



# Help protect your future and your family's well-being



# John Hancock

A name people know and trust

Backed by one of the most recognized and respected names in the financial services industry, a John Hancock long-term care (LTC) insurance policy represents a promise — to provide comprehensive coverage, support and service, when and where you need care.

## **AT JOHN HANCOCK, YOU'LL FIND A COMPANY WITH:**

- More than 145 years of experience providing insurance products to meet people's needs
- A record of being one of the most experienced and innovative LTC insurance providers in the industry\*
- An unwavering commitment to our more than 1.3 million LTC insurance policyholders\*\*
- More than \$3.4 billion in claims paid on our LTC insurance policies\*\*
- Financial strength ratings among the highest in the insurance industry\*\*\*

\* Life Insurance Management Research Association (LIMRA) year-end 2010.

\*\* Based on John Hancock internal data from 1987–2010. Total includes individual and group LTC insurance, and the Federal Long Term Care Insurance Program. Information available from John Hancock upon request.

\*\*\* Based on analysis by major rating agencies, such as A.M. Best, Fitch Ratings, Standard & Poor's, and Moody's. 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. To view our most current financial ratings, please go to [www.johnhancockLTC.com](http://www.johnhancockLTC.com).

# Help secure your future

A comfortable and secure future is a goal that everyone has in common. But realizing your goals requires planning, including taking into account how the need for long-term care can impact your financial security, your quality of life, and your family's well-being.

With LTC insurance from John Hancock, you can feel confident that you've taken the right steps to help protect your assets, your family, and your future.

# A comprehensive care experience

*Managing the long-term care needs of a loved one can be a confusing and stressful time for families, particularly when it comes to finding the right care and accessing benefits. To make the experience as easy as possible for you and your family, John Hancock's Custom Care III product provides comprehensive LTC insurance coverage and a variety of valuable support services.*

## Support When You Need Care

- **Simple claims process** — Just contact us by phone to get started. Our Claims Center has dedicated specialists available to answer questions about your policy's coverage and explain the claims process.
- **Professional care coordinator<sup>1</sup>** — We'll provide you with an experienced care professional, who will work with you and your family to discuss your care needs.
- **Customized plan of care<sup>1</sup>** — The professional care coordinator will prepare a comprehensive plan, based on the care you need.
- **Access to discounts, advice, and information<sup>2</sup>** — If you do not have a care provider, you will receive a customized information guide, listing providers in your area appropriate for the kind of care you need, made available through our exclusive Advantage Provider Program.<sup>2</sup> You'll also be assigned your own care advocate to contact anytime about providers and discounts available through this program.

## EXTENDED SERVICES FOR YOUR FAMILY

### Caregiver Support Services<sup>3</sup>

Chances are, before you need care of your own, you may be called on to provide caregiving or planning for a parent or other close family member. To assist you during this stressful time and help ensure that your loved ones get the care they need, your policy offers innovative Caregiver Support Services. These include:

- Personalized telephone and website assistance regarding caregiving questions or concerns you may be experiencing.
- Access to quality reports and ratings on a range of home health care providers, nursing home, and assisted living facilities nationwide.
- Exclusive provider discounts and care advisory services for your family members, which may enable them to save anywhere from 7% to 35% on the cost of long-term care provider services.



1. While John Hancock provides access to a personal care advisor, policyholders have the option to work with a personal care advocate of their choice. A plan of care must be provided by a Licensed Health Care Practitioner.
2. This is part of our provider discount program. Discounts are not provided by John Hancock. Discounts and/or program may be discontinued at any time.
3. Caregiver Support Services is available after your policy has been in effect for 30 days, through a partnership between John Hancock and an independent third-party organization. Discounts are not provided by John Hancock. Discounts and/or program may be discontinued at any time.

