Producer Guide

John Hancock
LONG-TERM CARE INSURANCE

Custom Care III *featuring* **Benefit Builder**

Meeting the needs of
a wider array of clients

Important Notice to Producers

Please note that all benefit features and selections may not be available in every state. In addition, some benefit selections may have been altered due to state requirements. Therefore, it is very important that you are aware of any product/benefit differences in the state(s) where you are soliciting business. Please refer to the state-specific policy and benefit selection sheet for any state exceptions or variations.

State regulations require that insurance producers must not attempt to solicit, negotiate, or sell long-term care (LTC) insurance unless they are appropriately licensed, appointed (where required), and have completed the initial and ongoing training requirements (where applicable). Requirements vary by state.

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Responding to the need for change

In the world of LTC insurance, factors such as historically low interest rates, emerging claims experience, and the need for greater risk management have combined to create an ever-changing landscape for carriers and financial professionals. John Hancock is continually looking for new ways to offer dependable, affordable, and sustainable solutions in these evolving times.

Custom Care III featuring Benefit Builder* enables you to offer your clients comprehensive LTC insurance coverage at a new, lower price point, while maintaining the opportunity and flexibility to achieve benefit growth over the long term to help meet their future needs.

Highlights of this policy include:

- **More affordable premiums** — Whether you want to lead with a low price point, provide a choice of price points to prospective buyers, or introduce a low-priced option to save the sale, Benefit Builder gives you the ability to adapt to the unique needs and budget concerns of every prospective client — and ultimately, provide coverage to more clients.
- **Automatic benefit increases** — Benefit Builder includes a built-in feature that is designed to provide policyholders with benefit growth gradually over time, when the investment returns earned on John Hancock's general account portfolio supporting this feature exceed 3%. Through this process, any benefit increases are determined by a specific formula and applied annually.
- **Buy-up option** — Benefit Builder provides additional flexibility to voluntarily increase benefits over time. Policyholders have the opportunity every three years through age 75 to increase benefits by 10%, for any reason, without medical exams or questions about their health.

With Custom Care III featuring Benefit Builder, John Hancock has taken the first step in giving you a flexible solution to provide your clients with the coverage they need at a price they can afford.

**Patent pending*

Policy building blocks

When you are designing an LTC insurance policy, it is important to base your recommendation on your client's financial needs and goals while also considering their health history and the cost of care in their area. Take a look at all the policy benefits and features that Custom Care III featuring Benefit Builder has to offer.

Policy Design Options[1]

Applicant Age

- 18–75

Daily or Monthly Benefit Amount

- **Daily Benefit Options** (standard rates): $50–400 per day benefit is available, in $10 increments.
- **Monthly Benefit Options** (for additional cost): $1,500–$12,000 per month benefit is available, in $100 increments.
- The policy will pay the actual covered charge, not to exceed the maximum Benefit Amount, subject to the Elimination Period, policy conditions, and exclusions.
- Any unused portion of the maximum Benefit Amount will remain in the policy for later use, which may extend the chosen Benefit Period.

Benefit Period

The Benefit Period represents the minimum period of time the coverage will last. It is also used as a multiplier to calculate the Total Pool of Money. Choices available are:

- 2 years (730 days) (24 months)
- 3 years (1,095 days) (36 months)
- 4 years (1,460 days) (48 months)
- 5 years (1,825 days) (60 months)
- 6 years (2,190 days) (72 months)

Total Benefit — Total Pool of Money

This policy provides a single Pool of Money that can be used for care in any setting, allowing maximum flexibility for your client. To determine the Total Benefit, or Total Pool of Money, multiply the Daily or Monthly Benefit by the selected Benefit Period:

DAILY EXAMPLE:

$200 Daily Benefit x 5 years (1,825 days) =
$365,000 (Total Benefit)

MONTHLY EXAMPLE:

$6,000 Monthly Benefit x 5 years (60 months) =
$360,000 (Total Benefit)

Care Advisory Services and Additional Stay at Home Benefits do not reduce the Total Pool of Money.

Elimination Period

Think of the Elimination Period as a deductible, where the client must pay for covered services before the policy begins paying benefits.

- The options are 30, 60, 90, 180, or 365 days of service.
- Elimination Period only needs to be satisfied once during the life of the policy.
- For Home Health Care, a minimum of two hours of covered care per day is required to count as one day toward the Elimination Period.
- If the policyholder is receiving home care one day a week, one day will be applied toward satisfying the Elimination Period for each instance (i.e., 1=1).
- Care Advisory Services, Hospice Care, and Additional Stay at Home Benefits can be paid before the Elimination Period is satisfied.

1. Policy benefits and features may vary by state.

Inflation Options

Your client can choose from one of the following three inflation options:

- Benefit Builder
- CPI Compound Inflation
- 5% Compound Inflation

Keep in mind that, if this policy is being sold as a Partnership policy, a specific inflation option may be required based on the client's age at time of purchase. Please refer to pages 31-32 of this guide for more information.

Benefit Builder

Benefit Builder is an affordable alternative to traditional automatic inflation options that enables your client's coverage to increase gradually over time. It can be particularly advantageous for younger buyers who do not anticipate needing care for many years. *Your client's benefits can grow in two ways:*

VOLUNTARILY, through a buy-up option that provides your client with additional flexibility by allowing them to increase existing policy benefits. Every three years through age 75 they will be offered the opportunity to increase benefits by 10%, without having to answer any questions about their health or undergo a medical exam, subject to the restrictions described below. Premiums will increase if they purchase an option and will be based on your client's age on the option date.[2]

- Those individuals who are issue age 64 or under can decline one offer and continue to receive future offers.
- Those individuals who are issue age 65 and older must accept all offers or future offers will cease.

However, in both cases, a policyholder can request to resume future offers by providing evidence of insurability.

AUTOMATICALLY, through a unique crediting feature that is designed to provide benefit growth when the general account portfolio funding the policy has a rate of return greater than 3%.[3] Benefit increases are determined by a formula and applied annually. There will be no corresponding increase to premiums as these benefits are added.[4]

If the portfolio does not have a rate of return greater than 3%, existing benefit levels remain the same.

2. Premium increases are based on age, the rates in effect on the option date, and the policyholder's original risk category (Preferred, Select, or Substandard). Buy-up offers will not be available if the policyholder was a Chronically Ill individual at any time during the two-year period prior to the option date, if he/she has ever received benefits under the policy, or the option date occurs on or after his/her 76th birthday.
3. Automatic crediting may not keep up with inflation. An excess earnings credit is determined based on our calculation of the portfolio rate of return in effect as of the policy anniversary, minus 3%, multiplied by the portion of assets attributed to your client's policy in the portfolio, minus any adjustment for negative Excess Earnings Credits in prior years. Our calculation of the portfolio rate of return will be made according to the process that we have filed with the applicable insurance regulator. The excess earnings credit is divided by the single premium rate then in effect to determine the amount of the benefit increase. Portfolio returns are not guaranteed and will vary from year to year. The portion of the assets attributed to the policy in the portfolio will grow over time, therefore, there will be no benefit increases before the third policy anniversary, and in some cases, before the fourth policy anniversary.
4. Premiums are not guaranteed to remain unchanged.

Understanding the Unique Crediting Feature

Below is the formula showing how the annual benefit increase amount is calculated, broken down by definition for easier understanding.

[(Portfolio Rate of Return − 3%) × Allocated Reserve Value − Any adjustments for negative excess earnings credits occurring in prior years] = Excess Earnings Credit ÷ Single Premium Rate = Annual Benefit Increase Amount

Portfolio is the subset of our general account that contains the assets which support the benefits for policies with Benefit Builder.

Portfolio Rate of Return[5] is the annual rate of return (net of investment expenses) earned on the assets in the Portfolio.

Allocated Reserve Value[6] is the portion of the assets in the Portfolio attributed to the individual policyholder. This value:

- ✔ Is re-determined each anniversary based on benefit changes
- ✔ Will not change in the event of an in-force rate increase

Excess Earnings Credit is determined on each policy anniversary based on the formula.

Single Premium Rate[7] Represents the rate for $1 of LTC insurance coverage based on attained age.

Annual Benefit Increase Amount is the Excess Earnings Credit divided by single premium rate. In a year or years when the Portfolio Rate of Return is 3% or less, benefits will remain the same.

