes people ages 50–75 with at least $50K in assets (in addition to their home) and at least $20K–$30K in income (depending on marital status).

Women represent an important segment of the population needing long-term care insurance protection. Women represent seven of ten unpaid caregivers, three-quarters of nursing home residents 65 years and older, and two-thirds of home health care users.[1] Because of their role as caregivers, women see long-term care situations first-hand and are likely to appreciate the need for long-term care insurance. Women also live an average of seven years longer than men[2] and therefore face a greater risk overall of needing care from a paid caregiver.

Suitability

Suitability Guidelines (NAIC Suitability Requirements)

We believe the consumer protections provisions found in the NAIC Model LTC Act and Regulation provide consumers with valuable information so that they may make informed decisions regarding their long-term care insurance purchase. As such, John Hancock complies with the NAIC provisions on Suitability regardless of whether or not the state mandates suitability requirements. In addition, as an IMSA certified company, John Hancock must maintain suitability guidelines.

In sum, these provisions require us to develop and use suitability standards to assure that the purchase or replacement of long-term care 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.

1. Source: U.S. General Accounting Office, March 2001.
2. Source: U.S. National Center for Health Statistics, 2000.

An individual must have an income of $20,000 or greater. The combined income for a couple must be $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 $50,000.

This guideline means 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 may wish to consider other options for financing their long-term care. Note these standards may be waived in certain appropriate instances (e.g., child is paying for parent's premium).

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

- who will pay the premium (the applicant, a child, etc.)
- where will the premium come from (income, savings, investments, etc.)
- 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 and what elimination period will be appropriate for them.
- what are the applicant's needs and how can a particular long-term care product satisfy those needs.
- what benefits have been selected including — benefit levels, inflation choices, optional benefits, etc.
- what could happen if the individual suffers a change in financial circumstances and do they understand that rates could possibly change in the future

Delivery of Forms

Prior to completing the application, all applicants must receive the "Long-Term Care Personal Worksheet" which is completed and signed by both the consumer and the agent, "Things You Should Know Before you Buy Long-Term Care Insurance" and "Long Term Care Insurance Potential Rate Increase Disclosure Form".

Filling out the Personal Worksheet

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

- fill out the Personal Worksheet; or
- both the consumer and the agent sign the Personal Worksheet (in the space provided) indicating that the individual chooses not to provide the information.

If the applicant declines to provide the financial information or the applicant 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 long-term care 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.

Presenting to Your Client

Listen to your prospect's specific situation and make a tailored recommendation.

Using the options available with Custom Care II and Essential Care II, make your recommendations based on the specific needs of your client.

Have an interactive discussion during your presentation. In order to make a tailored recommendation based upon the prospect's specific situation, you will need to probe for a clear understanding of the prospect's concerns.

Create a tailored and competitive proposal. While creating a customized proposal, it is important to remember that adding riders that do not meet your prospect's needs may make your policy vulnerable to replacement.

Educate your prospect so you are certain they fully appreciate the workings of the long-term care insurance policy. Remember that in many sales situations the prospect will not be totally familiar with the specifics of long-term care insurance.

How to Make a Product Recommendation

1. Determine prospects' goals

During the discussion of the prospects' goals, listen carefully and probe for the reasons they are considering long-term care insurance. Are they considering it because of a desire to protect against a catastrophic illness?

Are they buying insurance as a safety net? Alternatively, are they considering LTC insurance because they want to ensure they have all the bases covered with complete protection in the event they need care?

This information may direct you to recommend the Custom Care II policy rich with optional benefits, or Essential Care II, a basic core policy.

Assess their living situation. Are they married or living with a relative or partner? This may direct you to a rider, such as SharedCare, FamilyCare or the Survivor and Waiver of Premium Rider.

Where are they planning to retire? If they may live abroad for some time, you may want to emphasize the International Coverage that is included in both products.

Are their family members considering long-term care insurance? Position family referrals early by informing prospects of the potential for greater savings through the family discount program. Or, consider offering multi generational coverage with the FamilyCare Benefit.

2. Understand prospects' personal experiences

During the discussion of the prospects' personal experiences, listen closely to determine how the policy features will be of benefit. How long did the prospects mention their personal experiences needed care?

With what frequency did the people mentioned in their personal experiences need home care? What types of caregivers were involved? How many hours per day?

Was it the same amount of time each day? What type of care was given? How would they feel about playing the part of caregiver?

What about meal preparation, transportation to medical visits, and prescription drugs? Did the home need modifications? The Stay at Home Benefit, Waiver of Home Health Care EP Rider, and the Additional Cash Benefit Rider may be appropriate to emphasize here. In this case Custom Care II may be more appropriate.

If the people mentioned in their personal experiences needed nursing home care, did they also require hospital confinements? Then the Bed-Hold Benefit may become important.

What nursing home or home care agency provided the care? The Advantage List Program may be a topic of conversation.

3. Make a Recommendation

The answers to the questions above will drive your recommendation and enable you to determine whether to offer Custom Care II or Essential Care II. The prospects' responses in earlier steps of your presentation may indicate a propensity for an optional benefit, but their financial situation may warrant a more streamlined policy (which also provides excellent coverage).

Conversely, making a recommendation to add additional riders without a sufficient understanding of the facts, may not be appropriate. By gathering information you ensure the need is appropriate and resources to fund the policy are adequate. This reduces the risk of a replacement down the road.

4. Consider presentation of other features and riders

Reactions to the core product description may direct you to explain new features and benefits, and to offer optional riders. If your prospects are married, have lived with a family member of the same generation, or a partner for five or more years, and both partners are considering buying LTC insurance, then SharedCare, and Survivorship and Waiver of Premium Benefit options should be presented.

When your client is concerned about keeping the benefit pool constant during intermittent claims, presentation of Restoration of Benefits may be appropriate.

If your client wants a guarantee of some value in the policy in case of lapse, the Nonforfeiture benefit should be highlighted.

5. Address objections

Objections may frequently lead you to alter your product presentation and discuss specific features or options. "I may never use this" or "Isn't there a way both of us could be covered under one policy?" may lead to a discussion of SharedCare or FamilyCare Benefit.

6. Evaluate the prospect's health

A thorough review of your prospects answers to the medical questions on the application can save you time and lead to efficient issuance of policies. If you discover incomplete or inconclusive answers in the medical section, it is your clue that more questions are necessary to uncover possible medical issues your prospect finds difficult to discuss.

7. Address the competition

Competition with other carriers is a way of life in today's fast-paced LTC insurance marketplace. The Shopper's Guide to LTCI advises the buyer to shop around, and educate themselves on several companies and policies. In the face of mounting competition the single most important factor in your LTC insurance sales success is still the relationship you cultivate with the prospect. Your position at point of sale depends on several factors.

- Educate your prospect on risk, the financial impact of LTC expenses, and how a long-term care insurance policy may alleviate these issues. Use your relationship to insure you get the opportunity to visit your prospect again, once he/she has finished shopping around. Ideally, your strong product knowledge will lead prospects to you for information about the competition.