## Care That Meets Your Needs

Whether you need care early on due to an unforeseen accident or illness, or later in life, Custom Care III provides comprehensive coverage for all levels of care, as described below:

- **Skilled care** includes nursing care and physical, occupational, respiratory, and speech therapy from licensed professionals.
- **Intermediate care** provides skilled care services (above) that are not received on a daily basis.
- **Custodial care** includes help with day-to-day activities such as eating and dressing.

## Care in the Setting You Choose

The ability to receive care in the setting you prefer is a valuable benefit of LTC insurance. Your policy covers you for care received in many settings, including your home, your local community, or in a facility.

**Home care** — You can receive skilled services in your home or residence from a professional care provider such as a nurse or a physical, occupational, or speech therapist. In addition, respite care is covered, which provides short-term, temporary relief to enable your primary caregiver to take a break.

You can also receive care from a **home health aide** to help with your daily activities. *If there are no home health aides from an agency in your vicinity, you may be eligible for an independent home health care provider.*<sup>4</sup>

**Adult day care** — If you prefer to receive care in your local community, you will be covered for social and health-related services in an adult day care center.

**Assisted living facilities (ALFs)** — You can receive care in a secure, home-like environment, where individuals live independently.

**Nursing homes** — You will be covered for skilled and custodial care in nursing homes. This is primarily for people who need around-the-clock care.

**Hospice care** — You will be covered for end-of-life care, including support for your family, in your home or in a facility if you prefer.

### ACCESSING YOUR BENEFITS

You become eligible to receive benefits under your Custom Care III policy when you are Chronically Ill and a Licensed Health Care Practitioner<sup>5</sup> indicates that you will need either of the following:

- Substantial assistance with at least two out of six activities of daily living (ADLs) due to the loss of functional capacity for at least 90 days. ADLs include the following: eating, bathing, dressing, toileting, continence, or transferring,

OR

- Substantial supervision to protect yourself from threats to health and safety due to a cognitive impairment such as Alzheimer's disease, brain injury, or stroke.

4. An independent home health care provider must provide proof of training, and will only be reimbursed if no home health care agency is available. Maximum reimbursement is 75% of the Daily or Monthly Benefit. Not available with International Coverage.

5. Obtaining a plan of care is part of the eligibility process and must be provided by a Licensed Health Care Practitioner.

# Designing a policy that's right for you

Designing your Custom Care III LTC insurance policy is easy. Simply choose from each of the following categories to build a policy that meets your specific needs.

## Select Your Benefit Amount

Your Benefit Amount represents the amount of money that your policy will provide to cover your long-term care needs on a daily or monthly basis. If you know where you plan to live after you retire, you should factor in the cost of care in that area.

Your choices are:

### Daily Benefit<sup>6</sup> Options:

\$50–\$500 per day (in \$10 increments)

### Monthly Benefit<sup>6</sup> Options:

\$1,500–\$15,000 per month (in \$100 increments)

## Select an Elimination Period

The Elimination Period on your LTC insurance policy is like a deductible. You pay for the cost of your care for a certain number of days before the policy coverage begins.<sup>7</sup> This helps to reduce the annual cost (premium) of your policy.

Your choices are:

30 days, 60 days, 90 days, 180 days<sup>8</sup> or 365 days<sup>8</sup>

## Select Your Benefit Period

Your Benefit Period represents the minimum period of time (years) you can expect your coverage to last.

Your choices are:

2 years, 3 years, 4 years, 5 years, 6 years or 10 years

## Your Total Benefit

Your Total Benefit represents the “Total Pool of Money” from which your benefits will be paid. To determine your Total Pool of Money, multiply your Daily or Monthly Benefit Amount by the Benefit Period you select.

EXAMPLES	BENEFIT AMOUNT		BENEFIT PERIOD		TOTAL POOL OF MONEY
Daily Benefit	\$150	×	4 years (1,460 days)	=	\$219,000
Monthly Benefit	\$4,500		4 years (48 months)		\$216,000

6. The maximum amount paid per day is the Daily Benefit amount. The maximum amount paid per month is the Monthly Benefit amount. In WI, the minimum Daily Benefit is \$60 and the minimum Monthly Benefit is \$1,800. In VT, the minimum Daily Benefit is \$75 and the minimum Monthly Benefit is \$2,250.