5. Our calculation of the Portfolio Rate of Return will be made according to the process that we have filed with the applicable insurance regulators.
6. Due to the time needed to build up the Allocated Reserve Values, no excess earning credits will be applied before the third policy anniversary, and in some cases before the fourth policy anniversary.
7. In the event of an inforce rate increase on the Custom Care III featuring Benefit Builder policy, the single premium rate applied to new Excess Earnings Credits will be revised to reflect updated assumptions, subject to regulatory approval. As a result, any future Excess Earnings Credits will purchase a lower amount of benefit increases.

Hypothetical Example of the Unique Crediting Feature

Below is an example of how the unique crediting feature will be applied to your client's policy.

	At Issue	After 30 years	
	Male client purchases a policy — Married, Preferred, 90-Day Elimination Period, 3-Year Benefit Period	Assuming a consistent hypothetical 6% Portfolio Rate of Return, the Daily Benefit has grown to $292.77 at age 80 and $299.65 at age 81	
AGE	**50**	**80**	**81**
ANNUAL PREMIUM	$689	$689	$689
DAILY BENEFIT	$200.00	$292.77	$299.65
POLICY LIMIT	$219,000	$320,583	$328,117

How the benefit is calculated

AGE	ALLOCATED RESERVE VALUE			HYPOTHETICAL PORTFOLIO RETURN					PRIOR NEGATIVE CREDITS		EXCESS EARNINGS CREDIT		SINGLE PREMIUM (PER $1)		AUTOMATIC BENEFIT INCREASE		BUY-UP		PRIOR DAILY BENEFIT		NEW DAILY BENEFIT
80	$36,800	x	(	6.0%	-	3.0%	)	–	$0	=	$1,104	÷	$167	=	$6.62	+	$0	+	$286.15	=	$292.77
81	$39,123	x	(	6.0%	-	3.0%	)	–	$0	=	$1,174	÷	$171	=	$6.88	+	$0	+	$292.77	=	$299.65

The Illustration Output[8]

Here is a sample of the illustration output based upon the benefits selected from the example on the prior page. The illustration system will be similar to the CPI inflation illustration. With Benefit Builder, we illustrate the minimum 3% reflecting no growth and then hypothetical 5%, 6% and 7% annual returns on the Portfolio. This shows the growth in the Daily Benefit in a way that is easy to understand and explain.

		3.0%		5.0%		6.0%		7.0%	
Age	Premium	Final Daily Benefit Level	Final Policy Limit	Final Daily Benefit Level	Final Policy Limit	Final Daily Benefit Level	Final Policy Limit	Final Daily Benefit Level	Final Policy Limit
50	$689.00	$200.00	$219,000	$200.00	$219,000	$200.00	$219,000	$200.00	$219,000
51	$689.00	$200.00	$219,000	$200.00	$219,000	$200.00	$219,000	$200.00	$219,000
52	$689.00	$200.00	$219,000	$200.00	$219,000	$200.00	$219,000	$200.00	$219,000
53	$689.00	$200.00	$219,000	$200.05	$219,055	$200.07	$219,077	$200.09	$219,099
54	$689.00	$200.00	$219,000	$200.26	$219,285	$200.38	$219,416	$200.50	$219,548
55	$689.00	$200.00	$219,000	$200.63	$219,690	$200.94	$220,029	$201.25	$220,369
56	$689.00	$200.00	$219,000	$201.16	$220,270	$201.74	$220,905	$202.33	$221,551
57	$689.00	$200.00	$219,000	$201.85	$221,026	$202.79	$222,055	$203.75	$223,106
58	$689.00	$200.00	$219,000	$202.69	$221,946	$204.08	$223,468	$205.50	$225,023
59	$689.00	$200.00	$219,000	$203.68	$223,030	$205.60	$225,132	$207.58	$227,300
60	$689.00	$200.00	$219,000	$204.82	$224,278	$207.36	$227,059	$209.99	$229,939
61	$689.00	$200.00	$219,000	$206.11	$225,690	$209.36	$229,249	$212.74	$232,950
62	$689.00	$200.00	$219,000	$207.55	$227,267	$211.60	$231,702	$215.84	$236,345
63	$689.00	$200.00	$219,000	$209.13	$228,997	$214.07	$234,407	$219.28	$240,112
64	$689.00	$200.00	$219,000	$210.84	$230,870	$216.77	$237,363	$223.05	$244,240
65	$689.00	$200.00	$219,000	$212.68	$232,885	$219.68	$240,550	$227.15	$248,729
66	$689.00	$200.00	$219,000	$214.66	$235,053	$222.83	$243,999	$231.61	$253,613
67	$689.00	$200.00	$219,000	$216.78	$237,374	$226.23	$247,722	$236.44	$258,902
68	$689.00	$200.00	$219,000	$219.04	$239,849	$229.87	$251,708	$241.64	$264,596
69	$689.00	$200.00	$219,000	$221.44	$242,477	$233.75	$255,956	$247.22	$270,706
70	$689.00	$200.00	$219,000	$223.98	$245,258	$237.88	$260,479	$253.19	$277,243
71	$689.00	$200.00	$219,000	$226.66	$248,193	$242.25	$265,264	$259.55	$284,207
72	$689.00	$200.00	$219,000	$229.47	$251,270	$246.87	$270,323	$266.31	$291,609
73	$689.00	$200.00	$219,000	$232.41	$254,489	$251.73	$275,644	$273.47	$299,450
74	$689.00	$200.00	$219,000	$235.48	$257,851	$256.84	$281,240	$281.04	$307,739
75	$689.00	$200.00	$219,000	$238.68	$261,355	$262.20	$287,109	$289.02	$316,477
76	$689.00	$200.00	$219,000	$242.01	$265,001	$267.81	$293,252	$297.43	$325,686
77	$689.00	$200.00	$219,000	$245.47	$268,790	$273.67	$299,669	$306.27	$335,366
78	$689.00	$200.00	$219,000	$249.05	$272,710	$279.78	$306,359	$315.55	$345,527
79	$689.00	$200.00	$219,000	$252.76	$276,772	$286.15	$313,334	$325.29	$356,193
80	$689.00	$200.00	$219,000	$256.59	$280,966	$292.77	$320,583	$335.49	$367,362

8. Actual Portfolio Rates of Return vary from year to year. Daily Benefit and Total Pool of Money will not increase exactly as illustrated. Returns are not guaranteed.

CPI Compound Inflation

This inflation option ensures that clients get compound inflation protection in a cost-effective manner. Annual increases in benefits are based on changes in the Consumer Price Index (CPI).[9]

Every year, on a client's policy anniversary, his/her Daily/Monthly Benefit and Total Pool of Money will automatically be adjusted on a compounded basis, according to increases in the CPI, for the life of the policy.[10] The potential amount of your client's annual CPI increase is unlimited, even during periods of the highest inflation. In the event that the CPI decreases, the Benefit Amount will not be reduced.[11] The increase is automatic and will be made even if the insured is on claim. In addition to any annual CPI increases received, your client will also have a **Guaranteed Increase Option (GIO)**, which gives him/her the opportunity every three years to increase his/her existing benefits by 5% — for any reason, and with no health questions or exams. Benefit increases made through the GIO will require additional premium.[12]

5% Compound Inflation

On each policy anniversary, the Benefit Amount and remaining Total Pool of Money will increase by 5%, compounded annually, for the life of the policy. The increase is automatic and will be made even if the insured is on claim.

9. CPI refers to the Consumer Price Index – All Urban Consumers, published by the Bureau of Labor Statistics for the United States Department of Labor.
10. The rate used to determine the increase in benefits will be calculated based on the percentage change in the CPI three months prior to the policy anniversary date compared to the monthly CPI for the same time period one year prior.
11. Future CPI increases to the benefit amount will be offset by prior decreases in the CPI.
12. GIO offers will not be available after age 75, after two declined offers, or if the policyholder was Chronically Ill in the two-year period prior to the option date. GIO offers can be reinstated if we are provided with evidence of insurability. Premium increases under GIO are based on your client's attained age, the rates in effect on the option date, and the original risk category.