- Familiarize yourself with the product features of the other companies your clients are considering. The prospect may have already visited with another company's sales representative prior to your visit. If so, be prepared, and be aware, he/she may have misunderstood or not been given complete explanations of key product features and/or company services. When presented with this scenario, care should be taken to educate and to not make disparaging remarks about the other agent or company; instead, provide facts backed up by reliable sources found in your John Hancock long-term care insurance sales support materials.

8. Manage the relationship

Once an application has been taken, your goal is to help solidify the sale and strengthen your relationship with the client. In addition to staying in regular contact during the underwriting process, listen closely for opportunities to address the needs of other family members. As you further your client relationship, you might also learn of sponsored group opportunities if, for instance, the client is a business owner or president of an association.

Product and Rider Decision Matrix

PROSPECTING CHARACTERISTICS	PRODUCT			RIDERS EMPHASIZING FAMILY & PARTNERS		RIDERS EMPHASIZING HOME CARE	
	Custom Care II	Family Care	Essential Care II	Shared Care	Surv. & Waiver of Prem.	Waiver of home Care EP	Add. Cash Benefit
Seeking comprehensive coverage	X						
Mid/High net worth	X						
Not price sensitive	X						
Emphasis on home health care	X						
Extensive hardship from LTC experience	X						
Seeking maximum flexibility	X						
Seeking any care any where	X						
Two to four family members seeking single policy for multiple lives		X					
Two to four family members seeking joint coverage		X					
Boomer with parental concerns		X					
Two — four family members who feel responsible for each other		X					
Seniors seeking the ability to bequeath uninsured benefits		X					
Seeking affordable way to pool resources to protect multiple members		X					
Price sensitive families seeking protection by pooling resources		X					
Those concerned with use it or lose it		X					
Price sensitive shopper seeking solid coverage			X				
Non price sensitive shopper seeking solid coverage			X				
"Spread sheet" competitive price shopper			X				
Less emphasis on home health care needs			X				
Value sensitive partners seeking individual coverage and pooled resources				X			
Belief that all should have protection but not all will go on claim		X		X			
Partners looking to eliminate both premiums at claim or death					X		
Partners concerned over survivors well being					X		
Partners concerned about predeceasing the other					X		
Seeking 0-day elimination for home health care						X	
Individual seeking immediate access to home health care benefits						X	
Eliminate co-insurance period for home health care						X	
Seeking maximum home health care flexibility and protection						X	X
Individuals seeking maximum flexibility for diverse home health care expenditures							X
Transfer maximum home health care risk to insurance company						X	X

Table is provided as a general guide.

Making The Proper Product Recommendation

Product Selection

All benefit features and selections may not be available in every state. In addition, certain benefit selections may have been altered due to state requirements. Therefore, it is critical, that you are aware of any product/benefit differences in the state where you are soliciting. Please check for any state exceptions or variations.

Custom Care II

Overview:

- Comprehensive coverage
- Heavy focus on home care
- Simplified decision making process through inclusive and broad benefit structure

Market Differentiation:

- Monthly Benefits
- Double Coverage for Accidental Benefit
- Return of Premium at Death
- FamilyCare Benefit
- Stay at Home Benefit
- International Coverage
- SharedCare for Partners
- Partner Discounts
- Limited Pay Options
- Additional Cash Benefit For Home Care
- Variety of Elimination Periods
- Variety of ways to address Inflation Protection
- 60 day bed hold
- Waiver of home care elimination period

When to Recommend:

- With prospects who want a policy that simply includes complete coverage and flexible access to benefit dollars
- Younger prospects concerned with "Today Benefits"
- Prospects who have mid to high net worth
- Prospects who tend to be less price sensitive
- Use with prospects that have an apparent desire to stay at home when they need care

FamilyCare Benefit

Overview:

- Comprehensive coverage
- Single pool of benefits through one policy covering 2–4 family members
- Can Transform Custom Care II policy into multi generational plan
- Alternative to SharedCare with two purchasers

Market Differentiation:

- Provides multi generational coverage with bequeathment features
- It is one of the only family plans on the market
- Addresses a specific market need
- Addresses cost issues

When to Recommend:

- With boomers seeking a platform for discussing LTC coverage with their parents
- With family members seeking a single policy to cover multiple lives
- With price sensitive prospects who feel it's likely that some member or members of their family may require LTC, but are uncertain who
- For prospects seeking a family asset protection tool
- For those concerned with the "use it or lose it" limitations of traditional LTC insurance

Essential Care II

Overview:

- Less expensive policy

• Strong core benefits with standard benefit trigger without the frills
• Maintains flexibility of benefit selection amounts, elimination periods and still provides two key optional riders

Market Differentiation:
• Low cost alternative to comprehensive policies
• Essential coverage providing LTC protection from a trusted brand

When to recommend:
• With price sensitive shoppers seeking solid coverage in any setting
• For those prospects seeking well rounded coverage at value pricing
• For those prospects that feel a HHC waiver of premium is not critical

Building your policy: Core Policy Choices For All Plans

"CORE" Product Building Blocks

The building blocks are the same for all policies. However, many sales are lost or postponed because the prospects are unclear about exactly what they are purchasing.

The product portion of the sales interview must focus on the core benefits being considering.

The "core" product building blocks are:
1. Benefit Amount
2. Benefit Period
3. Elimination Period
4. Inflation Protection

A complete understanding of these features is critical. Do not move onto additional features until these are completely understood. All other features and benefits build on these core benefits.

Benefit Amount

In order to make a proper recommendation for benefit amount, you must consider the following:
• Where does the prospect believe benefits will be used?
• What is the average cost of services where the prospect believes they would use LTC services?
• What is the prospects financial situation?
• What is the prospects risk tolerance?
• Is the prospect willing to self-insure a portion of the potential LTC costs?
• How important is Home Health Care?
• Is the insurance solely for the insured? (When considering the FamilyCare Benefit you may want to increase the benefit amount)

Benefit Period

In order to make a proper benefit period recommendation consider the following:
• What are the prospect's personal LTC experiences?
• What were the duration of the LTC personal experiences?
• What is the family health and longevity history?
• What is the prospects financial situation?
• What is the prospect's risk tolerance?
• Is the prospect looking to protect against the averages or for a longer duration?
• Is the individual concerned with dementia and the potential for a long duration of care?

Elimination Period

In order to make a proper elimination period recommendation, you must consider the following:
• Is the prospect willing to self-insure a portion of the potential LTC costs?
• Is the prospect concerned about immediate coverage?
• What is the prospect's financial situation?
• What is the prospect's risk tolerance?

Inflation Protection

In order to make a proper inflation protection option recommendation, consider the following:

- Is the prospect concerned with the rising costs of LTC?
- What is the prospects age?
- What does the prospect think about future LTC costs and their ability to insure against future increases?
- What is the prospect's financial situation?
- What is the prospect's risk tolerance?
- Does the prospect desire a fixed premium?