7. For Home Health Care, a minimum of 2 hours of covered care per day is required to count as one day toward your Elimination Period.

8. The 180- and 365-day Elimination Periods are not available in VT.

## Select an Inflation Option

Due to the rising costs of long-term care services, it's important that the policy you purchase today also meets your future needs, which could be 10, 20, or 30 years from now. To enable you to build a policy that best meets your needs, our policy offers the following inflation options (for an additional cost):

### CPI Compound Inflation<sup>9</sup>

Each year, your Daily/Monthly Benefit and Total Pool of Money will be adjusted on a compounded basis, according to increases in the Consumer Price Index (CPI). The potential amount of your annual CPI increase is unlimited, even during periods of the highest inflation. In the event that the CPI decreases, your benefit amount will not be reduced.<sup>10</sup>

### CPI Compound Inflation to Age 75

Each year, your Daily/Monthly Benefit and Total Pool of Money will be adjusted on a compounded basis, according to increases in the Consumer Price Index (CPI). CPI compound inflation increases will occur on each policy anniversary through your 75th birthday.<sup>11</sup>

In addition to any annual increases you receive with either of the CPI inflation options, you will also have a **Guaranteed Increase Option (GIO)**, which gives you the opportunity every three years to increase your existing benefits by 5% — for any reason, and with no health questions or exams. Benefit increases made through the GIO will require additional premium.<sup>12</sup>

### 5% Compound Inflation

Each year, your Daily/Monthly Benefit and Total Pool of Money will increase by 5% on a compounded basis.

### ABOUT THE CONSUMER PRICE INDEX (CPI)

The CPI tracks the price of a basket of goods and services that are heavily influenced by housing and labor costs, two of the key drivers of long-term care costs today and in the future. As the most widely used measure of inflation, the CPI is often used to provide cost-of-living wage adjustments to millions of American workers. The average annual increase in the CPI for the 50-year period ending December 2010 was 4.1%.<sup>9</sup>

If you do not select one of the inflation options above, your policy automatically includes a **Guaranteed Purchase Option (GPO)**.<sup>13</sup> This provides you with an offer, every three years, to increase your Daily/Monthly Benefit and your Total Pool of Money by 10% of the current amount without evidence of insurability. You will also have a one-time option at age 65 to change your inflation protection to CPI Compound without evidence of insurability.

9. CPI refers to the non-seasonally adjusted Consumer Price Index for All Urban Consumers. CPI-related data is published by the Bureau of Labor Statistics of the U.S. Department of Labor. Historical changes in the CPI may not be indicative of future results.
10. The rate used to determine the increase in your benefits will be calculated based on the percentage change in the CPI three months prior to your policy anniversary date compared to the monthly CPI for the same time period one year prior. Future CPI increases to the benefit amount will be offset by prior decreases in the CPI.
11. This benefit is not available to applicants over age 70. There will be no further increases on or after your 76th birthday.
12. GIO offers will not be available after age 75, after two declined offers, if you were Chronically Ill in the two-year period prior to your option date, or if the Survivorship and Waiver of Premium Benefit or a Limited Payment Option is selected. Premium increases under GIO are based on your age and the rates in effect on the option date, and your original risk category (Preferred, Select, or Substandard).
13. GPO offers will not be available after age 75, after two declined offers, if you were Chronically Ill in the two-year period prior to your option date, or if the Survivorship and Waiver of Premium Benefit or a Limited Payment Option is selected.

# A wide range of built-in benefits

*Every individual has a different set of needs. Custom Care III offers a variety of built-in benefits, at no extra cost, to help address your specific situation.*

**Additional Stay at Home Benefit** — Your policy provides extra funds to pay for home-based services, to pay for:

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

The amount available for this benefit is equal to the Monthly Benefit selected (or 30 times the Daily Benefit selected) on a lifetime basis. This benefit can be paid before your Elimination Period is satisfied, and is a separate pool of benefits in addition to your Total Pool of Money.