Built-in features

Additional Accident Benefit[13] (Double Coverage for Accident Benefit[14])

Additional Accident Benefit — If your client needs care as a result of an accidental injury that occurs before the age 65, the total benefit will be calculated as follows:

- If the LTC Benefit Amount is less than $250 Daily Benefit (DB), the total benefit available is 2 times DB.
- If the LTC Benefit Amount is greater than or equal to $250 Daily Benefit (DB), the total benefit available is $500.
- If the LTC Benefit Amount is less than $7,500 Monthly Benefit (MB), the total benefit available is 2 times MB.
- If the LTC Benefit Amount is greater than or equal to $7,500 Monthly Benefit (MB), the total benefit available is $15,000.

This benefit is specifically underwritten (a policy can be issued without the benefit endorsement). It is added in the form of an endorsement due to the fact that the inclusion of such benefit is contingent upon the applicant completing the age, occupation, and lifestyle questions in a satisfactory manner.

Return of Premium Benefit

This is another benefit designed for the younger market. If death occurs prior to age 65 while the policy is in-force, a benefit will be paid to the beneficiary equal to total premiums paid less the policy benefits paid. This benefit is contained within the core of the policy and applies to individuals age 64 or younger at the time of death.

Caregiver Support Services[15]

Chances are your clients will be called upon to provide care for someone else before they need care of their own. At a minimum, they may want to help their loved ones get the best care they can when that time comes. John Hancock's Caregiver Support Services does just that, by providing personalized telephone and website support on caregiving questions, concerns, or situations people may be experiencing as caregivers.

Policyholders can access quality reports and ratings on a range of home care providers, nursing homes, and assisted living facilities nationwide. In addition, policyholders will get access to exclusive provider discounts and care advisory services for family members,[16] which may enable them to save up to 35% on the cost of care provider services.

Advantage Provider Program

This benefit gives your client access to discounts at thousands of providers nationwide. It also offers quality ratings and reports on long-term care providers, as well as access to a care advocate who will work on your client's behalf to identify providers that are the most appropriate for their needs.

13. Benefit increases with inflation. Subject to underwriting approval. For daily benefits greater than $250, the Additional Accident Benefit will be capped at $500 minus the Benefit Amount. Monthly benefits greater than $7,500, the Additional Accident Benefit will be capped at $15,000 minus the Benefit Amount.
14. The Double Coverage for Accident Benefit calculation has been modified and renamed the Additional Accident Benefit. The Double Coverage for Accident Benefit is still available in states where the new pricing changes have not been approved. Please check jhltc.com for up to date information.
15. Caregiver Support Services is a service made possible through a partnership between John Hancock and a third-party organization. Discounts are not guaranteed and may be discontinued by the provider. John Hancock reserves the right to change third-party organizations, modify, or discontinue this service in the future. This benefit becomes active after the Free-Look Period ends.
16. Family members include spouses or partners, grandparents, parents, siblings, children, and all in-law and step equivalents of the policyholder.

Care Advisory Services[17]

Policyholders can choose an independent professional to assist in determining their care and treatment plan. The benefit is covered up to the Care Advisory Services amount. This amount is equal to ⅓ of the Monthly Benefit (or 10 times the Daily Benefit) per calendar year. This benefit can be paid before the Elimination Period is satisfied. Care Advisory Services benefits paid do not count toward the Elimination Period. This benefit does not reduce the Total Pool of Money.

Additional Stay at Home Benefit

The Additional Stay at Home Benefit amount is equal to the Monthly Benefit (or 30 times the Daily Benefit) on a lifetime basis. This benefit is not subject to the Elimination Period, and benefits paid do not count toward the Elimination Period. This benefit does not reduce the Total Pool of Money, as it is a separate pool of money. The following are covered up to the Additional Stay at Home Benefit amount:

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

Bed Hold Benefit

Actual covered charges, up to the applicable Benefit Amount, will be paid to ensure a place will be held at the nursing home or assisted living facility when a stay is interrupted for any reason. The maximum number of days held is 60 per calendar year. This benefit is subject to the Elimination Period and does reduce the Total Pool of Money.

Waiver of Premium

Waiver of Premium is applicable when the policyholder is on claim. It begins once the Elimination Period is satisfied and it ends when benefits are no longer payable for that claim.

International Coverage

This benefit provides coverage anywhere outside of the United States, in the amount equal to 365 times the Daily Benefit or 12 times the Monthly Benefit (paid in U.S. dollars).

All services are covered except for the Additional Stay at Home Benefit, Independent Care Providers, Care Advisory Services, Additional Accident Benefit (Double Coverage for Accident Benefit), Waiver of Home Health Care Elimination Period, and Additional Cash Benefit. We will not pay for care or treatment in any sanctioned countries or territories.

Coordination of Benefits[18]

John Hancock will reduce benefits payable under the policy for covered services if we also pay benefits for such services under any other individual LTC or Nursing Home-Only insurance policy issued by John Hancock. This does not include John Hancock Group LTC insurance or John Hancock combination products. Benefits will be reduced only when payment under the policy and all other John Hancock policies combined would exceed the actual amount the policyholder incurs for covered care or services.

If multiple policies are involved, the policy with the earliest effective date of coverage will be deemed primary coverage and pay first. Thereafter, payment will be made under any additional policy (deemed secondary coverage) in order of effective date, from the earliest to the latest. Any policy without a similar Coordination of Benefits provision will pay first, without any reduction in its benefits.

17. Policyholder must be benefit-eligible to access this feature.
18. May not be available in every state.

Hospice Care Benefit

This benefit will cover end-of-life care for your client (in their home or in a facility), and includes support for your client's family. Hospice Care that is not reimbursable under Medicare is accessible during the Elimination Period.

30-Day Free Look

If the policyholder, for any reason, is not completely satisfied with the policy, he/she may return the policy within 30 days after it was delivered for a refund of all premiums paid.

Guaranteed Renewable

The policy is guaranteed renewable for life or until the policy limit is reached. *Premiums are not guaranteed to remain unchanged.* As long as your clients pay the required premium, they have the right to continue the policy for as long as they live or until the policy limit is reached. We cannot cancel the policy unless your client does not make the required premium payments on a timely basis. To continue the policy, your client must make sure that the premiums are paid when they are due. We cannot change the provisions of the policy without your client's consent. **However, we do reserve the right to increase premium as of any premium due date in the future. Any changes in premium rates must apply to all similar policies issued in the same state to policyholders in the same class on the policy form. This means we cannot single out your clients for an increase because of their advancing age, declining health, claim status, or for any other reason related solely to them.**

Paid Up At Age 95

The policy will be paid up at age 95. After your client reaches this age, no additional premium is required to keep the policy in-force.

Grace Period

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

Consumer Protection Provisions

These additional built-in features are available in Custom Care III featuring Benefit Builder:

Alternate Services Benefit

This benefit helps to ensure that policyholders will have access to emerging services that may develop over time, but are not currently identified in their policy. For example, in certain circumstances, benefits for services not specifically covered under the policy, like robotics, may be authorized at the time of the claim. The benefit paid must be a lower-cost alternative to covered services.

Lifestyle Benefit Changes

Policyholders may adjust their Daily/Monthly Benefit once a year. Increases in coverage are subject to underwriting approval, and if approved, are subject to an additional premium for the increase in coverage. The premium for the additional coverage will be based upon attained age on the date the request is made, at the rates in effect at that time. The premium for underlying coverage will remain unchanged. Each change in coverage will become effective on the next policy anniversary.

Policyholders may make a written request to decrease benefits at any time. Any election to decrease coverage is not subject to evidence of insurability. Premium will be based on the reduced amount of coverage and original issue age. Each change in coverage will become effective on the next policy anniversary.

Independent Third-Party Review

This provision provides policyholders with an important assurance of our commitment to fair and objective claims-paying practices. In the event that a claim is denied based upon a determination that the policyholder is not claim eligible, he/she will 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 both you and your clients. In the event that a claim payment takes longer than 30 days to process, we will pay the policyholder an interest penalty of 1% of the claim amount per month.[19]

Contingent Nonforfeiture

If the optional Nonforfeiture rider is not chosen, this feature will be included in the policy at no cost. If the policy lapses following a rate increase that exceeds a certain cumulative percentage (varies by issue age), the policyholder will have the right to reduce policy benefits so the premium payments do not increase, or convert 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 sum of the premiums paid. This means that a reduced benefit will be payable instead of the Total Pool of Money. The benefit will be no less than 30 times the Daily Benefit Amount or one times the Monthly Benefit Amount.

