

WHAT YOU NEED
TO KNOW ABOUT

John Hancock's Long-Term Care Rider





Will your clients be ready for a long-term care (LTC) need?



Nearly 44 million adults in the U.S. are providing personal assistance for family members with disabilities or other care needs.¹



Up to 70% of caregivers have clinically significant symptoms of depression.²



The national average for 24-hour home care or one year in a nursing home is **more than \$102,000**.³

Are your clients prepared for future costs?³

| CARE SETTING | 2016 NATIONAL AVERAGE ANNUAL COSTS | 2016 UNIT COST | AVERAGE ANNUAL INCREASE |
|---------------------------------|------------------------------------|-----------------|-------------------------|
| Nursing Home: Private Room | \$102,930 | \$282 daily | 3.1% |
| Nursing Home: Semi-private Room | \$91,615 | \$251 daily | 3.2% |
| Assisted Living Facility | \$47,064 | \$3,922 monthly | 2.1% |
| Home Health Care Aide | \$32,760 | \$21 hourly | 1.5% |
| Adult Day Care | \$20,540 | \$79 daily | 1.5% |

Where will the money come from to pay for LTC costs?

Medicare only pays for skilled and rehabilitative care; typically up to 100 days, if certain conditions are met.

Medicaid will pay for long-term care for people with very little income and assets. This care is typically in a nursing home, as home health care services are limited under Medicaid.

A standalone LTC insurance policy is designed to cover long-term care costs, whether a need for care arises or not — meaning your clients may pay premiums for a benefit that they may never use. (For those who do not need life insurance, standalone long-term care insurance can be an appropriate solution.)

Family members sometimes assume the burden of providing or paying for care, which over time can have a significant impact on their lifestyle and their physical, financial and emotional well-being.

“Self-insuring” for an LTC event with personal income and assets is often a strategy used; however, it puts a very significant portion of a client’s retirement income at risk.

If your clients have not allocated anything to pay for long-term care, they may end up allocating everything.

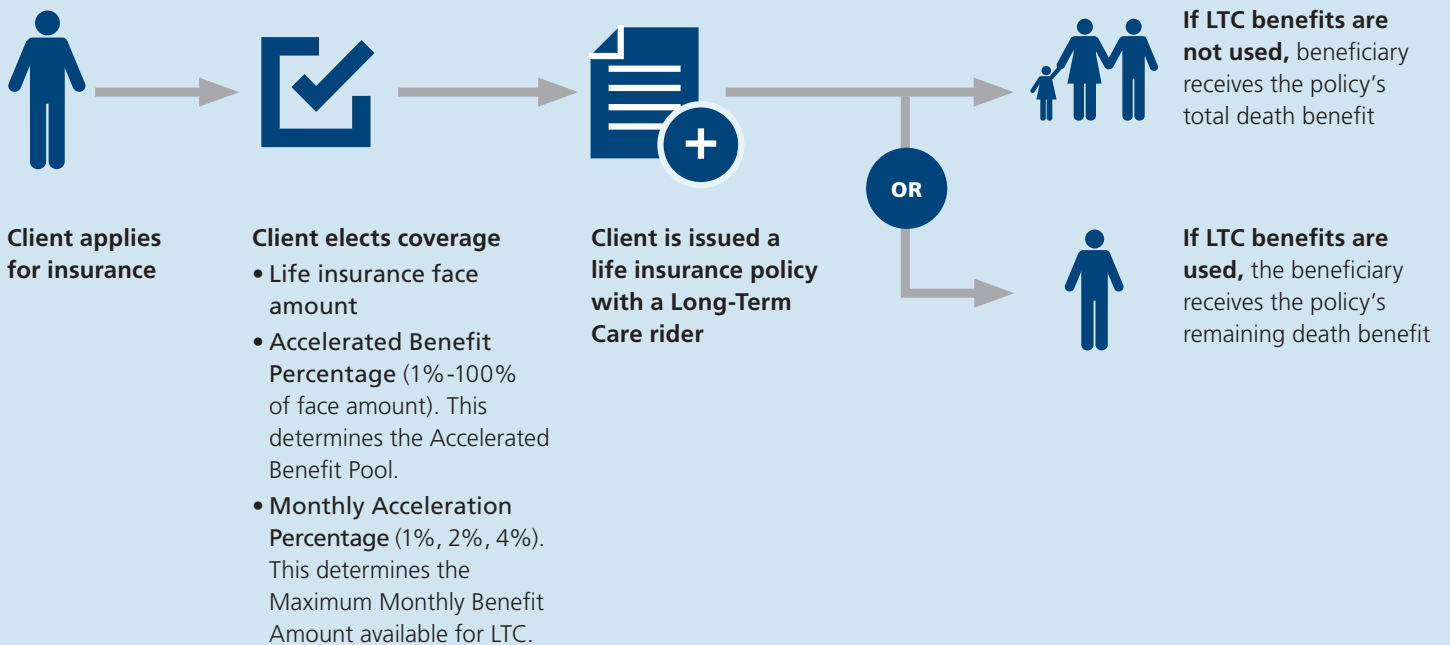
How John Hancock can help

A life insurance policy with a Long-Term Care rider is more cost effective than buying separate life insurance and long-term care insurance policies. It also allows your clients the flexibility to use all, some, or none of their life insurance benefit to pay long-term care expenses. Any portion not used for care is passed along to their beneficiaries at the time of the insured’s death.