Product Recommendations and Considerations

Marketing themes for the new Custom Care portfolio

1. Consider today benefits.
   Prospects may need services younger or sooner than they expected. Consider the following:
   — 40 % of those receiving long-term care services are adults between age 18 and 64[1]
2. Consider why selling higher Daily/Monthly Benefits for "today" as well as the future may be in the interests of potential policyholders.
3. Consider alternatives to the traditional "lifetime benefits and compound inflation combo" for the below-age-65 market.
   - Many times the individual's personal situation and premium restraints drive benefit trade-offs.

Making the product recommendation

- Interactive discussion
- Make recommendations based upon the prospect's input
- Creating a tailored and competitive proposal
- No cookie-cutter approach to product recommendations

Gather information to help prospect make appropriate benefit recommendations:

- Prospect's age
- Prospect's personal experiences
- Prospect's financial situation
- Ability to afford coverage
- Prospect's health and family history
- Competitive sales situation

Presenting the product:

- Review needs expressed by the prospect
- Product presentation must focus first upon "core" product building blocks and how they address needs
- Core product presentation includes:
  — Benefit Trigger
  — LTCI Benefit Amount
  — Benefit Period
  — The Pool of Money
  — Elimination Period
  — Inflation Protection

- Determine feasibility of additional optional riders
- Review all prospect decisions carefully
- Then explain other built-in features and benefits
  — Care Advisory Services
  — Stay-at-Home Benefit
  — Advantage List, Bed Hold, etc.

LTCI Decision Process

Decision Matrix — Questions to Answer:

1. Do I have adequate LTCI benefit amounts?
2. Am I covered for an appropriate amount of time?
3. Are the effects of inflation covered?
4. Am I covered for today as well as tomorrow?

Points of consideration:

1. Do I have adequate LTCI benefit amounts?

- Costs vary by geography and by quality of care
- What type of setting and what level of care makes sense for your prospect?

1. "Where Does the Population Live and Who Cares for Them? LTC: Diverse, Growing Population Includes Millions of Americans of all Ages." U.S. General Accounting Office, January 2001.

• Start at a benefit amount that would be appropriate if care was needed tomorrow

No one knows when they may need care

2. Am I covered for an appropriate amount of time?

• The average stay is 2.6 years[1]

• Only 11.4% of John Hancock's claims are expected to exceed a 6-year benefit period[1]

• Only 2.5% are expected to exceed 10 years[1]

What are the prospect's family history and personal experiences?

3. Are the effects of inflation covered?

• Inflation has slowed in recent years:

— The Consumer Price Index for overall inflation rose 1.6% in 2002[2]

• The average for the past five years 2.3%.[2]

• The average for the past ten years 2.5%.[2]

• Ensure appropriate inflation protection while meeting the prospect's financial goals and the need for today benefits.

• Consider pre-purchasing inflation protection by buying more benefits up front.

For additional information on Custom Care II inflation options, please refer to the charts located in the back appendix of the guide.

Two new Custom Care Portfolio inflation option choices:

• Enhanced GPO Inflation Option

• 5%/3% Compound Inflation Protection

Why Enhanced GPO Inflation Coverage?

• Today's market:

— Lower inflation, younger purchasers, and competing demands on money

• Response — Enhanced GPO

— Insured may purchase additional coverage without underwriting every three years (0%, 5%, 10%, or 15% of original amount)

— One-time option at age 65 to change to 5/5% or 5/3% compound inflation

• Enhanced GPO Benefits:

— Gives flexibility to control inflation now and in the future

— Provides potential for lower premiums at younger ages (while college or other expenses exist)

— Gives the opportunity to convert at age 65 to compound

— If not elected, still gives future opportunities to offset inflation

The following chart shows an example of an individual who purchases a $100 Daily Benefit and a 5 year benefit period at age 55 and does not elect any GPO offers. At age 65, the individual chooses to convert to either 5/5% inflation or 5/3% inflation. In both cases the Daily Benefit begins to compound at a 5% rate; the 5/5% policy limit grows at 5% compound, and the 5/3% policy limit grows at 3% compound.

Enhanced GPO Inflation Example

GPO with 5/5% or 5/3% Conversion at 65			
Age	Daily Benefit	GPO 5/5% Limit	GPO 5/3% Limit
55	$100	$182,500	$182,500
56	$100	$182,500	$182,500
57	$100	$182,500	$182,500
58	$100	$182,500	$182,500
59	$100	$182,500	$182,500
60	$100	$182,500	$182,500
61	$100	$182,500	$182,500
62	$100	$182,500	$182,500
63	$100	$182,500	$182,500
64	$100	$182,500	$182,500
65	$100	$182,500	$182,500
66	$105	$191,625	$187,975
67	$110	$200,750	$193,614
68	$116	$211,700	$199,423
69	$122	$222,650	$205,405
70	$128	$233,600	$211,568
71	$134	$244,550	$217,915
72	$141	$257,325	$224,452
73	$148	$270,100	$231,186
74	$155	$282,875	$238,121

1. John Hancock Statistical Analysis 2003.
2. U.S. Department of Labor Bureau of Labor Statistics, Bureau of Labor Statistics Data, 2003

Real Life, Real Answers Example:

- Policyholder, age 55 with child college expenses wishes to limit premiums in early policy years
- Sees premium for compound 5/5% at age 55 = $1,522
- Wants GPO for savings and choice with inflation protection
  - — Does not elect any GPO offers prior to age 65
  - — GPO conversion to compound inflation at age 65 with two options 5/5% or 5/3% compound:

Premium for GPO with 5/5% conversion = $649 to age 65
Then go to $1,730 at 65[1]

Premium for GPO w/ 5/3% conversion = $649 to age 65
Then $1,438 after 65[1]

Why 5/3% Inflation Coverage?

- 5/3% Annual Compound Inflation Option
  - — LTC Benefit Amount increased 5% compound each year
  - — LTC Policy Limit increased 3% compound each year
- Provides cost-saving compounding alternative to traditional 5% compound inflation options
- Greater Access to Daily Benefits and "today benefits" (Compared with simple inflation)

Please note the policy limit may be exhausted sooner than the amount of time selected for the Benefit Period with the 5/3% inflation option if the individual uses the maximum LTCI benefit amount.

How does the choice of inflation option effect premium for a fixed set of benefit options?[2]

Policy Year	Age	5/5% Cmpd LTCI $	5/5% Cmpd Pool $	5/3% Cmpd LTCI $	5/3% Cmpd Pool $	5% Simple LTCI $	5% Simple Pool $
1	55	200	365,000	200	365,000	200	365,000
5	59	244	445,300	244	410,811	240	438,000
10	64	311	567,575	311	476,242	290	529,250
15	69	397	724,525	397	552,095	340	620,500
20	73	507	925,275	507	640,030	390	711,750
25	79	647	1,180,775	647	741,970	440	803,000
30	84	825	1,505,625	825	860,146	490	894,250

5/5% Compound Premium = $3,104
5/3% Compound Premium = $2,425
5% Simple Premium = $2,256

If there was a fixed premium ($3,000), with a fixed Benefit Period (10-Year Benefit Period, 90-Day Elimination Period, and Daily Benefits), what would the $3,000 buy in variable Daily Benefit for 5/5% Compound Inflation vs. 5/3% Compound, 5% Simple and GPO without conversion variable?