**Waiver of Premium**<sup>14</sup> — Once you begin receiving benefits, your LTC insurance premiums will be waived, until benefits are no longer payable or your policy ends.

**International Coverage**<sup>15</sup> — This benefit provides you with coverage anywhere in the world, for up to one year. Benefits will be based on 100% of your Daily or Monthly Benefit.

**Bed Hold Benefit** — If you are in a nursing home or assisted living facility, your room will be reserved for you for up to 60 days per calendar year if you need to leave temporarily for any reason.

**Care Advisory Services** — This enables you to select an independent professional of your choice who provides information and guidance on the care and treatment that's right for you. This benefit is available on an annual basis at an amount equal to 1/3 of the Monthly Benefit selected (or 10 times the Daily Benefit selected) per calendar year. This benefit can be paid before your Elimination Period is satisfied, but does not count toward the Elimination Period. The benefit is paid from a separate pool of benefits in addition to your Total Pool of Money.

14. Does not apply to the Additional Stay at Home Benefit or Care Advisory Services.

15. All services covered except the Additional Stay at Home Benefit, Care Advisory Services, Double Coverage for Accident Benefit, Waiver of Home Health Care Elimination Period, Independent Home Health Care Providers, and the Additional Cash Benefit.

## Benefits for People Under Age 65<sup>16</sup>

**Double Coverage for Accident** — If you need care as the result of an accidental injury that occurs before age 65, actual long-term care expenses will be covered up to two times your current Daily or Monthly Benefit for the duration of your claim. Benefits paid in excess of the Daily or Monthly Benefit will not be deducted from your policy limit.

**Return of Premium** — If you die prior to age 65, your beneficiary will receive a benefit equal to total premiums paid, less any long-term care benefits paid.



16. Not available to applicants and policyholders age 65 and older.

# Optional features to enhance your policy<sup>17</sup>

*In addition to the comprehensive set of benefits that are built into your core policy, Custom Care III provides you with a variety of optional benefits to choose from to further customize your policy. There is an additional cost related to each of the following options.*

## Enhancements for Couples

**SharedCare Benefit<sup>18</sup>** — This popular feature, designed especially for couples, enables you to maximize the value of your coverage by linking your two individual policies. SharedCare provides you with the ability to access your partner's benefits when yours are exhausted. If one of you dies, the survivor's benefits will increase by the deceased partner's remaining pool of money. In addition, the survivor's premium is reduced by the cost of the SharedCare Benefit.

Also, in the event that your partner or spouse taps into your benefits until they are depleted, you will have the option to purchase a new policy with a two-year benefit — with no underwriting.<sup>18</sup>

**Survivorship and Waiver of Premium Benefit<sup>19</sup>** — When you and your partner have had your policies for 10 years without using them, and one of you accesses benefits, the other partner's premium is waived. If one partner dies, the surviving partner will not have to pay any future premium.

### COUPLES (PARTNERS OR SPOUSES) INCLUDE POLICYHOLDERS WHO:

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

17. Premiums will vary with choice of benefits selected.

18. No 2-year offer will be made if Chronically Ill in the prior 2 years, or on or beyond your 91st birthday.

19. Not available with Limited Payment Options, the Guaranteed Purchase Option, or the Guaranteed Increase Option.

## Enhanced Home Care Benefits

### Waiver of Home Health Care Elimination Period<sup>20</sup>

*(Zero-Day Home Care Elimination Period)* —

If you receive home health care, hospice care in your home, or adult day care, your Elimination Period will be waived.

**Additional Cash Benefit** — This benefit provides a separate pool of funds that assists you in staying at home. The cash benefit is equal to 15% of your Monthly Benefit or 4½ times your Daily Benefit and can be used to pay for a variety of long-term care expenses while you are receiving home health care.