In short, by adding a Long-Term Care rider to their life insurance policy, your clients will be positioned to help alleviate a potentially significant financial and emotional burden that their spouse, children, or other family members could face if an LTC event occurs.



How the LTC rider works



Benefits of John Hancock's claims model

Lower cost

Our reimbursement claims model is designed to keep costs down and help clients get the most out of their total benefit pool. It is often less expensive than other LTC riders — and our rates are guaranteed.

Better coverage

We offer substantially higher maximum benefits and coverage. The benefits are received income tax-free up to the maximum amount the policyholder chooses, not the IRS per diem limit.

Backed by extensive claims experience

Reimbursement model based on extensive LTC experience, including **paying more than \$10 billion in claims.** And our registered nurses on staff, can help your clients acquire the best care possible.

Additional details

RIDER COST

- The rider charge is level and guaranteed
- Typically, riders using a reimbursement model are less expensive than those using an indemnity model, so policyholders can either spend less on premiums or buy additional coverage

TAXATION

- Benefits are received income tax-free
- Our Maximum Monthly Benefit Amount is \$50,000, four times higher than the tax-free per diem limit and is not impacted by changes that may result from the Tax Cuts and Jobs Act⁴

BENEFIT PRESERVATION

- By accessing only the funds necessary for their care, clients can preserve their benefit pool, thereby extending their benefit period
- Clients can also preserve a desired death benefit for their heirs by limiting how much to make available for acceleration
- Any LTC benefit not spent on care is paid out as a death benefit

QUALITY AND CHOICE OF CARE

- By paying only for professional care providers, your clients are ensured the highest quality of care
- At the time of claim, John Hancock can refer clients to Provider Pathway, a resource, referral and consultation service. Provider Pathway may even negotiate discounted rates with nursing homes and home health care agencies across the country
- Clients can also accelerate up to one Maximum Monthly Benefit to pay for Stay at Home Services which can help them stay at home — both more safely and for longer

Provider Pathway

A complimentary resource, referral and consultation service for policyholders and their loved ones

Provider Pathway* offers a broad range of services to help meet the long-term care needs of policyholders, family members, and caregivers. They can help clients develop a service plan and identify services in their area. In addition, they may even be able to negotiate discounted rates from providers throughout the country.

The program is administered by LifePlans, an independent long-term care service company that helps ensure all Provider Pathway participants meet established state and federal licensures or certification requirements.

Provider Pathway can help with:

- Home health care
- Adult day care
- Assisted living facilities
- Skilled nursing facilities
- Incidental support services such as: durable medical equipment, personal emergency response systems, and more



Talk to your clients today and show them how a John Hancock permanent life insurance policy with the LTC rider can provide a single, affordable solution to help meet needs they may one day face.

* Provider Pathway is the current service provider for John Hancock. The program may be changed or discontinued at any time. Provider Pathway is not affiliated with John Hancock Life Insurance (U.S.A.) and its subsidiaries.



For more information about the Long-Term Care Rider, visit www.JHSalesHub.com.

Note to producers

Most states have adopted the training requirements outlined in the Deficit Reduction Act of 2006 and the NAIC Long-Term Care Model Act. These require producers selling LTC insurance products, including LTC Riders, to take an initial eight-hour NAIC Partnership training course, followed by a four-hour refresher every two years. All courses must be approved by ClearCert in order to be accepted as valid training.

- To determine if a course is approved, please visit www.clearcert.com/search-courses
- To take an approved course at a discounted rate, please visit www.JHInsuranceCE.com

Not applicable in CA, CT, DC, IN, HI, MS and NY.

1. National Alliance for Caregiving. *Caregiving in the U.S. 2015*. <http://www.caregiving.org/caregiving2015/>

2. Family Caregiver Alliance. National Center on Caregiving. *Caregiver Health*. Accessed June 2018. <https://www.caregiver.org/caregiver-health>

3. John Hancock Cost of Care Survey, conducted by LifePlans, Inc., 2016.

4. Based on 2017 Federal Health Insurance Portability and Accountability Act (HIPAA) limit of \$10,800/month or \$360/day.

Guaranteed product features are dependent upon minimum premium requirements and the claims-paying ability of the issuer.

The Long-Term Care (LTC) rider is an accelerated death benefit rider and may not be considered long-term care insurance in some states. There are additional costs associated with this rider. The Maximum Monthly Benefit Amount is \$50,000. When the death benefit is accelerated for long-term care expenses, it is reduced dollar for dollar, and the cash value is reduced proportionately. Please go to www.JHSalesHub.com to verify state availability. *This rider has exclusions and limitations, reductions of benefits, and terms under which the rider may be continued in force or discontinued. Consult the state specific Outline of Coverage for additional details.*

Insurance policies and/or associated riders and features may not be available in all states.

For agent use only. Not for use with the public.

Insurance products are issued by John Hancock Life Insurance Company (U.S.A.), Boston, MA 02210 (not licensed in New York) and John Hancock Life Insurance Company of New York, Valhalla, NY 10595.

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