What would the $3,000 purchase in daily benefits and what would the daily benefit and policy limit grow to over time?

Policy Year	Age	5/5% Cmpd LTCI	5/5% Cmpd Pool	5/3% Cmpd LTCi	5/3% Cmpd Pool$	5% Simple LTCI	5% Simple Pool	GPO w/out Conv.	GPO w/out Conv.
		10 Yr	10 Yr	10 Yr	10 Yr	10 Yr	10 Yr	10 Yr	10 Yr
1	55	150	547,500	195	711,750	205	748,250	370	1,350,500
5	59	183	667,950	237	801,081	246	897,900	370	1,350,500
10	64	234	854,100	302	928,672	297	1,084,963	370	1,350,500
15	69	299	1,091,350	386	1,076,586	349	1,272,025	370	1,350,500
20	73	382	1,394,300	491	1,248,058	400	1,459,088	370	1,350,500
25	79	487	1,777,550	627	1,446,841	451	1,646,150	370	1,350,500

1. Generic rates — for illustrative purposes only.
2. Example assumes generic rates, 90 day EP, 5 Year Benefit Period, $200 Daily Benefit.

Using the same $3,000 example above, what if Lifetime, 5/5% were compared with the 10-year pools? What would $3,000 purchase in daily benefits and what would the daily benefit and policy limit grow to over time?

Policy Year	Age	5/5% Cmpd LTCI	5/5% Cmpd Pool	5/3% Cmpd LTCI	5/3% Cmpd Pool$	5% Simple LTCI	5% Simple Pool	GPO w/out Conv.	GPO w/out Conv.
		LT	LT	10 Yr	10 Yr	10 Yr	10 Yr	10 Yr	10 Yr
1	55	115	Unlimited	195	711,750	205	748,250	370	1,350,500
5	59	140	Unlimited	237	801,081	246	897,900	370	1,350,500
10	64	179	Unlimited	302	928,672	297	1,084,963	370	1,350,500
15	69	228	Unlimited	386	1,076,586	349	1,272,025	370	1,350,500
20	73	291	Unlimited	491	1,248,058	400	1,459,088	370	1,350,500
25	79	372	Unlimited	627	1,446,841	451	1,646,150	370	1,350,500

4. Am I covered for today, as well as tomorrow?

- Many times, producers and prospects think and plan too far forward when building a long-term care insurance policy
- Consider the impact of needing care today: Today benefits

"How would you and your family cope if you needed care two days or years from now, not 20 years from now?"

Case Study: Susan Jones

- Susan Jones is age 55, homeowner, widowed with teenage children (with educational expenses), and is considering purchasing LTC insurance
- In meeting with her representative, she wants to know what the best Benefit Period, inflation option, and LTC benefit amount would be, and what her options are
- Susan's budget for LTC is $1,750 to $2,500 for insurance

- She has two personal family experiences with LTC (two and four years)
- Local costs in Susan's area average $125/day for nursing home care

Susan's representative recommends:

- Lifetime benefits
- Compound inflation
- $100/day

Her representative informs her that the compounding effect will take care of any inadequacies in the first years due to an anticipated slowing in inflation and the compounding effect of the inflation option.

- The premium for the policy is $2,622 per year

Later in the month Susan has a stroke, resulting in benefit eligibility

- Unfortunately, her care is above average and costs nearly $200 per day
  - — She and her family want the care provided in the home
  - — Care costs inflate each year at 3%
- Care lasts for five years
- Lets look at her situation and how the policy paid (below)

Susan's Policy Example

Lifetime Benefit Period, $100/day benefits, $200 a day expenses, 5/5% Compounding Inflation, immediate LTC need:

Age	Policy Year	Daily Benefit	Actual $200 Expense	Paid by Policy	Out of Pocket
55	1	$100	$73,000	$36,500	$36,500
56	2	$105	$75,190	$38,325	$36,865
57	3	$110	$77,446	$40,150	$37,296
58	4	$116	$79,769	$42,340	$37,429
59	5	$122	$82,162	$44,530	$37,632
Totals			$387,567	$201,845	$185,722

- The actual expenses of $200 per day result in out-of-pocket expenses exceeding $185,000

Other Possible Recommendations:

- Another recommendation the representative could make (one of many):
  - — 5-Year Benefit Period
  - — GPO Inflation
  - — With "inflation pre-purchasing" of $250/day benefit

Product Marketing continued

- ($250 is the benefit amount $100/day would compound to in year 20)
  - — Annual Premium $1,621
    - Savings of over $1000, protects against inflation, and pays for all of today's expenses
  - — And, if Susan's claim was not due to a stroke, but due to an accident, her Double Coverage for Accidents Benefit would be $500/day

Other Premium and Benefit Trade-Offs and Considerations For Couples:
Partners, age 55, similar premiums: Variable of Benefit Period, Daily Benefit amount, and inflation variables

- Individual $100/day, L.T. BP, 5/5% compound ($338 @ age 80) = $3,672
  - — Comprehensive coverage — limited today benefits
- Shared Care 2x10yr, 5/3% Compound $160/day ($539 @ age 80) = $3,648
  - — 20 yrs combined coverage — greater today benefits
- Shared Care 2x6yr. 5% Simple, $205/day ($461 @ age 80) = $3,758
  - — 12 yrs combined coverage — good for today and future
- Shared Care 2x6yr GPO, $360/day = $3,684
  - — 12 yrs combined coverage — good for today & future

Premiums are generic and for illustrative purposes only.

Choosing And Positioning The Riders

John Hancock offers eight optional riders that allow you, the producer, to customize the policy to meet a specific consumer need. Please note: That all riders can be dropped after issue.

In most cases the core policy will provide the proper benefits to the insured. You should recommend a rider only when it is clearly suitable as determined by your assessment of the prospects needs.

The following positioning bullets are designed to represent the key consumer benefits. These bullets do not mention limitations or state variations. Please refer to product inserts, the Producer Product section of this guide and/or sample policies for a full description.