Added Protection Against Lapse

The policyholder may designate someone to receive notice of the overdue premium before the policy lapses.

19. Benefit may vary if a higher percentage rate is required by state law or regulation.

Optional benefits[20]

SharedCare Rider[21]

This benefit allows partners to access the available benefits under the other's policy once their own policy is exhausted. If either partner dies, the survivor's policy is automatically increased by the remainder of deceased's Total Pool of Money. Premiums for both riders and the deceased's policy are dropped.

There is a 60-day purchase offer[22] of a 2-year benefit plan for the policyholder whose benefits are exhausted by their partner. Rates are based on attained age; the policyholder will not be subject to underwriting and cannot be determined Chronically Ill in the prior two years in order to qualify. This offer is good through age 90.

Note: Couples (spouses/partners) include policyholders who:[23]

- 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

Waiver of Home Health Care Elimination Period[24] (Zero-Day Home Health Care Elimination Period)

This option waives the Elimination Period for home health care, creating a Zero-Day Elimination Period. The days of home health care count toward satisfying the facility Elimination Period. The waiver of premium begins once the facility Elimination Period is met. This rider is not available with a 180-day or 365-day Elimination Period.

Additional Cash Benefit

This indemnity benefit is a separate pool of money that assists the policyholder in staying at home. The monthly cash benefit is equal to 15% of the Monthly Benefit Amount or 4.5 times the Daily Benefit Amount. It is payable if the policyholder is receiving home health care (and not receiving facility care during the month) and can be used to pay for a variety of expenses. This benefit is subject to the Elimination Period, but does not reduce the Total Pool of Money.

The monthly benefit will continue to be paid until the policyholder is no longer eligible or the policy ends. At certain benefit levels, benefits received may create a taxable event.

Nonforfeiture

If the policyholder selects this option, he or she will receive a policy with a reduced Total Pool of Money if the policy lapses after it has been in-force for at least three years. The reduced Pool of Money will be the sum of the total premiums paid, but not less than 30 times the Daily or one times the Monthly Benefit Amount. The Benefit Amount will remain the same with a resulting shortened Benefit Period. This optional rider may be dropped after issue.

20. Policy benefits and features vary by state. Optional benefits require an additional premium. Please refer to the outline of coverage and a sample policy for details.
21. Partners must select the same benefit options, except Elimination Period. In AZ, available only with the 4-, 5-, or 6-year Benefit Period. For policies issued Substandard class, SharedCare is only available with a 2 or 3-year Benefit Period and in AZ it is only available with a 4-year Benefit Period.
22. Purchase offer not available in AZ or CT.
23. The definition of who qualifies as a couple or partner may vary by state.
24. In FL, this benefit is referred to as Waiver of Elimination Period (Zero-Day Elimination Period). In OR, referred to as Waiver of Non-Facility Elimination Period.

Ratings & discounts[25]

Underwriting Classes

- Preferred (discounted 10% off Select premium)
- Select (Standard)
- Class I (125% of Select premium)
- Class II (150% of Select premium)

Couples (Spouses/Partners) Discount[26]

The Couples Discount is 30% if both have applied at the same time, are approved for coverage, and accept the individual LTC insurance policies from John Hancock.

- The maximum combination of Preferred and Couples Discount is 35%
- All discounts are based on Select (Standard) rates

Partners are defined as:

- Married couples
- People who have lived with a family member of the same generation for at least three years
- People who have lived with a partner of the same sex or opposite sex for at least three years

Sponsored Group Discount[27]

Enables you to provide employers and associations with a way to make individual LTC insurance policies available to their employees or members at a 5% discount. This discount can also extend to their eligible family members and retirees.

Eligible family members include spouses, partners, children, parents, grandparents, siblings, and all in-law and step equivalents.

This discount is not available in conjunction with the Family Discount or Valued Client Discount. This discount is multiplicative. There is a commission reduction when this discount is applied.

Family Discount[28]

If three or more members of an immediate family purchase individual John Hancock LTC insurance policies, a 5% discount will apply. Eligible family members include spouses, partners, children, parents, grandparents, siblings, and all in-law and step equivalents.

The discount is not available in conjunction with the Valued Client Discount or the Sponsored Group Discount. This discount is multiplicative. There is a commission reduction when this discount is applied.

25. Discounts may not be available in all states. Substandard risk classifications are only eligible for 2-6 year Benefit Periods. SharedCare only available with a 2- or 3-year Benefit Period. In AZ and NH, a 4-year Benefit Period is allowed.
26. The definition of who qualifies as a couple or partner may vary by state. In NY, discount is 20% when both apply and are approved. In MT, the Couples Discount is 35% and the combination of Preferred Health and Couples Discount is limited to 40%.
27. Referred to as Marketing Group Discount in NY.
28. Not available in NJ, SD, and NY.

Valued Client Discount[29]

Your existing Manulife and John Hancock life and annuity clients may be eligible for a 5% discount on the purchase of a new LTC insurance policy. Family members, including spouses, partners, children, parents, grandparents, siblings, and all in-law and step equivalents, are also eligible for the Valued Client Discount. This discount is not available in conjunction with the Family Discount or the Sponsored Group Discount. This discount is multiplicative. There is a commission reduction when this discount is applied.

Loyalty Credit[30]

John Hancock will allow current John Hancock LTC insurance policyholders of a different policy series to replace their current policy with a Custom Care III featuring Benefit Builder policy. By doing so, the policyholder will receive a 5% reduction in his/her annual premiums.

The original policy must have been in-force at least three years. The Custom Care III featuring Benefit Builder rates are based on attained age, and are fully underwritten. The Loyalty Credit is multiplicative.

Flexible Payment Options

Frequency and Method (premiums cannot be paid in advance beyond the period for which they are due)

Your client has the option to pay premiums in a number of ways:

- Monthly, Quarterly, Semi-annually, and Annually
- Bank Draft is available on all modes
- Direct Bill is available on Quarterly, Semi-annual, and Annual modes
- List bill is available on all modes for Sponsored Groups and if employer-paid, no money is required with the application

29. Not available in NY.
30. Not available in FL and NY.

Facts-at-a-glance —
Custom Care III *featuring* Benefit Builder

Building Blocks[31]

<table>
<tr><th colspan="3">CUSTOM CARE III FEATURING BENEFIT BUILDER</th></tr>
<tr><td>Issue Ages</td><td colspan="2">• 18–75</td></tr>
<tr><td>Maximum Daily/Monthly Benefits</td><td>Daily Benefit (Standard rates)
• $50 to $400
• $10 increments</td><td>Monthly Benefit (for additional cost)
• $1,500 to $12,000
• $100 increments</td></tr>
<tr><td>Benefit Periods</td><td colspan="2">• 2, 3, 4, 5, 6 years</td></tr>
<tr><td>Elimination/Deductible Periods</td><td colspan="2">• 30, 60, 90, 180, or 365 days of service
• 1 day = 1 day
• True cumulative Elimination Period (EP); days of service do not need to be consecutive or within same claim.
• Base rates include the 90-day EP.
• Rates are (+20/+10/+0/-10/-28%) of the base rate for 30/60/90/180/365, respectively.
• For Home Health Care, a minimum of two hours of covered care per day is required to count as one day toward the Elimination Period.</td></tr>
<tr><td>Inflation Options</td><td colspan="2">• Benefit Builder
Your client's benefits can grown in two ways:
✔ VOLUNTARILY, through a buy-up option that provides your clients with additional flexibility by allowing them to increase existing policy benefits. Every three years through age 75 they will be offered the opportunity to increase benefits by 10%, without having to answer any questions about health or undergo a medical exam, subject to the restrictions described below. Premiums will increase if they purchase an option and will be based on your age on the option date.
– Those individuals who are issue age 64 or under, can decline one offer and continue to receive future offers.
– Those individuals who are issue age 65 and older must accept all offers or future offers will cease However, in both cases, an insured can request to resume future offers by providing evidence of insurability.
– Premium increases are based on age, the rates in effect on the option date, and the policyholder's original risk category (Preferred, Select, or Substandard). Buy-up offers will not be available if the policyholder was a Chronically Ill individual at any time during the two-year period prior to the option date, if he/she has ever received benefits under the policy, or the option date occurs on or after his/her 76th birthday.
✔ AUTOMATICALLY, through a crediting feature unique to LTC insurance that annually increases your client's existing benefits when the subset of the general account portfolio funding the policy has investment earnings greater than 3%. There will be no corresponding increase to your client's premiums as these benefits are added. If the portfolio does not have investment earnings greater than 3%, existing benefit levels remain the same.
• CPI Compound Inflation
Each year, the 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 the annual CPI increase is unlimited, even during periods of the highest inflation. In the event that the CPI decreases, the Benefit Amount will not be reduced.</td></tr>
</table>

