



LONG-TERM CARE  
INSURANCE

# Producer Training Guide

A guide to discussing the  
2010 Rate Action with your clients



## The 2010 Rate Action

We understand that the announcement by John Hancock to pursue rate increases on certain policies of our in-force book of business will create challenges for our producers and our policyholders. This was a difficult decision, but we are confident it is one that will enable us to keep our promise to our policyholders — to be there and to pay claims when they need us most. Our goal with this guide is to help simplify the process and provide you with the tools needed to help you in discussions with your clients.

For additional information, you can also reference the 2010 Rate Action Information Guide, LTC-1105.

# Contents

- About this guide .....2
- Overview of the 2010 John Hancock Claims Study .....2
- Summary of findings .....3
- About the 2010 In-force Rate Increases .....4
- Communications timeline for implementation .....5
- Best Practice #1: Preparation is key .....6
- Best Practice #2: Put the rate action in context. ....7
- Best Practice #3: Emphasize the value of their coverage .....8
- Best Practice #4: Help your clients understand their options .....9
  - Inflation landing spots .....10
  - Personalized options .....12
  - Benefit reduction .....13
  - Lapse or cancel .....14
  - Contingent Nonforfeiture .....14
- Conclusion .....14
- Addendum: Sample policyholder package ..... 15-24

# About this guide

The purpose of this guide is to provide information and talking points to use with your clients if they have questions about the rate action on their John Hancock long-term care (LTC) insurance policy. In developing this piece, we spoke with several top LTC insurance producers who have experienced rate increases before within their books of business. The result is a collection of thoughts and ideas that we have compiled into “best practices” to follow when speaking with your clients. We are well positioned with dedicated phone lines to handle your clients’ questions regarding their rate action. We encourage you to utilize these call centers and use this guide as a means to help your clients make the right decision for their financial future. It is our hope that this will allow you the freedom to focus on maintaining and strengthening the relationships that you have built with them over the years.

*The 2010 study was the most comprehensive ever conducted by John Hancock due to the increased claims experience that comes from our maturing business.*

---

## Overview of the 2010 John Hancock LTC Claims Study

John Hancock monitors and studies claims patterns on a regular basis. We also conduct a comprehensive and extensive study that analyzes LTC insurance claims patterns and trends based on our actual claims experience every few years. Our 2010 study took an in-depth look at morbidity and termination trends:

- **Morbidity** is driven primarily by three factors: claims incidence, length of claims, and utilization of benefits.
- **Terminations** are reflective of lapse rates (when people give up their policies) and mortality (how long people are expected to live).

The data from our studies is taken into account when determining product pricing and establishing claims reserves.

The 2010 study was the most comprehensive analysis ever conducted by John Hancock, due to the natural maturing of our business and our increased claims experience. The review encompassed open and closed claims, and as a result, included nearly double the claims that were included in the study three years ago and four times more data at older ages and later policy durations. It looked at all LTC insurance claims (group and individual) that took place over a 20-year period, from 1990 to 2010.

---

## Summary of findings

The study confirmed that:

- With respect to morbidity, the incidence and severity of claims were significantly higher, the duration of claims longer, and claims terminations were lower than expected.
- Mortality improvements observed throughout the LTC and life insurance industry have also led to more people reaching the age where claims are more likely to occur.

Put simply, more people used the insurance than anticipated, reinforcing the value of the product to policyholders, but creating a pricing issue.

*More people used the insurance than anticipated, reinforcing the value of the product to policyholders, but creating a pricing issue.*

---

## Our decision

Based on this information, we will be increasing in-force premium rates on a number of policy series, subject to state acceptance. The actual increases we are requesting vary by issue age, inflation option, benefit period, and policy series. The overall average increase is about 40%.<sup>1</sup> We understand that this increase may be difficult for some of our policyholders to afford, so there will be an array of options available to minimize the size of the premium increase, and for certain policyholders, to keep premiums at or close to their current level.

The LTC insurance industry is still young and just beginning to see meaningful claims experience. John Hancock has some of the deepest experience in the industry. As a responsible leader, we believe it is important to take appropriate steps such as this to meet the future needs of our claimants and to ensure the ongoing health of the business.

*We believe it is important to take responsible action to meet the future needs of our claimants and to ensure the ongoing health of the business.*

1. Individual policyholders may be affected by a percentage higher or lower than this average, subject to state acceptance.

## About the 2010 In-force Rate Increases

We have filed for in-force rate increases on the following individual policy series. Some are being re-rated for the first time, while others will be going through their second round of increases:

POLICY SERIES	ISSUE YEARS
<i>Individual policies with first-round increases</i>	
Advantage NY Partnership	1992–1996
California Gold Coast Advantage	2001–2003
Custom Care I California/California Partnership	2003–2007
Custom Care II (2007 rates)	2007–2010
Custom Care II California/California Partnership	2007–2010
Custom Care II New York Partnership	2007–2010
Custom/Essential Care I	2002–2004
Custom/Essential Care I Florida 2003+	2003–2010
Custom/Essential Care II (2003 rates)	2003–2007
Fortis 7000s	2000–2002
Gold Select NY Partnership	1996–2006

<i>Individual policies with second-round increases*</i>	
Advantage	1991–1996
Fortis 4060-6063	1997–2002
Gold Select	1996–2002

\*In states where the full 13% (JH) or 18% (Fortis) rate increase was not previously approved, the unapproved portion will be added to the 2010 filing.

### EXCEPTIONS AND VARIATIONS

- Increases will not be applied to policyholders currently on claim.<sup>2</sup>
- Increases will not be applied to policyholders with original issue ages 80 and older.
- Increases will vary by policy series, issue age, benefit period, and inflation option.
- Increases will not apply to any products that include the Automatic Annual CPI inflation option (i.e., Leading Edge and Custom Care II Enhanced).
- Policy series LTC-87, LTC-88, and LTC-90 will not be affected.
- All rate actions are subject to state acceptance.

2. Policyholders on claim will be notified of the rate action. However, they will not receive any specific information until the time they are no longer on claim. They will be given the same 60-day notification.

## Communications timeline for implementation

Once we receive notification from the states of acceptance on our filings, we will begin the implementation process (on a state-by state basis) and will keep you informed throughout the process via LTC Newslink. In our updates, we will provide specifics, including the states and policy series affected, the amount of the increase, and the timing of producer and policyholder communications.

Approximately four weeks in advance of policyholder notifications, producers with affected clients will receive a list of the names of their policyholders who will receive notices, along with the actual amounts of their increases, policy anniversary dates, and any inflation landing spot or personalized option details.