Eight Optional Benefit Choices

- Emphasizing Home Care and Preserving Choice
  1. Waiver of Home Care Elimination Period
  2. Additional Cash Benefit

- Emphasizing Choice for Partner and Family Options
  3. FamilyCare Benefit
  4. SharedCare
  5. Survivorship and Waiver of Premium Benefit

- Emphasizing Benefit and Premium Preservation
  6. Restoration of Benefits
  7. Nonforfeiture
  8. Enhanced Return of Premium upon Death Benefit

Emphasizing Home Care and Preserving Choice

1. Waiver of Home Care Elimination Period

- Waives Elimination Period for Home Health Care
- Creates a 0 day HHC EP
- Days of HHC count towards the Facility EP
- Waiver of Premium begins once the Facility Elimination Period is met
- Rider Price is 9%
- Not available with 180 or 365 days EP or ages 80–84

Listen to:

1. Prospect's goals
2. Prospect's personal experiences
3. Fact finding and data gathering
4. Reactions to core product description
5. Prospect's health
6. Any competitive situation
7. Objections

Consider when:

1. In a competitive situation
   - Any 0 day E.P
   - Calendar Day E.P.s
2. Prospect interest in shortened elimination period (i.e. 20 day or less)
3. Home health care personal experiences and/or HHC a critical prospect concern

2. Additional Cash Benefit[1]

- Separate pool of funds to help the prospect stay at home
- Monthly Cash benefit equal to 15% of the Monthly Benefit Amount or 4.5 times the Daily Benefit Amount
- Used for a variety of LTC expenses
- Rider price is 10%

Listen to:

1. Prospect's goals
2. Prospect's personal experiences
3. Fact finding and data gathering
4. Reactions to core product description
5. Prospect's health
6. Any competitive situation
7. Objections

Consider when:

1. Home Health Care is considered a critical feature by the prospect
2. Questions arise regarding HHC and "do you pay for this/that?"
3. Interest in expanded home health coverage
4. Personal home care experiences that were labor and cost intensive
5. In competition
   — Any indemnity plan
   — Any cash benefit rider

Emphasizing Choice for Partner and Family Options

3. FamilyCare Benefit

- Revolutionary multi generational long-term care insurance benefit
- Select up to three family members to add to a prospect's policy. Eligible to immediate family, ages 18–79
- Monthly or daily maximum benefit can be shared by all covered family members out of a single pool of money
- Affordable way to pool resources and protect multiple family members from LTC costs
- Benefit bequeathment features
- Not available with 2 yr, 3 yr or Lifetime benefit period, SharedCare, Survivorship and Waiver of Premium, Restoration of Benefits, Enhanced Return of Premium at Death, Limited Pay Options or ages 80–84

Listen to:

1. Prospect's goals
2. Prospect's personal experiences
3. Fact finding and data gathering
4. Reactions to core product description
5. Prospect's health
6. Any competitive situation
7. Objections

Consider when:

1. Close knit family structure and desire to handle the issue as a family is evident
2. Family concerns over multiple person coverage
3. A "baby boomer" shows concern over personal family and parental long-term care costs
4. Prospect desires to pool family resources
5. You hear the prospect concerned with the "use it or lose it" aspect of individual LTCI coverage
6. Your prospects want to leave a legacy of protection
7. 2 Person alternative to SharedCare

1. At certain levels, benefits received may create a taxable event.

4. SharedCare

- Allows partners to access the available benefits under the other's policy once their own policy is exhausted
- If either partner dies, survivor's policy is automatically increased by remainder of deceased's policy limit (premiums for both riders and the deceased's policy are dropped)

- Both partners must have rider and identical benefit options (except for EP)
- 60-day purchase offer of a 2-year benefit plan for policyholder whose benefits are exhausted by partner. No underwriting required, use of attained age rates with no claim for prior 2 years, offer is available through age 90
- Available with ROB and no restriction between partners' age
- Not available with FamilyCare, or Lifetime BP or ages 80–84, or w/Enhanced return of premium at death
- Rates are 26%, 16%, 11%, 10%, 8%, 5% for 2/3/4/5/6/10 year BPs, respectively

Listen to:

1. Prospect's goals
2. Prospect's personal experiences
3. Fact finding and data gathering
4. Reactions to core product description
5. Prospect's health
6. Any competitive situation
7. Objections

Consider when:

1. Any spousal/partner situation
2. Partner/spouse are interested in pooling resources to cover LTC risk
3. Response to prospect's comment "Isn't there something that would just cover the both of us?"
4. In competitive situation
5. An alternative to longer duration benefit periods; for competitive reduction and price concern shoppers

5. Survivorship and Waiver of Premium Benefit

- If both have inforce policies and no claims were payable in the first 10 years, the surviving partner's policy is paid up upon the death of the other, if the surviving partner has this rider
- If both have inforce policies for 10 years, no claims were payable in that time, and one partner then goes on claim after 10 years, the premiums are waived for the other partner if they have this rider for the duration of the claim. Upon recovery, both must begin paying premiums again
- Expanded to family member or partners. Must have lived together for at least five years
- Both partners are not required to purchase rider
- Available with 10 year or Lifetime BPs and Restoration of Benefits, to ages 80–84
- Not available with Limit Pay Options FamilyCare Benefit, or GPO
- Rider price is 9%

Listen to:

1. Prospect's goals
2. Prospect's personal experiences
3. Fact finding and gathering
4. Reactions to core product description
5. Prospect's health
6. Any competitive situation
7. Objections

Consider when:

1. In competition with any survivorship rider
2. Packaging with SharedCare to maximize bequeathing and paid-up features
3. In response to statement that one partner believes he/she will predecease the other

<u>Emphasizing Benefit and Premium Preservation</u>

6. Restoration of Benefits

- Policy limit is restored one time if insured is "fully recovered" and does not meet benefit triggers for a period of 180 days

- Available with SharedCare & Survivor/Waiver
- Not available with 2 year, 10 year or Lifetime BPs, the FamilyCare Benefit or ages 80–84
- Rider price is 4%

Listen to:	Consider when:
1. Prospect's goals 2. Prospect's personal experiences 3. Fact finding and data gathering 4. Reactions to core product description 5. Prospect's health 6. Any competitive situation 7. Objections	1. Comments from the prospect arise regarding "revolving door" care 2. Personal experiences regarding family member who required LTC services before and after a long period of recovery 3. Unable to offer Lifetime benefits

7. Nonforfeiture

- Insured receives a policy with reduced policy limit if the policy lapses after it has been in force for at least 3 years (1 year if limited pay option is chosen)
- Reduced policy limit is the sum of the total premiums and never less then 30x the daily or 1x the monthly LTCI benefit
- The monthly or daily benefit will remain the same with the resulting shortened benefit period
- Rider price is 6%

Listen to:	Consider when:
1. Prospect's goals 2. Prospect's personal experiences 3. Fact finding and data gathering 4. Reactions to core product description 5. Prospect's health 6. Any competitive situation 7. Objections	1. Prospect is concerned over having to pay premiums over time without building any benefit

8. Enhanced Return of Premium upon Death Benefit

- John Hancock will pay beneficiary the Enhanced Return of Premium upon Death Benefit if the policy is in force on the date of the policy holder's death
- Regardless of his/her age at the time of death.
- This benefit will be calculated by subtracting the sum of all benefits paid under the policy for charges incurred prior to the date of death from the sum of all premiums paid for the policy (accumulated without interest).
- Not available with shared care, family care benefit or ages 80-84

Listen to:	Consider when:
1. Prospect's goals 2. Prospect's personal experiences 3. Fact finding and data gathering 4. Reactions to core product description 5. Prospect's health 6. Any competitive situation 7. Objections	1. Prospect is concerned about paying premiums and never using benefits before death 2. Prospect wants value returned to estate or business

V. MARKETING MATERIALS AND SUPPORT

A. Consumer Marketing Materials for Custom Care II and Essential Care II

Due to the fact that benefit features and selections may not be available in every state or a state may have unique advertising requirements, you must always check to make sure that you only use marketing material that is appropriate, available (or in some instances approved for use) in a given state. Therefore, it is critical, that you are aware of any state variations in the marketing material you use in the state where you are soliciting. Please check for any state exceptions or variations.