31. Policy benefits and features may vary by state.

Building Blocks[31]

	CUSTOM CARE III FEATURING BENEFIT BUILDER
Inflation Options continued	✔ GUARANTEED INCREASE OPTION (GIO) is available with CPI Compound Inflation. With GIO, policyholders will be given the option to increase their benefit by 5% every three years — for any reason, and with no health questions or exams. Benefit increases made through the GIO will require additional premium. Offers are not available after age 75, after two declined offers, or if the policyholder was Chronically Ill in the two-year period prior to the option date. GIO offers can be reinstated if proof of insurability is provided. Premium increases under GIO are based on your client's age, the rates in effect on the option date, and the original risk category. • **5% Compound Inflation** Each year, the Daily/Monthly Benefit and Total Pool of Money will increase by 5% on a compounded basis.
Eligibility for Payment of Benefits	• 2 out of 6 ADLs with hands-on or standby assistance, or cognitive impairment with substantial supervision • Subject to the Elimination Period • Receiving covered care or services according to an acceptable Plan of Care • Chronically Ill and need written certification from a Licensed Health Care Practitioner that claim is expected to last for a period of at least 90 days

Built-in Benefits[31]

	CUSTOM CARE III FEATURING BENEFIT BUILDER
Coverage	• Nursing Home, Assisted Living Facility, Adult Day Care, Home Care, and Hospice Care
Nursing Home and Assisted Living Facilities	• 100% of actual Nursing Home or Assisted Living Facility charges are covered, up to the Benefit Amount • All benefits will be deducted from the Total Pool of Money • Must meet policy definition of a qualified facility
Home Health Care	• 100% of Home Health Care services are covered for qualified long-term care services defined in a comprehensive plan of care up to the Benefit Amount. • Services covered include Adult Day Care, care in the policyholder's home, and Hospice Care Services. • All benefits will be deducted from the Total Pool of Money. • In the event a home health agency is not available within a 40-mile radius of the policyholder's home, we will pay the actual charges for home care provided by an authorized independent care provider (ICP) up to 75% of the Benefit Amount. • Includes incidental homemaker services (shopping not included). • Must meet policy definition of a qualified facility.
Additional Stay at Home Benefit	• Pays for home modifications, emergency alert systems, durable medical equipment, provider care checks, caregiver training, and home safety checks. Designed to enable a claimant to remain at home for as long as possible. • No monthly or daily cap; just one lifetime cap equal to one times the Benefit Amount (if monthly option), or 30 times the Benefit Amount (if daily option). • Separate Pool of Money. • Not subject to, nor does it satisfy, the Elimination Period. • Does not reduce the Total Pool of Money.

31. Policy benefits and features may vary by state.

Built-in Benefits[31]

	CUSTOM CARE III FEATURING BENEFIT BUILDER
Waiver of Premium	• Begins after Elimination Period is met. • Continues while policyholder is on claim. • Premium will not be waived if the policyholder: – is only receiving benefits under the Additional Stay at Home Benefit – has exhausted the International Coverage Benefit, unless and until they receive care or services for which benefits are payable under the LTC insurance benefit within the fifty (50) United States or the District of Columbia • If premium has been paid during a period for which premiums are waived, we will refund the premium for such period.
International Coverage	• Provides coverage anywhere outside of the United States. • Coverage is 365 times the Daily Benefit or 12 times the Monthly Benefit. • All services are covered except for the Additional Stay at Home Benefit, Independent Care Providers, Care Advisory Services, Additional Accident Benefit (Double Coverage for Accident Benefit), Waiver of Home Health Care Elimination Period, and Additional Cash Benefit. • Not applicable for care or treatment in any sanctioned countries or territories.
Care Advisory Services	• Daily: Limit equals the actual charges up to 10 times the Daily Benefit Amount each calendar year • Monthly: Limit equals the actual charges up to 1/3 of the Monthly Benefit Amount each calendar year • Not subject to, nor does it satisfy, the Elimination Period. • Does not reduce the Total Pool of Money.
Bed Hold Benefit	• Covers 60 days of bed-hold per calendar year for any reason. • Subject to the Elimination Period; reduces the Total Pool of Money.
Additional Accident Benefit (Double Coverage for Accident Benefit)	• Additional Accident Benefit — If your client needs care as a result of an accidental injury that occurs before the age 65, the total benefit will be calculated as follows: – If the LTC Benefit Amount is less than $250 Daily Benefit (DB), the total benefit available is 2 times DB. – If the LTC Benefit Amount is greater than or equal to $250 Daily Benefit (DB), the total benefit available is $500. – If the LTC Benefit Amount is less than $7,500 Monthly Benefit (MB), the total benefit available is 2 times MB. – If the LTC Benefit Amount is greater than or equal to $7,500 Monthly Benefit (MB), the total benefit available is $15,000. • Benefit increases with inflation. Subject to underwriting approval. For daily benefits greater than $250, the Additional Accident Benefit will be capped at $500 minus the Benefit Amount. Monthly benefits greater than $7,500, the Additional Accident Benefit will be capped at $15,000 minus the Benefit Amount. • The Double Coverage for Accident Benefit calculation has been modified and renamed the Additional Accident Benefit. The Double Coverage for Accident Benefit is still available in states where the new pricing changes have not been approved. Please check jhltc.com for up to date information.
Return of Premium Benefit	• If death occurs prior to age 65, John Hancock will pay a benefit to the designated beneficiary equal to the total premiums paid less any claims paid.
Advantage Provider Program	• Information on quality ratings on thousands of long-term care providers. • Access to a vendor advocate, who provides claimants and their families with lists of available providers in their area. • Negotiated discounts with long-term care providers. • John Hancock reserves the right to change vendors, modify, or discontinue this service in the future.

31. Policy benefits and features may vary by state.

Built-in Benefits[31]

	CUSTOM CARE III FEATURING BENEFIT BUILDER
Caregiver Support Services	• Extends Advantage Provider Program to insured's family members. • Personalized support via toll-free call. • Website access and information. • John Hancock reserves the right to change vendors, modify, or discontinue this service in the future.
Coordination of Benefits	• Will coordinate with other John Hancock LTC insurance coverage in place (will not duplicate benefits if client has multiple policies with John Hancock). • May not be available in every state.
Hospice Care Benefit	• This benefit will cover end-of-life care for your clients in their home or in a facility. • Also includes support for your client's family. • Hospice Care that is not reimbursable under Medicare is accessible during the Elimination Period.
Paid Up At Age 95	• This policy will be paid up at age 95. After your client reaches this age, no additional premium is required to keep the policy in-force.

Consumer Protection Provisions[31]

	CUSTOM CARE III FEATURING BENEFIT BUILDER
Alternate Services Benefit	• Helps to ensure that policyholders have access to emerging services that may develop over time, but are not currently identified in their policy. – Example: In certain circumstances, benefits for services not specifically covered under the policy may be authorized at the time of the claim, such as robotics. • Benefit paid must be a lower-cost alternative to covered services.
Lifestyle Benefit Changes	• Allows annual adjustments to Benefit Amount, effective on policy anniversary. • Increases subject to underwriting and additional premium at attained age. • Policyholder can also elect to decrease coverage. • Coverage selection change form needs to be submitted.
Independent Third-Party Review	• In the event that an insured is determined not to be Chronically Ill and denied benefits, the policyholder will have the right to request an independent third-party review. • Decision of that third party will be binding and must be upheld by John Hancock.
Timely Payment of Claims	• In the event (upon receipt of proof of loss) that a claim payment takes longer than 30 days to process, we will pay the policyholder an interest penalty of 1% of the claim amount per month.
Contingent Nonforfeiture	• In the event John Hancock cumulatively increases rates by more than the specific amount shown in the Contingent Nonforfeiture provision, we will provide policyholders with the opportunity to: – pay the increased premium – decrease their benefits to a level supported by their current premium – elect the Contingent Nonforfeiture Benefit • Under the Contingent Nonforfeiture Benefit, the policy will remain in-force with a reduced Total Pool of Money equal to the sum of the premiums they have paid, but not less than 30 times the Daily Benefit Amount or one times the Monthly Benefit Amount. • Will be automatically included in the policy at no cost, in the event that traditional Nonforfeiture is not purchased.