Unlike our 2008 notification process, where we notified all affected policyholders once at the beginning of a state implementation, 2010 rate action policyholders will be grouped by policy anniversary month and will be notified in waves, at least 60 days in advance of their policy anniversary.<sup>3</sup>

*Please be aware that we are in the process of moving some products that exist on both of our administrative systems (such as Advantage Gold) from our older system to our newer system, in order to support landing spot processing. Therefore, we will be handling the rate increases for those products at a later date and will keep you informed when we do. Once we are ready to implement the rate increase for those policyholders, you will receive notifications and policyholder lists and the standard communication process will be followed.*

### A HYPOTHETICAL COMMUNICATIONS TIMELINE

Newslink announcing state acceptances and implementation dates . . . . .	2/14/2011
Producer provided with client list about 4 weeks before notice sent to clients . . . . .	3/1/2011
Policyholder notified 60 days in advance of anniversary . . . . .	4/1/2011
- Policyholder has approximately 30 days to decide whether to take their landing spot/personalized option	
Policy anniversary — Rate increase becomes effective . . . . .	6/1/2011

### Producer Tip

*We do not recommend that you contact your clients in advance of state acceptance of the rate increase, as there may be state variations and requirements that will need to be communicated to policyholders.*



### Client resource

*If your clients have questions about landing spot options, please have them call **877-606-7754.***



*If your clients have questions about personalized options, please have them call **877-606-7755.***



3. Advance notice will be longer where required by state regulation.

# Managing discussions with clients

## Producer Tip

*If clients call you, expect them to want to vent. Be a good listener. Show empathy, and be sure to take the time to evaluate each client's personal situation.*



## Producer Tip

*We strongly suggest you recommend that your clients review their options with family members or trusted advisors before making any decisions to reduce benefits, alter, or cancel coverage.*



There are bound to be a variety of reactions and responses when policyholders begin to hear about their rate increase. Some may find the news difficult to accept. Others may find it easier to understand, and may see the cost-reduction options that are being provided as an attractive alternative. The following best practices can serve as a useful guide when discussing the rate action with your clients.

## BEST PRACTICE #1: Prepare for discussions with clients

Reactions from your clients will vary. Many of them may just need to talk through the course of events to get a better understanding of why this is happening and what options are available to them. If you know that you have clients affected by this rate action, prepare in advance. Familiarize yourself with their policy, the percentage increase in premium, and if they are being offered an inflation landing spot or personalized option.

You may be a producer who has a large number of clients, or perhaps you sold one policy many years ago and have lost touch with that person. If they contact you, take the time to review their client file and their personal situation. If they want to meet, be open to scheduling an appointment at a time that is convenient for them. If they just want to discuss things by phone, be sure to clear an appropriate amount of time on your schedule.

### WHAT IS A PERSONALIZED OPTION?

The letter being sent to your client will indicate that they have a Personalized Option to reduce coverage and keep premiums as close to their current payment as possible. The personalized option will consist of one of two choices:

- 1. An inflation landing spot** — This will be offered to policyholders with 5% Simple or 5% Compound inflation (except for some Advantage 91 policies, where the inflation was already capped after 20 years or reaching age 85). An inflation landing spot is an option that allows the policyholder to maintain their current level of premium, avoiding a premium increase altogether. The inflation landing spot option preserves the policyholder's current level of benefits (including all 5% inflation increases earned to date). Only the future inflation increases will be reduced to a lower rate (which varies by policy series). Our ability to offer inflation landing spots is dependent on state acceptance of the full rate increase that has been filed.
- 2. Personalized options to reduce benefits** — This is for policyholders who are not offered an inflation landing spot, (e.g., because they have GPO, or capped inflation on Advantage). The options shown will reduce either their Daily/Monthly Benefit or their Benefit Period, resulting in keeping premiums as close to their current payment as possible.

## BEST PRACTICE #2: Put the rate action in context

For clients who are upset or concerned about the rate increase, it may be helpful to offer the following points, to help put it in context:

- Remind them that, although these policies allow for premium increases, the cost of this type of protection is still relatively low compared to the out-of-pocket expenses that can be incurred without insurance.
- Remind your clients that they are still paying less (far less, in some cases) than what new clients are paying today for policies with similar benefits.

### Show them the cost of the policy they purchased compared to today's cost

*HYPOTHETICAL EXAMPLE: Ten years ago your client (Single, Standard Health) purchased a John Hancock Gold Select policy with a \$150 Daily Benefit, a 4-year Benefit Period, 5% Compound Inflation, and a 90-Day Elimination Period. Show them the premium at which they purchased, along with their benefit selection. Then take the time to run the same quote for a new policy today using their same age and benefits from their original date of purchase. For most clients, this exercise will demonstrate how much higher the cost is today to purchase the same type of coverage they purchased years ago.*

	<b>THEN</b> (Gold Select)	<b>TODAY</b> (Custom Care II Enhanced)
Policyholder Age .....	.50	50
Daily Benefit .....	\$150	\$150
Pool of Money .....	\$219,000	\$219,000
<b>Annual Premium.....</b>	<b>\$1,305</b>	<b>\$3,197</b>
Monthly Premium .....	\$117.45	\$287.71

### Reconfirm why they originally purchased their policy

Review the notes that you have in their client file. Maybe it was part of their overall financial plan, or maybe they had a personal family experience that compelled them to buy a policy. Either way, help your clients realize how important it is to continue to protect their future.

Explain that very few people drop this coverage once they purchase it, which reinforces how much people value their coverage. That also is one of the primary reasons that LTC insurance carriers have had to raise rates to account for higher claims that are now predicted on these older policy series. Most clients understand that they have made a good decision (i.e., cost of care is expensive; they want to protect their assets and reduce the burden on family members, etc.), but it doesn't hurt to remind them that this is still the case.

### Producer Tip

*“I tell my clients that people typically do not drop these policies. Remind them why it was a good decision to buy, and how important it still is to protect their future and their family’s well-being.”*



### BEST PRACTICE #3: Emphasize the value of their LTC insurance coverage

In many instances, these policies were purchased several years ago, so clients may not recall the benefit options they chose. In some cases, they may not remember what inflation option they selected — or whether they even chose inflation protection. As a way of demonstrating the value of the policy, it is important to discuss inflation and the time value of the money they have paid in premiums.