1. Consumer Brochure (LTC-2700 6/03)

Emphasizes the the need for long-term care insurance products.

2. Custom Care II Product Insert (LTC-2701 6/03)

Describes the benefits and features of John Hancock's Custom Care II product.

3. Younger Market Custom Care II Product Insert (LTC-2765 6/03)

Geared toward the under age 65 market. Upfront positioning reveals reasons why younger people should consider LTCI. Highlights benefits and features that appeal to a younger market.

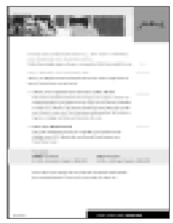
4. Essential Care II Product Insert (LTC-2702 6/03)

Describes the benefits and features of John Hancock's Essential Care II product.

5. Custom Care II FamilyCare Benefit Insert LTC-2703 6/03)

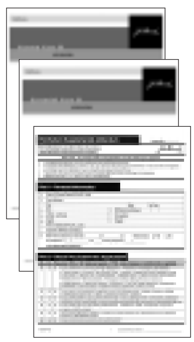
Describes the benefits and features of John Hancock's innovative FamilyCare II Benefit. Although the FamilyCare II Benefit is a rider available on Custom Care II, this insert is designed to help producers market it as a standalone policy.

6. 5 Steps to Build Your LTC Policy Worksheet Insert (LTC-2704 6/03)



Used to build your customer's long-term care insurance policy. Spaces are provided in the right hand column to record benefit choices as they are made during the sales process. This worksheet is optional and will be most useful to the occasional long-term care producer. Available by download only.

6. APPLICATION BOOKLETS AND REQUIRED FORMS:



Custom Care II Application Booklet (LTC-2720)
Essential Care II Application Booklet (LTC-2721)
FamilyCare II Supplemental Application (FCSUPP03)

Both Custom Care II and Essential Care II application booklets include an application, an HIPAA Medical Authorization form, an outline of coverage, a Long-Term Care Insurance Personal Worksheet, a Notice of Things You Should Know Before Buying, a Notice of Insurance Information Practices, Replacement Forms, an Advance Payment Receipt and a notice of protected Health Information Privacy Practices. FamilyCare II Benefit Supplemental Application is available by download only.

B. Consumer Prospecting Materials:

1. LTC Product Mailer (LTC-2705 6/03)

Announces John Hancock's two new products. It is intended to attract the attention of people currently considering the purchase of long-term care insurance policies and prompt them to consider a John Hancock LTCI product.

2. FamilyCare II Mailer (LTC-2706 6/03)

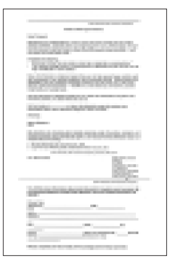
Prompts prospects to contemplate their need for long-term care as a family.

3. Younger Market Mailer (LTC-2780 6/03)

Designed with the younger market in mind. Emphasizes new riders for those under age 65.

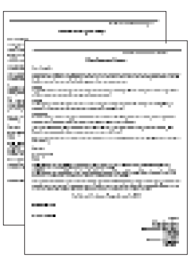
4. PROSPECTING LETTERS

(Each letter includes a tear-off section that can be mailed back to the producer to generate a LTCI appointment. Available by download only.)



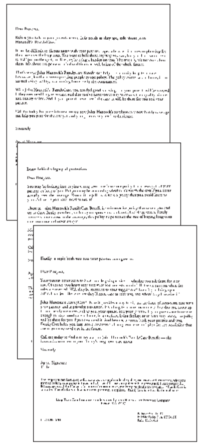
"Home is Where the Heart is" (LTC-2710)

This letter is designed to create interest in the need for LTC.



"Care For Your Future" (LTC-2782 6/03)
"The Future Begins Today" (LTC-2783 6/03)

These two letters are designed to sell the need for LTCI to the younger market, highlighting the financial risk of not having coverage.



"Before you talk to your parents about their needs as they age, talk about John Hancock's FamilyCare II." (LTC-2707)
Target: Baby Boomer

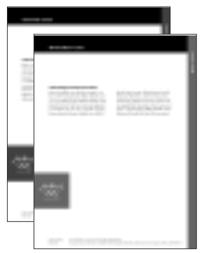
"Finally, a topic you and your parents can agree on" (LTC-2708)
Target: Baby Boomer

"Leave Behind a Legacy of Protection" (LTC-2709) Target: Senior

These three letters are designed to capitalize upon the innovative FamilyCare II Benefit option.

C. Producer Marketing Materials and Sales Tools:

1. Rate Cards



Custom Care II (LTC-2718)
Essential Care II (LTC-2719)
Available by download only.

2. Producer Product and Marketing Guide

A complete product guide for producers.

3. On-Line Support

For on-line support and access to a wealth of marketing information, please go to http://www.jhbrokerage.com. and www.sfnonline.com (for Signator).

4. Required Forms

- Application Booklets (one for Custom Care II and FamilyCare Benefit, and one for Essential Care II)
- Custom Care II Application Booklet (LTC-2720)
- Essential Care II Application Booklet (LTC-2721)

Producer Marketing Materials continued

Both application booklets instructions' include an application, an outline of coverage, a Long-Term Care Insurance Personal worksheet, a Notice on Things You Should Know Before Buying, a Notice of Insurance Information Practices, Replacement Forms, Advance Payment Receipt, medical authorization and potential rate increase disclosure form.

- FamilyCare II Benefit Supplemental Applications are separate

Other required materials at time of sale include:

- The Guide to Health Insurance for People with Medicare (for people 65 and over) (LTC-1014)
- NAIC Shoppers Guide (LTC-1059)
- State Specific Shoppers Guides

Please note: certain states make additional state specific requirements.

VI. POLICY ADMINISTRATION

LTCI Administration

Premium Payment Modes

- Annually
- Semi-annually
- Quarterly
- Bank Draft Monthly (void check required)

Please note that the more often premiums are paid the higher the cost.