31. Policy benefits and features may vary by state.

Ratings & Discounts[31]

	CUSTOM CARE III FEATURING BENEFIT BUILDER
Underwriting Classes	• Preferred — 10% discount off Select rates • Select (Standard) • Class I (125% of Select premium) • Class II (150% of Select premium)
Discounts Available	• Couples/Partner Discount – 30% if both individuals apply at the same time, are approved for coverage, and accept the individual LTC insurance policies (In NY, discount is 20%) – Partners are defined as: • married couples • people who have lived with a family member of the same generation for at least three years • people who have lived with a partner of the same sex or opposite sex for at least three years • Preferred Discount — 10% discount off Select rates (maximum combination of Couples/Partner and Preferred Discounts is 35%) • Sponsored Group — 5% • Valued Client — 5% • Family Discount — 5% (must have at least three members of immediate family buy separate individual John Hancock LTC insurance policies) • A policy can have either the Family, Sponsored Group, or Valued Client discount (not more than one) – Discounts are multiplicative and reduced commission rates apply
Loyalty Credit	• Allows current John Hancock LTC insurance policyholders of a different policy series to purchase Custom Care III featuring Benefit Builder with a 5% reduction in the annual premium. • Original policy must have been in-force at least three years. • Rates are based on attained age, and are fully underwritten. • This discount is multiplicative.
Payment Options	• Direct bill — Annual, Semi-annual, Quarterly • Bank draft — Annual, Semi-annual, Quarterly, Monthly • List bill — all modes for Sponsored Group cases

31. Policy benefits and features may vary by state.

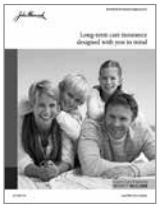
Optional Benefits (Riders)[31]

	CUSTOM CARE III FEATURING BENEFIT BUILDER
SharedCare	• Allows policyholders to access their partner's benefits when their benefit is exhausted. If the partner dies, their benefits will increase the surviving partner's remaining Total Pool of Money and the premium will be reduced by the cost of the SharedCare Benefit. • If the policyholder's benefits are exhausted by a partner, they have the option to purchase a policy with a 2-year benefit with no underwriting. Policyholder cannot be determined Chronically Ill in the prior two years in order to qualify. This offer is good through age 90. Couples/Partners include policyholders who: – are married – have lived with a family member of the same generation for at least three years – have lived with a partner of the same sex or opposite sex for at least three years • Partners must select the same benefit options, except Elimination Period. In AZ, available only with the 4-, 5-, or 6-year Benefit Period. For policies issued Substandard class, SharedCare is only available with a 2- or 3-year Benefit Period (in AZ it is only available with a 4-year Benefit Period). • Rider cost is 26% for 2-year Benefit Period, 16% for 3-year Benefit Period, 11% for 4-year Benefit Period, 10% for 5-year Benefit Period, and 8% for 6-year Benefit Period.
Waiver of Home Health Care Elimination Period	• Waives the Elimination Period for home health care, creating a Zero-Day Elimination Period for home health care. • Days of home health care count toward the facility Elimination Period. • Waiver of Premium begins after Elimination Period has been satisfied. • Not available with 180- or 365-day Elimination Periods. • Annual rider cost is 17%.
Additional Cash Benefit	• In addition to the Benefit Amount, this rider provides a cash indemnity benefit in the following amounts if insured is receiving home health care (not facility care). – Daily: 4.5 times the Daily Benefit Amount – Monthly: 15% of the Monthly Benefit Amount • At certain levels, benefits received may cause a taxable event. • Annual rider cost is 10%.
Nonforfeiture	• If the policy lapses after three years, a policyholder will have a paid-up policy with the Total Pool of Money reduced to the greater of premiums paid, or one times the Monthly Benefit Amount, or 30 times the Daily Benefit Amount. • Annual rider cost is 6%.

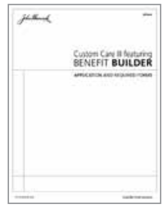
31. Policy benefits and features may vary by state.

Marketing materials[32]

CONSUMER PRODUCT MATERIALS



Product Brochure
(ICC14-LTC-9500, LTC-9500)
Explains the Benefit Builder feature and highlights other core policy benefits such as the Advantage Provider Program, Caregiver Support Services, and more.

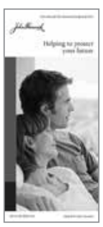


Application Booklet
(ICC13-9520, LTC-9520)
This printed booklet includes an application, a HIPAA Medical Authorization form, an outline of coverage, and all state-required forms.

Product Presentation
(ICC14-LTC-9501, LTC-9501)
Focuses on the benefits and features of the Custom Care III featuring Benefit Builder product. Download only.

Benefit Builder—How it Works
(ICC13-LTC-9502, LTC-9502)
Describes how the Benefit Builder feature works on the Custom Care III featuring Benefit Builder product.

PRODUCT SUPPORT MATERIALS



Mini Overview Brochure
(ICC13-LTC-9504, LTC-9504)
Provides a high-level overview of the product features, benefits, and claims service that is part of the Custom Care III featuring Benefit Builder policy.

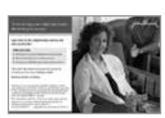
Leadership Brochure
(ICC12-LTC-1158, LTC-1158)
Describes John Hancock's strength, reputation, and commitment to the LTC insurance market.

Caregiver Support Services Brochure
(ICC13-LTC-8080, LTC-9080)
Explains the Caregiver Support Services Benefit and how your clients will receive personalized telephone and online assistance to help them with common caregiver questions and concerns.

CPI Inflation Brochure
(ICC13-LTC-9076, LTC-9076)
Explains how the CPI-linked inflation benefit works.

SEMINAR MARKETING MATERIALS

Seminar Invite Flier[33]
(ICC12-LTC-8515, LTC-8515)
"An innovative new approach to protecting your future."
This flier serves as an invitation to attend a seminar about LTC insurance. Customize with date, time, and location of seminar. Download only.

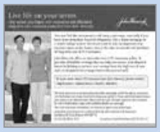


Seminar Invite Email[33]
(ICC12-LTC-8509, LTC-8509)
"Three things you might not know about LTC"
This email serves as an invitation to attend a seminar about LTC insurance.

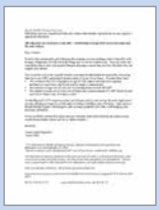
32. State-specific materials may apply. Please refer to www.jhltc.com for details on availability of approved materials. All materials with "ICC" in the form number are for use in Compact states only.
33. Use approved Custom Care III featuring Benefit Builder consumer presentation, ICC14-LTC-9501, LTC-9501.

CONSUMER PROSPECTING MATERIALS

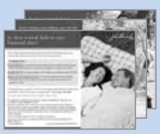
The following prospecting materials have been created to help you market Custom Care III featuring Benefit Builder to a wider range of clients.



Print Advertisement
(ICC12-LTC-8512, LTC-8512)
"Live life on your terms"
Designed for use in print publications, this ad can be personalized with your contact information. Download only.

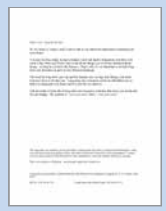


Benefit Builder Prospecting Letter
(ICC12-LTC-8513, LTC-8513)
"All long-term care insurance is not alike – introducing coverage that meets your goals and fits your budget"
This letter discusses the benefits of planning ahead and how LTC insurance can help. Download only.



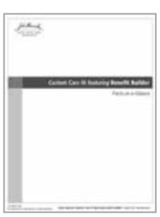
Email Marketing
(ICC12-LTC-8506, LTC-8506)
"Is there a weak link in your financial plan?"
(ICC12-LTC-8507, LTC-8507)
"You're doing everything you can for a comfortable retirement — right?"
(ICC12-LTC8508, LTC-8508)
"A new solution for a common financial concern"
These emails help generate awareness about Benefit Builder and invite your clients or prospects to call you for more information.