*Note: Benefits received may create a taxable event.*

*Please consult your tax advisor.*

## Additional Enhancement

### Nonforfeiture

If you stop paying your premium after the first three years,<sup>21</sup> your past premiums will still be available to pay for services.



20. This benefit will not be applicable under the International Coverage Benefit. Not available with the 180- or 365-day Elimination Periods.

21. First year if Limited Payment Option is selected.

# Maximizing the value of your policy

John Hancock is dedicated to making comprehensive LTC insurance coverage as affordable as possible. Below you will find a variety of ways to help manage the cost of your policy.

## Available Discounts<sup>22</sup>

**Preferred Health Discount** — If you are in excellent health when you apply for John Hancock LTC insurance coverage, you may be eligible to receive a 10% premium discount.

**Couples/Partner Discount** — Your policy premium will be reduced by 30% if both you and your partner have applied and are approved for individual LTC insurance coverage from John Hancock.

**Family Discount<sup>23</sup>** — When you and two other family members own separate John Hancock individual LTC insurance policies, you will each receive a 5% discount.

**Valued Client Discount<sup>24</sup>** — If you own a John Hancock or Manulife annuity contract or life insurance policy, you will receive a 5% discount on your LTC insurance policy.

### FREE-LOOK PERIOD

You have 30 days to review your policy. If you decide it's not for you, simply return it to John Hancock and we will refund 100% of your premium.

## Flexible Payment Options

**Frequency and Method<sup>25</sup>** — You have the option to pay your premiums in a number of ways.

Your choices include:

- Monthly<sup>26</sup>
- Quarterly
- Semi-annually
- Annually

**Limited-Payment Options<sup>27</sup>** — You have the ability to accelerate payment of your premiums.

Your choices are:

- **20-Pay** enables you to pay the full cost of your policy over 20 individual annual payments. The maximum issue age for 20-Pay is 69.
- **Paid-Up at Age 75** is an attractive option if you are age 55 or younger and want to eliminate paying premiums during your retirement years.

### IMPORTANT NOTICE

Your premiums are not guaranteed to remain unchanged (unless your policy is paid up). Please see page 13 for more information.

22. The combination of Preferred Health and Couples/Partner Discounts is limited to 35% per individual based on Select rates. This discount also applies to family member of the same generation.

23. The Family Discount cannot be combined with the Valued Client Discount.

24. The Valued Client Discount cannot be combined with the Family Discount.

25. The policy offers a 65-day grace period for the late payment of premiums.

26. Available via Electronic Fund Transfer or Bank Draft.

27. Not available with the Guaranteed Purchase Option, the Guaranteed Increase Option, or the Survivorship and Waiver of Premium Benefit.

The Limited Payment Option Contingent Nonforfeiture Benefit is available when a Limited Payment Option is selected. This is in addition to any Nonforfeiture or Contingent Nonforfeiture benefit available to you.

# Consumer protection features

*As part of an ongoing commitment to protecting the interests of our LTC insurance policyholders, your Custom Care III policy includes a variety of consumer protection features.*

**Alternate Services Benefit** — This benefit helps ensure you have access to emerging services that may develop over time, but are not currently identified in your policy.<sup>28</sup> For example, benefits for services not specifically covered under your policy may be authorized at the time of your claim as an alternative to the core benefit provisions.

**Lifestyle Benefit Changes**<sup>29</sup> — If your needs change, or you wish to adjust your coverage for any reason, you have the flexibility to do so, without having to purchase a new policy. Once a year, you have the option to increase or decrease your Daily or Monthly Benefit. The premium for an increased amount of coverage will be based on your age at the time your increase is made. For decreases in coverage, your premium will be based on the reduced amount of coverage.

**Independent Third-Party Review**<sup>30</sup> — This provision provides you with an important assurance of our commitment to fair and objective claims paying practices. In the unusual event that your claim is denied, you have the right to request an independent third-party review. The decision of that third party will be binding and must be upheld by John Hancock.