**FIRST, review their original and current benefits with inflation coverage**

*HYPOTHETICAL EXAMPLE: Ten years ago your client (Single, Standard Health) purchased a John Hancock Gold Select policy with a \$150 Daily Benefit, a 4-year Benefit Period, 5% Compound Inflation, and a 100-Day Elimination Period:*

	<b>THEN</b> Client's Policy	<b>TODAY</b> Client's Policy
Policyholder Age .....	.50	.60
Daily Benefit .....	\$150	\$244
Pool of Money .....	\$219,000	\$356,240
<b>Annual Premium</b> .....	<b>\$1,305</b>	<b>\$1,827</b>
		(with an average 40% rate increase) <sup>4</sup>
Monthly Premium .....	\$117.45	\$164.43

*NOTE: Assuming no benefits had been paid for claims, a policy that has had 5% Compound inflation on it for 10 years has increased its Total Pool of Money by 63%. That type of growth is significant. Many clients will be pleased to see the past, current, and future value of their policy's benefits.*

**NEXT, quote the cost of a new policy at current age and original benefits**

At their original benefit selection, show them the cost of waiting. Had they waited ten years and purchased when they were age 60 rather than 50, show them what that would have done to the price of the policy. This can help reinforce the wisdom behind their original purchase.

	<b>THEN</b> (Gold Select)	<b>TODAY</b> (Custom Care II Enhanced) <sup>5</sup>
Policyholder Age .....	.50	.60
Daily Benefit .....	\$150	\$150
Pool of Money .....	\$219,000	\$219,000
<b>Annual Premium</b> .....	<b>\$1,305</b>	<b>\$3,931</b>
Monthly Premium .....	\$117.45	\$353.81

4. Actual premiums may be higher or lower, depending on applicable rate increase.  
 5. Coverage differences between the two products may apply.

**THEN quote a new policy at current age and current benefits**

Show your client a quote for a new policy that reflects what his/her Total Pool of Money has inflated to at his/her age today. If they purchased \$150 a day, 10 years ago at age 50 (Single and Standard Health) with 5% Compound, show them today's quote for \$240 a day at age 60 with 5% Compound. This exercise shows them the value of the money that they have saved in premiums and the value of the policy they already purchased.

	<b>THEN</b> (Gold Select)	<b>TODAY</b> (Custom Care II Enhanced) <sup>5</sup>
Policyholder age .....	.50	.60
Daily Benefit .....	\$150	\$240
Pool of Money .....	\$219,000	\$350,400
<b>Annual premium</b> .....	<b>\$1,305</b>	<b>\$6,290</b>
Monthly Premium .....	\$117.45	\$566.09

**FINALLY, compare the percentage difference in cost of the new policy to the premium for your client's current policy after the rate action**

The numbers should reflect that the value of your client's money spent over time (a discount compared to today's dollars) and the growth in policy benefits (due to inflation coverage) may outweigh the increase they will see in their premium due to the rate action.

**BEST PRACTICE #4: Help your clients understand their options**

Based on your client's personal situation and the type of benefit options they selected when they purchased their coverage, they will have several different options to consider.

**OPTION #1**

**Keep the policy and continue paying premiums**

Assuming their reasons for buying the policy are still true today, and they can afford the new premium, this should be the preferred option. You will have clients who receive the increase notice and simply pay their premium as they always have. Others may eventually decide not to make any changes, but only after they have spoken with you.

5. Coverage differences between the two products may apply.

## Client resource

*If your clients have questions about landing spot options, please have them call 877-606-7754.*



## OPTION #2

### Consider the inflation landing spot, if one is available

The inflation landing spot is an offer that allows policyholders with 5% Compound or 5% Simple inflation to move to a lower annual percentage inflation rate on future benefit increases, to avoid the increase completely (except for some Advantage 91 policies, where the inflation was already capped after 20 years or reaching age 85). The lower annual percentage rate will vary between 2.1% and 4.4% based on policy series, and is dependent on state acceptance of the full rate increase. Benefits accrued under the 5% inflation are retained, and only future inflation increases are affected. All policyholders in that series will be offered the same landing spot — even though their rate increase may be different. This approach is innovative — and to our knowledge, one that no other carrier has offered. Some policies only have a Guaranteed Purchase Option (GPO) indexed inflation, and therefore, cannot benefit from a decrease in inflation coverage. These policyholders may receive a personalized option (see option #3 on page 11).

### WHY IT MAKES SENSE

- ✓ Your client keeps their accrued inflation benefits. The lower inflation rate will only be applied on a “go-forward” basis. For example, if their \$100/day benefit had grown to \$150/day, then the 3.9% reduced inflation rate will be applied to the \$150/day and the Total Pool of Money going forward.
- ✓ They maintain their current annual premium of \$2,000 with no increase.
- ✓ They continue to have annual inflation increases, which also reflect recent trends in the rising cost of care. The chart below shows the national average annual increase over the past six years for the cost of care in various care settings.<sup>7</sup>

### COST OF CARE TRENDS

LONG-TERM CARE SETTING	6-YEAR AVERAGE ANNUAL INCREASE
Nursing Home: Private Room .....	3.2%
Nursing Home: Semi-Private Room .....	2.7%
Assisted Living Facility.....	4.0%
Home Health Care Aide.....	1.4%
Adult Day Care .....	2.4%

### HOW IT WORKS<sup>6</sup>

- ✓ Your client originally purchased an individual policy with 5% Compound inflation for an annual premium of \$2,000.
- ✓ Rates are increased by 23%, which makes their new annual premium \$2,460.
- ✓ The increase can be completely avoided if they reduce their inflation coverage from 5% compound to 3.9% compound.

6. This is a hypothetical example for illustrative purposes only and doesn't represent an actual policy. Landing spots are not negotiable, and policyholders will only be given the opportunity to reduce their inflation percentage within their elected inflation option to the amount that is offered. They cannot reduce to any other inflation increase, from 5% Compound to 5% Simple, or to CPI Compound inflation coverage. The landing spot is contingent upon state acceptance of the requested increase, and therefore is not guaranteed to be available in all states to all policyholders.

7. Six-year average annual increases are based on a comparison of the data from our 2002 Cost of Care Survey conducted by Harris, Rothenberg International, LLC, to data from providers in the same cities, as gathered by CareScout for the 2008 Cost of Care Survey.

## **WHAT HAPPENS IF A STATE REQUIRES THE INCREASE TO BE SPREAD OVER SEVERAL YEARS?**

In certain instances, states may require that the rate increase be spread over a certain number of years. When this occurs, it is our expectation that your client will be offered a one-time inflation landing spot up front, based on the full percentage increase. For example:

### **Scenario**

John Hancock files a 40% rate increase and the state accepts it, but requires that it be spread over four years:

- ✓ A state requires an increase to be spread over a number of years according to a pre-determined schedule.
- ✓ John Hancock offers the policyholder a one-time inflation landing spot and, if elected, none of the scheduled increases will apply to the policyholder.