Postcards
(ICC12-LTC-8510, LTC-8510)
"Life changes. Be ready."
(ICC12-LTC-8511, LTC-8511)
"Financial security. Ever feel that what you really want might be just beyond your reach?"
These postcards are intended to prompt prospects to learn more about LTC insurance and the Benefit Builder option by calling or emailing you. Order and customize on www.jhltc.com. Size 6" x 9."

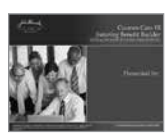


Benefit Builder Radio Script
(ICC12-LTC-8514, LTC-8514)
A radio ad to help establish the need to prepare for the future with LTC insurance. Personalize with your contact information. Download only.

PRODUCER SALES AND TRAINING MATERIALS



Facts-at-a-Glance
(LTC-8523)
A quick-reference tool that includes a high-level description of the benefits and features of Custom Care III featuring Benefit Builder. Download only.



Training Presentation
(LTC-8530)
Provides insight into Custom Care III featuring Benefit Builder with a review of policy features, benefits, and competitive positioning. Download only.

General information, administration & resources

How a Policyholder Becomes Eligible for Benefits

A policyholder is eligible for benefits if he/she is a Chronically Ill individual. A Chronically Ill individual is someone who:

Requires substantial assistance to perform at least two of the six Activities of Daily Living (ADLs) due to the loss of functional capacity for at least 90 days. ADLs are bathing, continence, dressing, eating, toileting, or transferring. Substantial assistance means needing hands-on or standby assistance while performing an ADL. Standby assistance means the policyholder needs the presence of another person within arm's reach in order to prevent, by physical intervention, injury to the policyholder while performing the ADL;

OR

Requires substantial supervision to protect himself/herself from threats to his/her health and/or safety due to the presence of a cognitive impairment, which is established by clinical evidence and standardized tests as required by John Hancock that reliably measure the insured's impairment.

To receive benefits, the policyholder must:

- Have satisfied the Elimination Period;
- Have received covered care or services while this policy is in effect;
- Have received care or services that are consistent with his/her care needs and are covered under the policy, specified in a plan of care, and in accordance with accepted medical and nursing standards of practice;
- Submit to John Hancock written proof of loss (such as invoice from the provider of services); and
- Have a licensed health care practitioner certify in writing that the ADL dependency is expected to continue for at least 90 days, or that the insured requires substantial supervision due to cognitive impairment.

LTC Insurance Administration

New Business Advanced Payment

Prepayment of premium with the application is required. A minimum of one month's modal premium must be submitted with bank draft, list bill (unless employer-paid), and direct bill payment modes. Prepayment should be recorded on the Advance Payment Receipt, which is included with the application as a duplicate copy. One should be signed and submitted and the other should be given to the applicant.

Age at Issue

If the applicant's age changes within 30 days of the application date (include the date the application was signed and the birthdate as two of the 30 days), then the younger age is used for the premium calculation. Underwriting requirements are based upon the younger age.

Supplemental Forms

At the time of application, an applicant must receive (*included in the application booklet):

- Outline of Coverage (prior to application)*
- Medical Authorization Form (HIPAA)*
- Notice of Insurance Information Practices*
- Suitability Forms (LTC-PWK) (LTC-SUIT)*
- Replacement Forms (if replacement is involved)*
- Medicare Buyer's Guide (if eligible for Medicare) (LTC-1014) — prior to application
- Shopper's Guide to Long-Term Care Insurance (LTC-1059) (may vary by state)
- Potential Rate Increase Disclosure Form*
- Any other state-required forms or documents

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

The application needs to be received in New Business within 30 days of the signature date or it will be marked incomplete and the New Business/Underwriting Department will not process it.

Resources to Help You and Your Clients

Suitability Guidelines

(National Association of Insurance Commissioners [NAIC] Suitability Requirements)

We believe the consumer protection provisions found in the NAIC Model LTC Insurance Act and Regulation provide consumers with valuable information so that they may make informed decisions regarding their LTC insurance purchase. As such, John Hancock complies with the NAIC provisions on suitability, regardless of whether or not the state mandates suitability requirements.

In summary, these provisions require us to develop and use suitability standards to assure that the purchase or replacement of LTC insurance is appropriate for the needs of the applicant. Appropriateness of sale is based upon the individual's financial situation, goals, and needs with respect to long-term care. In addition, in a replacement situation, an analysis of the benefits and costs of an individual's existing coverage, as compared to the proposed coverage, is required.

Minimum Suitability Standards

Annual income standards apply per person, rather than per couple. If an individual does not meet both the income and asset minimums below, we have the right to decline the application as being an unsuitable purchase.

- An individual must have an income of $20,000 or greater
- The combined income for a couple must be at least $40,000
- An individual must have assets (savings and investments) which equal at least $30,000 *(Note: Assets do not include the applicant's house.)*
- A couple must have combined assets which equal at least $50,000

These guidelines state that an individual should not purchase the policy if the premium would exceed 7% of his/her income. In addition, if the individual's assets are less than $30,000, we will recommend that the applicant consider other options for financing potential long-term care needs. Note that these standards may be waived in certain appropriate instances (e.g., child is paying the parent's premium).

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

- Who will pay the premium (applicant, a child, etc.)
- Where will the premium come from (income, savings, investments, etc.)
- What are his/her living arrangements (are family and friends available to assist in care, if needed)
- What is the actual cost of care in the area where the applicant lives
- How will the individual fund his/her care costs during the Elimination Period
- What are the applicant's needs and how can a particular LTC insurance product satisfy those needs
- Which benefits have been selected, including benefit levels, inflation choices, optional benefits, etc.
- What could happen if the individual experiences a change in financial circumstances
- Does he/she understand that rates could possibly change in the future

Delivery of Forms

Prior to completing the application, all applicants must receive the following:

- "Long-Term Care Personal Worksheet," which is completed and signed by both you and your client
- "Things You Should Know Before you Buy Long-Term Care Insurance"
- "Long-Term Care Insurance Potential Rate Increase Disclosure Form"

Filling Out the Personal Worksheet

You must review with the applicant the income, asset, goals, and needs information from the application. The applicant will be required to either:

- fill out the Personal Worksheet, or
- indicate that he/she has chosen not to provide the information

(Both you and your client sign the Personal Worksheet in the space provided)

If the applicant declines to provide the financial information, or does not meet our suitability standards, we will suspend the application until we obtain oral or written verification that the individual still chooses to purchase LTC insurance (assuming the application is approved) and still does not want to provide us with the financial information. If telephone verification is used, the call must be clearly documented in the applicant's file.

Signed copies of the Personal Worksheet and written documentation indicating that we checked (either in writing or by phone) and that the applicant chose not to provide financial information (or does not meet our suitability standards and still wants to purchase the insurance policy) must become part of the permanent application file.

Closing Files at Day 60

Cases will be closed (Incompleted) 60 days from the Application Received Date if the necessary medical or non-medical requirements have not been received. Non-medical requirements include forms, outstanding application information, and/or licensing requirements. Any premium submitted with the application will be refunded directly to the applicant. If the outstanding requirements are received after the file has been closed, we will reopen the case and continue to process accordingly.

First Household Rule

John Hancock's First Household Rule applies to situations where two LTC insurance applications are submitted on one or more of our LTC insurance products, from different producers, on the same applicant, within the same household.

The First Household Rule states that the first producer to submit an LTC insurance application is considered the agent of record for that household for a period of at least six months following the submission of the first application.

In effect, this means that regardless of which policy is ultimately selected by the prospect and consequently placed within the household, the agent of record is credited with the business and paid the full commission. Application received dates are reviewed to determine the agent of record. Once the agent of record is determined, John Hancock's Underwriting Department notifies all affected producers.

John Hancock will only accept or process a second application from another producer after a period of six months from the submission date of the original application, or the policy issue date, whichever is later. Of course, evidence of insurability will be required.

The First Household Rule is strictly adhered to for all producers. It applies whether or not an advance payment is made on an application, whether or not an age change occurs within the six-month period, and whether or not we receive a letter from the client expressing a preference for one producer or the other.