**Timely Payment of Claims** — John Hancock understands that efficient processing of claims is an extremely important aspect of our service to you. The vast majority of our claims are paid within 15 days, but in the unlikely event that a claims payment takes longer than 30 days to process, we will pay the policyholder an interest penalty of 1%<sup>31</sup> of the claim amount per month.

**Protection Against Lapse of Policy**<sup>32</sup> (*Contingent Nonforfeiture*) — In the event of a substantial premium increase, you will have three options to choose from. You can pay the increased premium with no change to your benefits. You can choose to maintain your current premium with reduced benefits. Or you can convert your policy to a paid-up status with reduced benefits.

**Third-Party Billing Notification** — This feature provides added protection against an accidental policy lapse. At the time you apply for coverage, you will have the opportunity to designate a person(s) to receive a notice of cancellation in case of nonpayment. If your policy terminates because you did not pay your premiums due to a physical or cognitive impairment, your policy may be reinstated within five months of termination.

28. Benefit paid must be a lower-cost alternative to covered services.

29. If you elect to increase your coverage, additional underwriting will be required. The premium for your underlying coverage will remain unchanged. Each change in coverage will become effective on the next policy anniversary. Requests for changes must be made in writing. Increases are not available with Limited Payment Options.

30. If third party state approval is not required it must be mutually agreed to by you and us.

31. Percentage paid may be higher in states where required.

32. Calculation of reduced benefits varies based on the option taken and the premium payment plan in effect.

## Notes

**PREMIUMS ARE NOT GUARANTEED TO REMAIN UNCHANGED.** As long as you pay the required premium, you have the right to continue the policy for as long as you live or until the policy limit is reached. We cannot cancel the policy unless you do not make the required premium payments on a timely basis. We cannot change the provisions of this policy without your consent. However, we do reserve the right to increase your premium as of any premium due date in the future. Any changes in premium rates must apply to all similar policies issued in your state to policyholders in the same class on this policy form. This means we cannot single you out for an increase because of your advancing age, declining health, claim status, or for any other reason related solely to you.

### LIMITATIONS

- Benefits will not be paid for charges during the Elimination Period, except for Care Advisory Services and the Additional Stay at Home Benefit.
- Benefits will not be paid in excess of the Policy Limit, except for Care Advisory Services and the Additional Stay at Home Benefit.
- We will only pay benefits for services specified in the Plan of Care. We will determine services under the Plan of Care for which benefits are payable, and the amount of such benefits, which shall not exceed charges normally made for similar care, services, or other items in the locality where they are received.

### EXCEPTIONS

This policy does not cover care, treatment, or charges:

- for intentionally self-inflicted injury
- required as a result of alcoholism, alcohol abuse, 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 of the policy

This is a general description of coverage and is not an insurance contract. Refer to the Outline of Coverage provided by your agent for an explanation of features and options. Only the individual long-term care insurance policy contains governing contractual provisions. You may request a sample policy to review such provisions.

The long-term care insurance policy describes coverages under the policy, exclusions and limitations, what you must do to keep your policy in-force, and what would cause your policy to be discontinued. Please contact the licensed agent or John Hancock for more information, costs, and complete details on coverage.

This is an insurance solicitation. An insurance agent may contact you.

# Choose a leader in LTC insurance

As an experienced leader in LTC insurance — with financial strength ratings among the highest in the insurance industry\* — John Hancock is dedicated to providing dependable solutions that help you protect your financial security, your independence, and your family's well-being.



\*Based on analysis by major rating agencies, such as A.M. Best, Fitch Ratings, Standard & Poor's, and Moody's. 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. To view our most current financial ratings, please go to [www.johnhancockLTC.com](http://www.johnhancockLTC.com). Long-term care insurance is underwritten by John Hancock Life Insurance Company (U.S.A.), Boston, MA 02117. Visit us at [www.johnhancockLTC.com](http://www.johnhancockLTC.com)

Policy Form: ICC10-LTC-11