Prepayment

Prepayment with the application is required with a minimum of one month's modal premium must be submitted. Prepayment should be recorded on the Advance Payment Receipt, which is included with the application, and copy of the receipt should be given to the applicant.

Issue Dates

If the applicant's age changes within 32 days of the application date (include the date the application was signed and the issue date as 2 of the 32 days), then the younger age is used for premium calculation. Underwriting requirements are based upon the younger age.

Supplemental Forms

At the time of a 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
- Replacement Forms (if replacement is involved)
- Medicare Buyer's Guide (if eligible for Medicare) (LTC-1014) (prior to application)
- Potential rate increase disclosure form.
- And any other state-required forms or documents

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

John Hancock LTCI Underwriting

John Hancock field Underwriting

For a complete understanding of John Hancock underwriting programs and processing, please refer to the LTC Condensed Underwriting Guide (LTC-1727).

Preparing your client for the underwriting process

A consumer underwriting process brochure entitled "Our Underwriting Process" (LTC-1590) has been created to assist you in preparing your client for our underwriting process. It is essential that your client receive this brochure during the sales process as this will set your client's expectations and ensure favorable results.

First Household Rule

As distribution systems diversify and our long-term care insurance portfolio expands, we continue to see situations where two LTC applications are submitted on one or more of our portfolio of LTC insurance products, from different producers, on the same applicant, within the same household.

Consequently, in order to process new business as equitably and efficiently as possible John Hancock implemented a revised first producer rule effective January 1, 2001. This rule applies to all producer-based sales of the John Hancock and Fortis product portfolios. The guidelines are referred to as the "First Household Rule."

The First Household Rule states that the first producer to submit an application for any of the of the above mentioned policies is considered the agent of record for that household for a period of at least 6 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 submitted 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 date of the original application or 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 new business, better preserves the producer's investment in a client relationship, and protects John Hancock's reputation in the marketplace.

If you have any questions about our "First Household Rule," feel free to call:

- Laurene Polignone
  General Director LTC Underwriting
  617-572-5121

First Household Rule continued

- Chris Rogers
  General Director LTC Marketing
  617-572-6518

- Long-Term Care Support Services
  1-888-604-7296

Tax Advantages

The Health Insurance Portability and Accountability Act of 1996, also known as the Kassebaum/Kennedy Bill, was signed into law on August 21, 1996, by President Clinton. Individuals considering long-term care insurance may benefit from the favorable federal tax treatment which the law provides. John Hancock offers policies intended to be tax-qualified LTC contracts that will allow your clients to take advantage of this legislation.

The act changed portions of the federal tax code and encouraged individuals to purchase LTC insurance. Long-term care insurance policies meeting certain requirements of the act will qualify for favorable federal income-tax treatment similar to that allowed for other forms of health insurance. This law took effect on January 1, 1997.

Tax Deductible Premiums

Premiums paid on tax-qualified policies are deductible from federal income tax up to certain age-related limits as part of the medical deduction (on itemized deductions) over 7.5% of adjusted gross income — the same as other health insurance premiums.

The 2004 deduction for LTC insurance premiums is limited by the taxpayer's age at the end of the tax year, as illustrated in the following chart.[1] This amount changes each year.

Age	2004 Maximum Deduction Per Individual
40 or younger	$260
41–50	$490
51–60	$980
61–70	$2,600
71 and older	$3,250

For additional information regarding the rules and regulations concerning the deductibility of tax-qualified long-term care insurance, as it relates to individual purchase, self-employed, Partnership, Subchapter S Corporations, Subchapter C Corporations, Cafeteria Plans, Limited Liability Companies, and Contributory Arrangements, please refer to the LTC-1198, the LTC Insurance Tax Information Booklet.

Many states provide tax credits or tax deductions for Long-Term Care Insurance.

1. Figures are subject to change annually.

VII. JOHN HANCOCK STRENGTH

John Hancock is known for its strength as a company and the products it develops. You can remember how to position John Hancock in the LTC industry with the acronym — STRENGTH:

- **Strength** — John Hancock and its subsidiaries represents one of the largest life insurance companies in the United States with more than $139 billion in assets under management as of June 30, 2003.
- **Trust** — John Hancock is a brand you can trust
- **Ratings** — John Hancock is among the highest-rated insurance companies for financial strength and stability. Take a look at our ratings as judged by the major rating agencies.[1]

A.M. Best	A++ (Superior)
Fitch	AA (Very Strong)
Moody's	Aa3 (Excellent)
Standard & Poor's	AA (Very Strong)

- **Excellent Service** — dedicated claims representatives to help customers from beginning to end of the claim process
- **New Underwriting Process** — TIP (Telephone Interview Process)
- **Great Programs** — Loyality Credit, Advantage List, Sponsored Group
- **Top of the Line Product Features** — SharedCare, Double Accident and Return of Premium prior to age 65, International Coverage, FamilyCare Benefit, and expanded partner definitions
- **Home Options** — include the Stay at Home benefit, monthly home care benefits, SharedCare, Survivorship and Waiver of Premium, and the Additional Cash Benefit Rider, to help clients stay home

1. These rates are current as of May 2003. Ratings do not pertain to investment portfolios.

Inflation Options: Impact on Daily Benefit and Policy Limit Over 30 Years
5 Year Benefit Period - $100 / Day LTCI Benefit Amount / 90 Day EP