### **IMPORTANT NOTE:**

If a state does not accept the full amount of the increase filed, policyholders of that policy series may not receive the option of an inflation landing spot due to administrative and actuarial complications involved with offering varying inflation landing spots.

## **HOW IT AFFECTS PARTNERSHIP POLICIES (SUBJECT TO STATE APPROVAL)**

- ✓ Under current rules, traditional Partnership policyholders (in CA, CT, IN, and NY) cannot reduce the 5% Compound Inflation increase and retain their Partnership status. We are working with these states to allow a reduction and retain Partnership status. We will notify you of the result prior to any increases being implemented on these policies.
- ✓ Reductions in benefits below annual state-set minimums will also result in a loss of Partnership status.
- ✓ There are certain DRA Partnership states (for example, CO and ID) with minimum inflation requirements, where the election of an inflation landing spot below such minimums may result in a loss of DRA Partnership status.
- ✓ When the time comes to discuss this with your client (following state approvals), be sure to explain the ramifications in complete detail.

## Client resource

*If your clients have questions about personalized options, please have them call 877-606-7755.*



### OPTION #3

#### Consider the personalized option, if one is available

If your client has a GPO-style indexed inflation option (one that offers increases every three years or annually), they will be offered a personalized option to reduce their Daily/Monthly Benefit (DMB) or Benefit Period, which for most policyholders will help keep their premiums approximately level with what they are currently paying.<sup>8</sup> Each client letter will show both available options, the level of benefit reduction, and the final calculation of the client's new premium. Your client can select one option or the other.

Here is the process John Hancock will follow in order to determine a new DMB personalized option that will keep your client's premium approximately the same:

- ✓ DMB: GPO elections will be removed on a last-in/first-out basis, and if necessary, the base DMB will also be reduced until the new premium is approximately the same as the premium before the rate increase. The DMB will be subject to any product or state-required minimums.

#### EXAMPLE:

Original DMB: \$200      Original Premium: \$2,000      Elections: 3 (\$220, \$240, \$260)

New Rate Increase Premium: \$2,400

John Hancock Action: Reduce DMB by 2 elections resulting in a new DMB of \$220

Proposed Personalized Option: Reduction of the DMB to \$220

New Proposed Premium Amount: \$2,050

Here is the process John Hancock will follow in order to determine a new Benefit Period personalized option which for most policyholders will keep their premiums approximately level:

- ✓ Benefit Period: The Benefit Period will be reduced until the new premium is approximately the same as the premium before the rate increase, but not below the shortest Benefit Period available on the product in the state of issue.

#### HOW IT AFFECTS PARTNERSHIP POLICIES (SUBJECT TO STATE APPROVAL)

- ✓ Reduction in Daily/Monthly Benefits below annual state-set minimums will result in loss of Partnership status. For example, if a Daily Benefit reduction is made in 2011, the lowest a policyholder can reduce it and still maintain Partnership status is the state-set annual minimum for 2011 — not the minimum in effect in the year in which the policy was originally issued.
- ✓ With Indiana Partnership and certain New York Partnership policies, a reduction in the Benefit Period will affect the type of asset protection that may be available (Dollar for Dollar instead of Total Asset Protection).

8. Please note that the policyholder letters for the first few rounds of implementation may not have the exact personalized option illustrated. Those clients will be prompted on the letter to contact the Policyholder Services Hotline to discuss their options.

## **OTHER POINTS TO CONSIDER WHEN REVIEWING PERSONALIZED OPTIONS AND INFLATION LANDING SPOTS**

- ✓ Clients with DMBs that are already at state-required minimums will not receive a DMB personalized option. John Hancock will not reduce a client's DMB below policy design minimums. As a result, clients will need to seek alternate options to reduce their premiums, if that is their wish.
- ✓ Clients with Limited Pay policies will be offered either a personalized option or an inflation landing spot. Please take the time to talk through these options with your client. If the policy is in its first few years of issue, then it may make sense to elect a benefit reduction. However, if the policy is close to becoming paid-up, it makes sense to continue to pay the increased premiums and maintain the higher level of benefit. Please be sure to clarify and explain the ramifications and results of each option.
- ✓ Due to the number of policy series, varied amount of rate increases, and possible inflation landing spot or personalized options, we do not currently have a tool available that allows producers to run quotes, but we hope to make this tool available in the near future.

### **OPTION #4**

#### **Consider other options to reduce benefits to help mitigate the impact of the premium increase**

Some clients may not be happy with the inflation landing spot or personalized option presented to them in their notification package. For those clients, be mindful of the other options they have to reduce their premiums:

- If they have a rider that is adding an additional cost, reevaluate its worth and consider dropping it.
- Increase their Elimination Period, if appropriate. For example, an increase from 20 days to 100 days, or 30 to 90 days might make sense, but clients need to understand the effect such a change would have on their out-of-pocket expenses.

Policyholders who are interested in any of these options will be directed to call John Hancock's dedicated Rate Action Customer Service Center for more information. Should a policyholder decide to change their coverage, they must complete a Coverage Change Request Form (enclosed in their options package).<sup>9</sup>

9. Agents cannot execute changes on behalf of a policyholder.

## **OPTION #5**

### **Lapse or cancel the policy**

It may be that some clients simply cannot afford the increase in premium, or that their financial goals have changed and they no longer want their coverage. If this is the case, be sure that you fully review the consequences of lapsing coverage, and be sure to specifically note this decision in their client file.

If the optional Nonforfeiture rider is not chosen (or does not meet election criteria), the Contingent Nonforfeiture benefit will be offered if your client experiences a rate increase that exceeds a certain percentage<sup>10</sup> (which varies by issue age). In this event, they will have the right to convert their coverage to a paid-up status, under which no further payments are due. The policy will remain in-force with a reduced Total Pool of Money equal to the greater of: (1) the sum of the total premiums they have paid, or (2) 30 times the Daily Benefit amount. This means that a reduced benefit will be payable instead of the Total Pool of Money. *(Please note, for those policy series that were subject to the 2008 and 2010 rate actions, the cumulative percentage of increase will be taken into account when determining eligibility for the Contingent Nonforfeiture Benefit.)*

## **Conclusion**

**W**e hope this guide can be a helpful resource for you as you talk with your clients about the 2010 Rate Action once state implementations begin. Being prepared for each individual client meeting and thinking through the dialogue in advance will help you significantly both in the quality of conversation you have with clients, and in your ability to maintain and enhance the relationship. We appreciate your patience and understanding during this process.

<sup>10</sup> John Hancock has also chosen to administer this benefit for older policy series that did not have it originally included.

