



John Hancock's Long-Term Care Rider

A Better Approach

With over 25 years in the LTC insurance business, John Hancock has paid out more than \$4.7 billion in LTC insurance claims to more than 80,000 claimants.¹

The depth of experience and unique design of our Long-Term Care (LTC) rider for life insurance policies is what sets John Hancock apart. In fact, John Hancock is one of the only carriers to offer a **Qualified LTC with a “reimbursement” model**. With this approach, John Hancock is able to help keep your clients’ costs down and preserve their benefit pool.

	Qualified	Non-Qualified
Reimbursement Model	John Hancock	—
Indemnity Model	AXA Nationwide Transamerica	Lincoln Pacific Life Penn Mutual Protective



WHY QUALIFIED LTC RIDER?

✓ Easier to qualify for John Hancock's benefits.

Both Qualified and Non-Qualified riders require that the insured is unable to perform two of the six activities of daily living (or cognitive impairment). But there is a major difference:

Non-Qualified chronic illness riders require that a client's condition is exactly that — chronic. If the client's condition is not permanent (and certified by a physician each year), then it is not covered.

John Hancock's Qualified LTC rider will cover non-permanent conditions like rehabilitation after a hip replacement or a recoverable stroke. Chronic illness riders will not.

WHY REIMBURSEMENT?

✓ Often significantly less expensive than indemnity riders.

✓ Monthly benefit amount is not subject to the IRS "per diem" limit (currently \$9,900 per month).

In many parts of the country, the cost of care is significantly higher than this, but most indemnity riders will not provide a benefit beyond the per diem.

John Hancock's reimbursement rider will cover the cost of care up to the monthly maximum chosen by the client, not the IRS.

✓ Does not require clients or their families to manage receipts.

Contrary to a common misconception, a reimbursement rider does NOT require a client to manage receipts and act as a middle man between the insurance company and the care provider.

Instead, the policy owner can complete a simple two-page "Assignment of Benefits" form. This lets John Hancock work directly with care providers so clients and their families can spend less time managing paperwork and more time focused on quality care.

While on claim with an indemnity rider, clients and their families must always function as their own "claims administrators." A check comes in the mail, and they must find, pay, and vet the care provider.

WHY JOHN HANCOCK?

- ✓ Policy owners benefit from John Hancock's decades of experience handling LTC claims. The claims area helps families navigate through the LTC process and helps ensure that claimants receive high quality care.
- ✓ John Hancock's LTC rider offers clients a unique mix of coverage, flexibility, and tax efficiency that the competition cannot match.

	Non-Qualified Chronic Illness	Competitors' Qualified Indemnity Model	John Hancock's Qualified Reimbursement Model
Non-Permanent Conditions Covered?	No	No	Yes, clients are covered for non-permanent conditions, too.
Option to Have Company Pay Care Provider Directly?	No	No	Yes, a simple "Assignment of Benefits" form allows John Hancock to work directly with care providers.
Favorable Tax Treatment?	No	Depends. These riders qualify as LTC insurance under IRC section 7702(b), but they are often restricted by the IRS per diem limit.	Yes, rider qualifies under section 7702(b), and it is not restricted by the per diem limit.

1. Based on John Hancock internal data from 1987–2012. Total includes individual and group LTC insurance, and the Federal Long-Term Care Insurance Program.

Comments on taxation are based on John Hancock's understanding of current tax law, which is subject to change. Please consult your tax advisor for guidelines specific to your situation.

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

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 proportionally. Go to www.jhsalesnet.com to verify availability in each state.

For prospective policyholders in New York, this product is a life insurance policy that accelerates the death benefit for qualified long-term care services and is not a health insurance policy providing long-term care insurance subject to the minimum requirements of New York law; it does not qualify for the New York State Partnership for Long-Term Care program and is not a Medicare supplement policy.

This rider has exclusions and limitations, reductions of benefits, and terms under which the riders may be continued in force or discontinued. Consult the state specific Outline of Coverage for additional details.

Guarantees are based on the claims-paying ability of the issuer.

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