		5/5 Compound		5/3 Compound		5% Simple		GPO-5/5% at 65		GPO-5/3% at 65	
Age	Policy Year	Daily Benefit	Policy Limit	Daily Benefit	Policy Limit	Daily Benefit	Policy Limit	Daily Benefit	Policy Limit	Daily Benefit	Policy Limit
55	1	$100	$182,500	$100	$182,500	$100	$182,500	$100	$182,500	$100	$182,500
56	2	$105	$191,625	$105	$187,975	$105	$191,625	$100	$182,500	$100	$182,500
57	3	$110	$200,750	$110	$193,614	$110	$200,750	$100	$182,500	$100	$182,500
58	4	$116	$211,700	$116	$199,423	$115	$209,875	$100	$182,500	$100	$182,500
59	5	$122	$222,650	$122	$205,405	$120	$219,000	$100	$182,500	$100	$182,500
60	6	$128	$233,600	$128	$211,568	$125	$228,125	$100	$182,500	$100	$182,500
61	7	$134	$244,550	$134	$217,915	$130	$237,250	$100	$182,500	$100	$182,500
62	8	$141	$257,325	$141	$224,452	$135	$246,375	$100	$182,500	$100	$182,500
63	9	$148	$270,100	$148	$231,186	$140	$255,500	$100	$182,500	$100	$182,500
64	10	$155	$282,875	$155	$238,121	$145	$264,625	$100	$182,500	$100	$182,500
65	11	$163	$297,475	$163	$245,265	$150	$273,750	$100	$182,500	$100	$182,500
66	12	$171	$312,075	$171	$252,623	$155	$282,875	$105	$191,625	$105	$187,975
67	13	$180	$328,500	$180	$260,201	$160	$292,000	$110	$200,750	$110	$193,614
68	14	$189	$344,925	$189	$268,007	$165	$301,125	$116	$211,700	$116	$199,423
69	15	$198	$361,350	$198	$276,048	$170	$310,250	$122	$222,650	$122	$205,405
70	16	$208	$379,600	$208	$284,329	$175	$319,375	$128	$233,600	$128	$211,568
71	17	$218	$397,850	$218	$292,859	$180	$328,500	$134	$244,550	$134	$217,915
72	18	$229	$417,925	$229	$301,645	$185	$337,625	$141	$257,325	$141	$224,452
73	19	$240	$438,000	$240	$310,694	$190	$346,750	$148	$270,100	$148	$231,186
74	20	$252	$459,900	$252	$320,015	$195	$355,875	$155	$282,875	$155	$238,121
75	21	$265	$483,625	$265	$329,615	$200	$365,000	$163	$297,475	$163	$245,265
76	22	$278	$507,350	$278	$339,504	$205	$374,125	$171	$312,075	$171	$252,623
77	23	$292	$532,900	$292	$349,689	$210	$383,250	$180	$328,500	$180	$260,201
78	24	$307	$560,275	$307	$360,180	$215	$392,375	$189	$344,925	$189	$268,007
79	25	$322	$587,650	$322	$370,985	$220	$401,500	$198	$361,350	$198	$276,048
80	26	$338	$616,850	$338	$382,114	$225	$410,625	$208	$379,600	$208	$284,329
81	27	$355	$647,875	$355	$393,578	$230	$419,750	$218	$397,850	$218	$292,859
82	28	$373	$680,725	$373	$405,385	$235	$428,875	$229	$417,925	$229	$301,645
83	29	$392	$715,400	$392	$417,547	$240	$438,000	$240	$438,000	$240	$310,694
84	30	$412	$751,900	$412	$430,073	$245	$447,125	$252	$459,900	$252	$320,015

	5/5%	5/3%	5%Simple	GPO 5/5%	GPO 5/3%
Annual Premium:	$1,552	$1,213	$1,128	*	**
Total paid by year 20:	$31,043	$24,252	$22,560	$23,790	$20,868
Total paid by year 30:	$46,564	$36,378	$33,840	$41,093	$35,250

Rates are for training purposes only.
* GPO 5/5% premium @ $648.60 till age 65, then $1,730.35 over 65.
** GPO 5/3% premium @ $648.60 till age 65, then $1,438.20 over 65.

Inflation Options: Impact on Daily Benefit and Policy Limit Over 30 Years
5 Year Benefit Period - $200 / Day LTCI Benefit Amount / 90 Day EP

		5/5 Compound		5/3 Compound		5% Simple		GPO-5/5% at 65		GPO-5/3% at 65	
Age	Policy Year	Daily Benefit	Policy Limit	Daily Benefit	Policy Limit	Daily Benefit	Policy Limit	Daily Benefit	Policy Limit	Daily Benefit	Policy Limit
55	1	$200	$365,000	$200	$365,000	$200	$365,000	$200	$365,000	$200	$365,000
56	2	$210	$383,250	$210	$375,950	$210	$383,250	$200	$365,000	$200	$365,000
57	3	$221	$403,325	$221	$387,229	$220	$401,500	$200	$365,000	$200	$365,000
58	4	$232	$423,400	$232	$398,845	$230	$419,750	$200	$365,000	$200	$365,000
59	5	$244	$445,300	$244	$410,811	$240	$438,000	$200	$365,000	$200	$365,000
60	6	$256	$467,200	$256	$423,135	$250	$456,250	$200	$365,000	$200	$365,000
61	7	$269	$490,925	$269	$435,829	$260	$474,500	$200	$365,000	$200	$365,000
62	8	$282	$514,650	$282	$448,904	$270	$492,750	$200	$365,000	$200	$365,000
63	9	$296	$540,200	$296	$462,371	$280	$511,000	$200	$365,000	$200	$365,000
64	10	$311	$567,575	$311	$476,242	$290	$529,250	$200	$365,000	$200	$365,000
65	11	$327	$596,775	$327	$490,529	$300	$547,500	$200	$365,000	$200	$365,000
66	12	$343	$625,975	$343	$505,245	$310	$565,750	$210	$383,250	$210	$375,950
67	13	$360	$657,000	$360	$520,403	$320	$584,000	$221	$403,325	$221	$387,229
68	14	$378	$689,850	$378	$536,015	$330	$602,250	$232	$423,400	$232	$398,845
69	15	$397	$724,525	$397	$552,095	$340	$620,500	$244	$445,300	$244	$410,811
70	16	$417	$761,025	$417	$568,658	$350	$638,750	$256	$467,200	$256	$423,135
71	17	$438	$799,350	$438	$585,718	$360	$657,000	$269	$490,925	$269	$435,829
72	18	$460	$839,500	$460	$603,289	$370	$675,250	$282	$514,650	$282	$448,904
73	19	$483	$881,475	$483	$621,388	$380	$693,500	$296	$540,200	$296	$462,371
74	20	$507	$925,275	$507	$640,030	$390	$711,750	$311	$567,575	$311	$476,242
75	21	$532	$970,900	$532	$659,231	$400	$730,000	$327	$596,775	$327	$490,529
76	22	$559	$1,020,175	$559	$679,008	$410	$748,250	$343	$625,975	$343	$505,245
77	23	$587	$1,071,275	$587	$699,378	$420	$766,500	$360	$657,000	$360	$520,403
78	24	$616	$1,124,200	$616	$720,359	$430	$784,750	$378	$689,850	$378	$536,015
79	25	$647	$1,180,775	$647	$741,970	$440	$803,000	$397	$724,525	$397	$552,095
80	26	$679	$1,239,175	$679	$764,229	$450	$821,250	$417	$761,025	$417	$568,658
81	27	$713	$1,301,225	$713	$787,156	$460	$839,500	$438	$799,350	$438	$585,718
82	28	$749	$1,366,925	$749	$810,770	$470	$857,750	$460	$839,500	$460	$603,289
83	29	$786	$1,434,450	$786	$835,094	$480	$876,000	$483	$881,475	$483	$621,388
84	30	$825	$1,505,625	$825	$860,146	$490	$894,250	$507	$925,275	$507	$640,030

	5/5%	5/3%	5%Simple	GPO 5/5%	GPO 5/3%
Annual Premium:	$3,104	$2,425	$2,256	*	**
Total paid by year 20:	$62,085	$48,504	$45,120	$47,579	$41,736
Total paid by year 30:	$93,128	$72,756	$67,680	$82,186	$70,500

Rates are for training purposes only.
* GPO 5/5% premium @ $1,297.20 till age 65, then $3,460.70 over 65.
** GPO 5/3% premium @ $1,297.20 till age 65, then $2,876.40 over 65.

Notes

John Hancock

36 USC 220506

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