# Addendum

The following pages provide samples of the producer and policyholder communications for the 2010 Rate Action, including:

## **A. Producer notification with policyholder listing**

Communicates the state approval and implementation process. Included with the letter will be a list of affected policyholders who will be notified in the coming 30 days as well as those notified in the previous 30 days and who are within their decision period.

## **B. Policyholder package**

**Policyholder letter (sample letter A)** — Communicates the reason and need for the premium increase. The letter confirms the importance of LTC insurance coverage and provides the contact information for our dedicated team of customer service representatives.

**Sample Options Package** — Provides a summary of the current LTC insurance coverage and premium as well as the premium increase. Explains the personalized options available to help reduce or avoid the premium increase.

**Frequently Asked Questions** — Created to answer some of the common questions your clients may have.

**Coverage Change Request Form** — To be used only when a coverage change is being requested. Includes instructions to either mail the change request in the enclosed postage paid envelope or fax it to the number provided.

# Addendum A

---

## John Hancock Financial Services

Jim O'Brien  
Vice President, LTC Operations & IT  
Long-Term Care Insurance  
P.O. Box 111, R-02, Suite 1700  
Boston, Massachusetts 02117-0111



December 30, 2010

«Agent First Name» «Agent Last Name»  
«Address1»  
«Address2»  
«City», «State» «Zip» «Zip4»

«Agent #»

Ref: Notice of affected LTC insurance policyholders. Rate action implementation set for **individual John Hancock policies in: Alaska.**

Dear «Agent First Name»,

As first communicated in September 2010, we have determined the need to seek a premium rate increase on some of our individual LTC insurance policy series. This is to inform you that our implementation process will now begin in Alaska. The enclosed listing provides specific details regarding each of your affected clients and the options available to help them reduce or avoid the premium increase.

Unlike our 2008 notification process, where we notified all affected policyholders once at the beginning of a state implementation, 2010 rate action policyholders will be grouped by policy anniversary month and will be notified, in waves, at least 60 days in advance of their policy anniversary. This letter pertains to your affected clients in Alaska who will have rate increases implemented on their upcoming policy anniversary in May 2011.

Our goal is to make this as easy as possible for you and your policyholders, so we encourage you to read through the various tools available, which can help you understand the options and provide you with tips on how to guide your clients through this process. They are available at [www.jhltc.com](http://www.jhltc.com)>Working with John Hancock>2010 Rate Action.

### About the enclosed policyholder listing

The enclosed listing outlines your affected clients in the state(s) mentioned above who will start being notified in approximately 30 days.\* The listing is sorted by nearest policy anniversary and includes:

- Policyholder contact information and product details
- Current benefits and premium information
- Premium increase amount, percent, and effective date
- Landing spot/personalized option and premium (if applicable)

*Note: The listing may also reflect any clients who may have been notified in the past 30 days and are still within their decision period.*

As new policyholders approach the 60-day notification period, you will receive an updated listing that includes those previously notified and still within their decision period. This will enable you to keep a running list of policyholders who will be affected in the coming months.

\*Due to administrative constraints, certain affected policyholders may not be notified of/impacted by the premium rate increase at this time and are therefore not reflected on your policyholder listing. These policyholders will be handled in the same manner as described above at a later time.

For financial professional use only. Not for use with the public.  
Long-term care insurance is underwritten by John Hancock Life Insurance Company (U.S.A.) Boston, MA 02117.  
LTC-1129AK 12/10 R1/W2

Affected policyholders in this wave will receive notification of the premium increase and their options at least 60 days in advance of their policy anniversary. The effective dates for this wave of state implementation(s) will be in May 2011.

Enclosed are samples of the policyholder notification package, please note the variations:

- For those with 5% Compound/5% Simple Inflation, *see enclosed: Sample A*
- For those with Guaranteed Purchase Option (GPO) and similar inflation types, *see enclosed: Sample B*

Please note that notification packages will be customized for each policyholder, based on policy series, current benefits and available options to minimize or avoid the premium increase. In the situation where the policyholder is eligible to exercise Nonforfeiture or Contingent Nonforfeiture, or has a Limited Pay payment option, this information will be noted on the listing and the respective wording will be included in their letter.

Once policyholders receive their package, they are being encouraged to contact one of our customer service representatives. Policyholders with 5% Compound or Simple inflation will be given this number to call for questions: 877-606-7754. For all other policyholders and any producer-related questions, please call 877-606-7755. Our customer service representatives will be able to answer questions and help them make a decision that best meets their personal needs. Please note that commissions will not be paid on any changes to premium caused by this rate increase.

**About John Hancock LTC Insurance**

As a responsible leader in the LTC insurance industry, we have concluded that this action is necessary to ensure that we are able to meet the future claims expected on these policies. We sincerely thank you for your ongoing support of John Hancock LTC insurance. Please contact your John Hancock representative with questions.

Sincerely,



Jim O'Brien  
Vice President, LTC Operations & IT

Enclosures:  
Policyholder listing  
Sample policyholder package

**Policyholder Listing for <<FirstName LastName>>, Agent #<<XXXXXX>>**

Policyholder  <<NAME> <<ADDRESS>> <<ADDRESS>> <<CITY, ST ZIP>>	<b>Policy &amp; Plan Information</b>				
	<b>Group#</b> <<XXX>>	<b>Policy#</b> <<XXXXXXX>>	<b>Plan</b> <<ABC Plan>>	<b>Issue State &amp; Date</b> <<YY>> <<MM/DD/YYYY>>	<b>Claim Status</b> <X>
	<b>Current Benefits</b>				
	<b>Daily /Monthly Benefit</b> \$<<XXX >>	<b>Benefit Period</b> <<X>> -Years	<b>Inflation Option</b> <<XXX>>	<b>Elimination Period</b> <<XX>> Days	<b>Optional Riders</b> <<XX>>
	<b>Limited Pay Option</b> <<XX>>	<b>Nonforfeiture</b> <<X>	<b>Contingent Nonforfeiture &amp; Policy Limit</b> <<X>> \$<<XXX>>	<b>Partnership</b> <<X>	
	<b>Premium Information</b>				
	<b>Current Premium</b> \$<<X,XXX >>	<b>Billing Mode</b> <<Annual/Monthly	<b>Increase Amount</b> \$<<XXX >>	<b>Increase Percent</b> <<XX>>%	<b>New Premium &amp; Effective Date</b> <<\$X,XXX >> <<MM/DD/YYYY>>
	<b>Landing Spot/Personalized Option</b>				
<b>Inflation Option</b> <<XX>>	<b>Daily/Monthly Benefit &amp; Premium</b> \$<<XXX >> \$<<XXX>>	<b>Benefit Period &amp; Premium</b> <<X>> -Years \$<<XXX>>	<b>Letter Sample</b> <<XXX>>		

Policyholder  <<NAME> <<ADDRESS>> <<ADDRESS>> <<CITY, ST ZIP>>	<b>Policy &amp; Plan Information</b>				
	<b>Group#</b> <<XXX>>	<b>Policy#</b> <<XXXXXXX>>	<b>Plan</b> <<ABC Plan>>	<b>Issue State &amp; Date</b> <<YY>> <<MM/DD/YYYY>>	<b>Claim Status</b> <X>
	<b>Current Benefits</b>				
	<b>Daily /Monthly Benefit</b> \$<<XXX >>	<b>Benefit Period</b> <<X>> -Years	<b>Inflation Option</b> <<XXX>>	<b>Elimination Period</b> <<XX>> Days	<b>Optional Riders</b> <<XX>>
	<b>Limited Pay Option</b> <<XX>>	<b>Nonforfeiture</b> <<X>	<b>Contingent Nonforfeiture &amp; Policy Limit</b> <<X>> \$<<XXX>>	<b>Partnership</b> <<X>	
	<b>Premium Information</b>				
	<b>Current Premium</b> \$<<X,XXX >>	<b>Billing Mode</b> <<Annual/Monthly	<b>Increase Amount</b> \$<<XXX >>	<b>Increase Percent</b> <<XX>>%	<b>New Premium &amp; Effective Date</b> <<\$X,XXX >> <<MM/DD/YYYY>>
	<b>Landing Spot/Personalized Option</b>				
<b>Inflation Option</b> <<XX>>	<b>Daily/Monthly Benefit &amp; Premium</b> \$<<XXX >> \$<<XXX>>	<b>Benefit Period &amp; Premium</b> <<X>> -Years \$<<XXX>>	<b>Letter Sample</b> <<XXX>>		

**John Hancock Life Insurance Company (U.S.A.)**

(Not licensed in New York)

Jim O'Brien  
 Vice President, LTC Operations & IT  
 Long-Term Care Insurance  
 P.O. Box 111, R-02, Suite 1700  
 Boston, Massachusetts 02117-0111



<p><b>Sample Letter A</b>  <b>5% Compound Inflation/Simple Inflation</b></p>
--

John Sample  
 100 Any Street  
 Anycity, MA 12345-6789

Date

Ref: Policy Number XXX, **Notice of long-term care insurance premium adjustment. Action may be required.**

Dear John Sample,

We are writing to notify you about an increase to your long-term care (LTC) insurance premiums.

At John Hancock, our commitment is to ensure LTC insurance benefits will be there for our policyholders when they need them most. To uphold this responsibility, we continuously monitor the experience of our inforce LTC insurance policies. After the most recent detailed analysis of our business, we have determined there is a need to increase premiums on certain policy series to reflect the future claims expected on these policies, and yours is one of those policies affected.

**Effect of increase on your premium**

Based on your current benefit selections, your premiums will increase from \$XXX.XX to \$XXX.XX, [billing frequency]. This change represents a X% increase in your premium. This new premium will be effective for premiums due on or after [next policy anniversary date]. Please note this letter is not a bill.

**Options to avoid or minimize the premium increase**

We sincerely regret having to take this action, and understand some policyholders may not be willing or able to pay the higher premium. Therefore, at this time, we are offering you an option to avoid the premium increase completely by reducing your future annual inflation rate and keeping all other benefits the same. Please refer to the enclosed "Options Package" for more information on this as well as alternative options available to you.

**About the premium increase**

It is important to know that this premium rate increase has been submitted to and accepted by the [insert policy issue state] Insurance Department. No individual has been singled out for an increase, nor is the increase due to a policyholder's advancing age or changing health. Our decision to increase premiums on certain policies is solely related to the future claims anticipated on these policies and not to the recent recession, interest rate environment, or any other investment-related reason. Please note that the pricing of our long-term care insurance policies is the sole responsibility of John Hancock, not your insurance agent. As a reminder, premium rates are not guaranteed, and could be increased again in the future.

*Continued on next page*

We believe in the importance of LTC insurance and strongly encourage you to maintain your policy and not give up the valuable protection that it provides. We remain committed to delivering on our promise to provide the most comprehensive coverage, support and service, when and where you need care.

**For questions and assistance**

If you have additional questions, please contact one of our customer service representatives at 877-606-7754. Our dedicated team is available to help you make a decision that best meets your personal needs.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim O'Brien", with a stylized flourish at the end.

Jim O'Brien  
Vice President, LTC Operations & IT

Enclosures:  
Options Package  
Coverage Change Request Form  
Frequently Asked Questions

Long-term care insurance is underwritten by John Hancock Life Insurance Company (U.S.A.), Boston, MA 02117.  
JHLTC-1205 1/11

## I. Summary of your current individual LTC insurance benefits

Daily/Monthly Benefit <sup>1</sup> .....	\$XXX.XX
Benefit Period.....	XX years/Unlimited
Elimination Period.....	XX
Inflation Option.....	[5% compound /simple inflation, 5%/3% Compound Inflation*]
Optional Riders.....	XX
Current Premium (prior to increase).....	\$XXX.XX

[\*5% Compound Inflation on [daily/monthly] benefit, 3% Compound Inflation on policy limit.]

### Your premium increase

Due to the premium rate increase and based on your current benefit selections as shown above, your premiums will increase from \$XXX.XX to \$XXX.XX, [billing frequency] and will be effective for premiums due on or after [next policy anniversary date].

If you wish to keep your current coverage, you do not need to take any action other than pay the increased premium.

- If you have authorized payment via monthly electronic funds transfer through John Hancock, we will deduct the new premium from your bank account effective [next policy anniversary date].
- If your payment is via a third-party account or online banking, please contact your representative or bank prior to [next policy anniversary date] to update the payment amount.

### If you are on claim

If you are a policyholder on claim and currently not paying premium (due to the Waiver of Premium provision in your policy), you do not need to pay the higher premium. We are notifying you now of this increase in the event that your premium becomes payable in the future if you are no longer on claim. If you recover and return to premium status, you will be subject to the premium increase, and at that time we will offer you the same premium reduction alternatives that would otherwise be available to you today.

### Your options

The following pages provide options for you to avoid or minimize the premium increase by adjusting your current benefits. As you evaluate what is best for you, we also encourage you to consider the current and projected cost of care in your area, as well as how much of that amount you are willing and able to pay from your own savings. For current cost of care information specific to your area, please visit [www.johnhancocklongtermcare.com](http://www.johnhancocklongtermcare.com).

### For questions and assistance

If you have questions or need further assistance, please contact one of our customer service representatives at 877-606-7754, Monday through Friday from 8:00 a.m. – 6:30 p.m. Eastern Time. Our dedicated team is available to help you make a decision that best meets your personal needs.

>>>

<sup>1</sup> Benefits calculated as of [mm/dd/yyyy].

Long-term care insurance is underwritten by John Hancock Life Insurance Company (U.S.A.), Boston, MA 02117.

JHLTC-1209 1/11

<Policy form>

## II. Your Personalized Option to Reduce Coverage and Lower Premiums

### Avoid the premium increase by reducing your future annual inflation rate

You will be able to avoid this premium increase completely by reducing your future annual inflation rate from [5% Compound/Simple] to [X% Compound/Simple] on your next policy anniversary of [next policy anniversary date].

The reduced inflation percentage will only be applied to future inflation rate increases that will occur after the effective date of this change. All other existing benefits and previous inflation increases that have already been applied to your policy through the effective date of the inflation reduction will be maintained. Before selecting this option, please review the information below.

Note: Policyholders with Limited Pay options will see the Limited Pay text.

[Please note: Your policy includes a "Limited Pay" payment option. Please consider the number of remaining payments on your policy before making the decision to reduce your benefits.]

◆ **ACTION NEEDED BY [date]:** Select the Personalized Option on the enclosed Coverage Change Request Form and return it to the address or fax number provided if you wish to choose this option. Please note – your Personalized Option to reduce your future annual inflation and avoid the premium increase is a one-time offer. Variations of this Personalized Option are not available.

### Trends in the cost of care

To help you with your inflation coverage decision, we thought it might be useful to provide you with the latest trends in the cost of care. The chart below shows the national average annual increase over the past six years for the cost of care in various care settings.\*

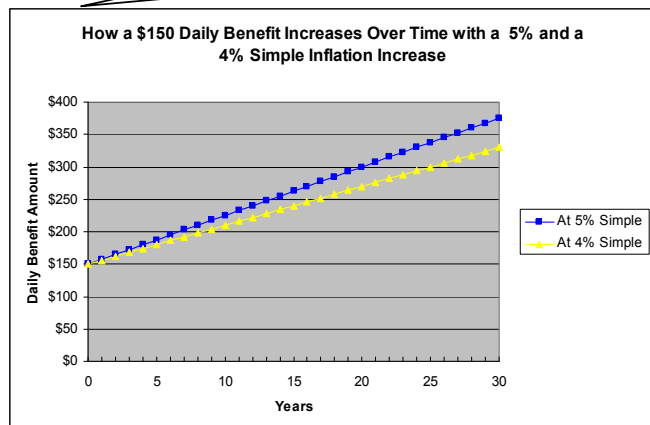
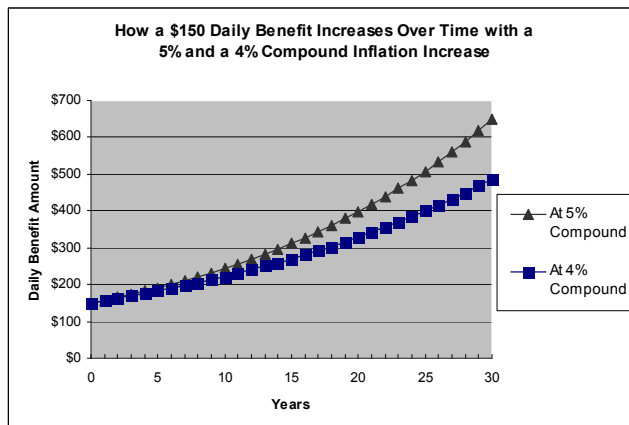
Note: Data to be updated with results of the 2011 Cost of Care Survey.

Long-term care setting	6-Year Average Annual Increase
Nursing Home: Private room	3.2%
Nursing Home: Semi-private room	2.7%
Assisted Living Facility	4.0%
Home Health Care Aide	1.4%
Adult Day Care	2.4%

### Sample of the effect on benefits over time by reducing future inflation rate

The following is an example of how a \$150 daily benefit amount increases over the next 30 years at 5% and [4%] [annually compounding rates][simple annual increases].

Note: Policyholders with Compound Inflation will see the Compound Inflation graph. - Policyholders with Simple Inflation will see the Simple Inflation graph.



\*Six-year average annual increases are based on a comparison of the data from our 2002 Cost of Care Survey conducted by Harris, Rothenberg International, LLC, to data from providers in the same cities, as gathered by CareScout for the 2008 Cost of Care Survey.

### III. Your Alternative Options to Reduce Coverage and Lower Premiums

---

#### Reduce other current benefits

---

To help mitigate the premium increase, without reducing your future inflation rate, you may also be eligible to reduce your benefits. For example, you may be eligible to:

- Reduce your current [daily][monthly] benefit\*;
- Reduce your benefit period\*;
- Increase your elimination period;
- Drop an optional rider.

\* This reduction will also result in a corresponding decrease in your Total Policy Limit.

Note: Policyholders with Limited Pay options will see the Limited Pay text.

Please note - in certain instances the ability to reduce your benefits may not be available due to state-regulated minimum benefit requirements or the available plan options. [Your policy includes a “Limited Pay” payment option. Please consider the number of remaining payments on your policy before making the decision to reduce your benefits.]

- ◆ **ACTION NEEDED BY [date]:** If you are interested in learning more about any of your Alternative Options, we recommend you contact one of our customer service representatives at 877-606-7754 to review the options in detail and the impact it will have on your premium.

Note: Nonforfeiture or Contingent Nonforfeiture will only be offered when applicable.

---

#### **[Exercise the Nonforfeiture Benefit, resulting in a paid-up policy with reduced benefits]**

---

Your policy includes a Nonforfeiture Benefit, which enables you to discontinue paying premiums and provides you with a paid-up policy with reduced benefits. By exercising this option, you will be significantly reducing your policy benefits, so you should give this careful consideration before you select it.]

---

#### **[Exercise the Contingent Nonforfeiture Benefit, resulting in a paid-up policy with reduced benefits]**

---

If you choose to cancel your policy within 120 days of [next policy anniversary date], we will modify your policy limit (lifetime maximum benefit amount) and convert your policy to paid-up status where no further premiums are due. Your new policy limit will be \$XXXX as of [date], which represents the sum of all premiums paid.\* By exercising this option, you will be significantly reducing your policy benefits, so you should give this careful consideration before you select it.]

[The following terms apply if you choose to exercise the [Nonforfeiture][Contingent Nonforfeiture]Benefit:

- No benefits will be paid in excess of your new policy limit.
- Benefits will be paid subject to the daily/monthly benefit levels (and other coverage limits) in effect at the time you convert your policy to paid-up status.
- All optional benefit riders will automatically terminate.
- No future inflation adjustments will be made.
- All other applicable policy provisions, conditions, and limitations will remain in effect.>

- ◆ **ACTION NEEDED BY [date]:** If you decide to elect the [Nonforfeiture][Contingent Nonforfeiture] Option, please complete the enclosed Coverage Change Request Form and return it by the date provided.]

\*Calculated based on benefit amounts and on premiums paid to date as of [file extract date]. The actual Contingent Nonforfeiture benefit amount may be slightly higher as it will be calculated based on current benefits and premiums paid to date as of the effective date of your paid-up status.

**1. What is the policy provision that allows you to raise my premiums?**

The provision that allows for an increase in premiums can be found on the front page of your policy. Your policy indicates that, while your insurance company cannot change coverage or refuse to renew coverage for reasons other than nonpayment of premiums, the company is allowed to change or increase premiums so long as the increase applies to an entire class of policies. We are required to file premium increases on policy series, along with actuarial justification, with the department of insurance in the state where the policy was purchased.

**2. Why do you need to raise premium rates — can you explain further?**

Accurate forecasting and projecting of future claims experience on LTC insurance policies is complex in its detail and application. Many factors are considered at the time that pricing is established, such as the frequency and severity of particular medical conditions, the expected lifespan of policyholders, the length of time policies are expected to remain in force, and the cost of care, to name a few. As claims are paid, these factors can change over time. Unfortunately, the most recent detailed review of our pricing assumptions confirms that the expected claims over the life of your policy series are significantly higher today than they were expected to be when the premiums were originally determined.

**3. Have I been singled out for this rate increase because of my age or health?**

No. No individual has been singled out for an increase, nor is the increase due to a policyholder's advancing age or changing health. Also, your state has not been singled out, as all states are included in our rate increase process.

**4. If I no longer live in the state where I purchased my policy, does the increase still apply?**

Yes. All LTC insurance policies are regulated by the original state in which they were written at the time of the purchase of the policy. That means that the state where you were residing when you purchased your policy continues to be the applicable state, even if you are now residing elsewhere.

**5. Does the prevailing economic environment have anything to do with why you are raising my premium?**

No. We are increasing premium rates solely due to our claims experience, which indicates higher-than-expected claims on your policy series in the future. State regulation does not permit in force premium rate increases that are for the purpose of bolstering the insurer's financial position.

**6. Is there an alternative to paying higher premiums?**

Yes. We are offering several benefit reduction alternatives and, in most cases, at least one option that will enable you to keep your premiums at or close to the same level as what you are paying today. The enclosed 'Options Package' outlines your options. To further review these options, please contact one of our customer service representatives.

**7. What is the purpose of the enclosed Coverage Change Request Form?**

The enclosed Coverage Change Request Form need only be completed and returned to John Hancock should you decide you want to adjust your benefits or cancel your policy. Otherwise, no action is necessary on your part, as the premium rate increase will take place automatically on the policy anniversary date specified in your letter.

**8. I am currently on claim. Do I have to pay the increased premium?**

If you are a policyholder on claim and currently not paying premium (due to the Waiver of Premium provision in your policy), you do not need to pay the higher premium. We are notifying you now of this increase in the event that your premium becomes payable in the future if you are no longer on claim. If you recover and return to premium status, you will be subject to the premium increase, and at that time we will offer you the same premium reduction alternatives that would otherwise be available to you today.

**COVERAGE CHANGE REQUEST FORM**  
**Individual LTC Insurance Policy for John Sample**  
**Policy # XXX**



	MAIL	FAX
Step 1: Select an option (check the appropriate box) Step 2: Review the Agreement and Acknowledgement Step 3: Sign and date this form Step 4: Return this form by the date provided below	John Hancock LTC Coverage Election P.O. Box 111, R-02, Ste 1700 Boston, MA 02117-0111	John Hancock LTC Coverage Election 877-606-7771

**Your Personalized Option** —Avoid the premium increase by reducing your future annual inflation rate  
Your future inflation rate will be reduced from X% to Y% on your upcoming policy anniversary of [next policy anniversary date]. **This will result in no premium increase.**

**Alternative Options**

*One or more of the following can be selected. Please call for more information if you are interested in any of these options. [In some instances, certain changes are subject to state and/or Partnership regulatory benefit minimum requirements.]*

- Reduce your [Daily/Monthly] Benefit from \$XXX to \$\_\_\_\_\_\*
- Reduce your Benefit Period from XXX to \_\_\_\_\_\*
- Increase your Elimination Period from XXX to \_\_\_\_\_
- Remove the following optional rider(s) from your policy: \_\_\_\_\_
- Exercise the Nonforfeiture Benefit available on your policy]
- Exercise the Contingent Nonforfeiture Benefit available on your policy]
- Cancel your policy. This change will be effective immediately.]

Note – Nonforfeiture or Contingent Nonforfeiture will only be offered when applicable

\* This reduction will also result in a corresponding decrease in your Total Policy Limit.

**Agreement and Acknowledgement**

I understand that my benefits and/or premium for those benefits will change based upon the option(s) I select.

I understand that premium rates are not guaranteed and may be increased again in the future if I am among the group of policyholders whose premiums are determined to be inadequate.

If I select an option(s) to change my coverage, I understand that, within 30 days of the date this change becomes effective, I may cancel the change in my coverage and return to my original coverage at the increased premium level.

I understand the policy change(s) I selected above. By signing below, I agree that any change(s) other than cancelling my policy, will be effective on my next policy anniversary provided this form is received by John Hancock by that date.

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Date**

**Please return this form using the enclosed postage paid return envelope by: [date]**

# John Hancock — A responsible leader in LTC insurance

At John Hancock, there's nothing we take more seriously than the commitments we've made — to be there to pay claims and provide our policyholders and their families with compassionate support at their greatest time of need. It's a tremendous responsibility — not only for us, but for the people like you who recommend LTC insurance to their clients.

Today, the need to plan ahead for long-term care remains one of the biggest issues that Americans face. As a market leader, with financial strength ratings<sup>11</sup> among the highest in the insurance industry, John Hancock remains committed to providing responsibly priced LTC insurance products that help people protect their assets, their families, and their future.



---

LONG-TERM CARE  
INSURANCE

11. Based on analysis by major ratings agencies. To view our most current financial ratings, please go to [www.johnhancockLTC.com](http://www.johnhancockLTC.com). Financial strength ratings measure the Company's ability to honor its financial commitments and are subject to change. The ratings are not an assessment or recommendation of specific policy provisions, premium rates, or practices of the insurance company.

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

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