In a competitive marketplace, some conflict is inevitable. Nevertheless, experience shows that the First Household Rule significantly reduces the frequency of conflict, provides clear guidelines for resolution, expedites the processing of new business, better preserves the producer's investment in a client relationship, and protects John Hancock's reputation in the marketplace.

Underwriting

If you need a tentative underwriting assessment of your client quickly, take advantage of our Quick Quote service. Simply email your request to LTCquickquote@jhancock.com, and you will receive a reply within 24-48 hours.

Some clients may also be approved for Preferred rates. Your client can fill out the Preferred Self-Screening Questionnaire (LTC-2976) to see if he/she would qualify for these discounted rates. Other underwriting tools available:

- **John Hancock Field LTC Insurance Underwriting Guide (LTC-1727) May 2014 Edition:** Find out quickly whether your clients' medical conditions will have an impact on their eligibility for LTC insurance coverage, as there are diseases and conditions that may lead our Underwriting Department to decline an applicant. This guide provides a complete understanding of our underwriting programs and processing.
- **Preparing For Your Paramedical Exam (LTC-2172):** Assists you in preparing your client for the Paramedical Exam. The flier explains in clear language how your client can best prepare for the paramedical exam. It is essential that your client receive this flier during the sales process, as this will set your client's expectations and help ensure the most favorable results.

Getting Approval for Marketing Materials

You must obtain prior approval from John Hancock for use of any advertisement containing the name of John Hancock or its products.

John Hancock uses an intranet workflow application to facilitate the electronic review of advertisements, sales material, and training material. Access to the system is limited to Home Office, regional, and agency staff of the insurer. We request that you provide copies of advertisements about or relating to John Hancock or its products to their sales/marketing liaison, who will facilitate the Home Office review process.

John Hancock asks that all items submitted for review be in electronic format. Adobe PDF is preferred, as well as native file formats such as MS Word, MS PowerPoint, etc. Alternatively, items may be scanned as PDF, JPG, or TIF files.

All submissions must be accompanied by a comprehensive written description of the item, how it will be used and by whom, and the state(s) in which distribution is intended.

The Interstate Insurance Compact and LTC Insurance

The Interstate Insurance Compact ("Compact") is an important modernization initiative that benefits state insurance regulators, consumers, and the insurance industry.

Its goal is to enhance the efficiency and effectiveness of the way insurance products are filed, reviewed, and approved, allowing consumers to have faster access to competitive insurance products in an ever-changing marketplace. The Compact promotes uniformity through the application of national product standards embedded with strong consumer protections. The Compact functions through a multi-state public entity, the Interstate Insurance Product Regulation Commission (IIPRC), which develops standards and serves as a central point of electronic filing by insurers.

The individual LTC insurance uniform standards were adopted in August 2010 with separate standards applying to: application forms, outlines of coverage, policy contracts, initial rate filings, rate increase filings, advertisements, benefit features, and riders/endorsements.

The following thirty-eight states are currently members of the Compact for LTC insurance: Alabama, Alaska, Arkansas, Colorado, Georgia, Idaho, Illinois, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nebraska, New Hampshire, New Mexico, Nevada, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Puerto Rico,* Rhode Island, South Carolina, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming. (*Currently not selling LTC insurance in Puerto Rico.)

The Interstate Compact — Marketing Materials and Policy Forms

Marketing materials, applications, and policy forms filed through the Interstate Compact require a specific numbering system in order to identify and confirm that the material has been reviewed and approved.

All form numbers will have an "ICC" prefix. Please take notice if you are doing business in one or more of the above compact states to ensure you are using the appropriate marketing material with the ICC prefix.

State Insurance Department Review

Advertisements are generally reviewed by regulators in the order they are received. Processing time fluctuates widely, (averaging around 4–6 weeks) depending on the volume and complexity of filings being handled by an insurance department. Analysts review advertising for content, context, prominence, and position of required disclosures, omissions of required information, violations of statutes, regulations, policy provisions, and licensing regulations.

Notice of objections, disapprovals, and approvals are sent to the insurer, who will then communicate with the owner of the advertisement. Owners are required to retain a copy of the notice of approval in their records for the advertisement.

Out-of-State Solicitation

Under John Hancock's process, the application form to use is dictated by the state where the application is being solicited and signed.

If an applicant is signing an application outside of his/her resident state, you will be required to submit a John Hancock LTC Situs Verification Form (LTC-SITUS) to explain why. Use of this form, however, will not enable a Partnership policy to be issued to an individual who is not a resident of a Partnership state. Partnership policies can only be issued to residents of a Partnership state.

GOVERNING PRINCIPLES

In most cases, state of issue will be where solicitation takes place. Solicitation is any act or activity undertaken by the producer that is designed, or has the tendency, to induce another person or entity to purchase LTC insurance. The following governing principles must always be followed when determining state of issue:

- The producer must be licensed and appointed in the state where solicitation took place.
- The product must be approved in the state where solicitation took place.
- The application form must be for the state where solicitation took place.
- Policy delivery must be (or must be deemed to be) occurring in the state where solicitation took place.
- There must be a relationship between the applicant of the LTC insurance policy and state of solicitation.
- The allowable relationships are defined on the John Hancock LTC insurance SITUS Verification Form.

ADMINISTRATIVE INFORMATION

We will require that you complete and submit the SITUS Verification Form in situations where the application is being signed outside the applicant's resident state. This form (LTC-SITUS) can be downloaded from the producer website (www.jhltc.com) under Working with John Hancock Licensing, or ordered through your normal ordering process. *Note: Both you and your client are required to sign this form.*

Guideline 1: If the owner is a resident of the state where the application is taken (signed), the application and the state of issue will be the state where the owner resides.

Example:

- Applicant's state of residence is Massachusetts.
- Application is taken (signed) in Massachusetts using a Massachusetts application.
- Policy delivery will be in Massachusetts.
- State of issue is Massachusetts, provided all of the above.

Guideline 2: If the applicant's state of residence and state where the application is taken (signed) differ, whether or not the product is approved in the owner state of residence, the state of issue and policy form will be the state where the application is taken if:

- You are appointed in the state where the application is taken.
- The product is approved in the state where the application is taken.
- Solicitation takes place in the state where the application is taken.
- There is a reasonable basis to justify delivery in the state where the application is taken versus delivery in the state where the owner resides.

Example:

- Applicant's state of residence is New York.
- Applicant's secondary residence is Florida.
- Application is taken in Florida using a Florida application.
- State of issue is Florida.

Note: These principles are not applicable to applicants for Partnership policies in NY, CT, and IN due to the specific regulatory requirements on producers who sell Partnership policies, including CE certification and the fact that the applicant for the Partnership policy must be a resident of the state in which he/she is living.

Applicants Abroad

You are not permitted to solicit applications in foreign countries. We require that:

- A U.S. address be entered as the address of record on our application form.
- It be signed in a U.S. city and state.
- Delivery of the policy by the producer be to a U.S. address — not mailed abroad.
- The individual must have lived in the U.S. for at least 4 months prior to applying.

Also, applications will not be accepted from applicants who are residing or traveling in the U.S. on temporary visas/waivers (e.g. students on J-1 visa, workers on H-1B visas, foreign tourists, etc.).

Tax Information

The Internal Revenue Service allows certain amounts of LTC insurance premium payments to be deducted from taxable income. The deductions increase with age. For more details, please refer to the LTC Insurance Tax Guide (GFR-TX).

Claims

Determining how someone will be cared for can be stressful. That is why financial assistance is not the only kind of support your clients need when faced with a long-term illness or injury. They'll want access to claims professionals to talk to about care in general.

These resources can help explain the claims process and their benefits. John Hancock offers this support at no additional cost:

- Review the policyholder's plan of care.
- Assistance with the claims process.
- Advice regarding caregiving resources in their community.
- Resources to help their family manage the complexities of any care decisions.

Licensing

You may obtain a John Hancock appointment by filling out the Appointment Datasheet and submitting it to us, along with any required registrations or certifications.

To obtain a John Hancock appointment:

1. Submit a current insurance license copy for each state in which you are requesting an appointment
2. Submit any additional forms if required, such as Health Insurance, LTC insurance certification, Partnership certification, or initial/ongoing training certification
3. Mail, email, or fax the datasheet and forms to:
   John Hancock Licensing and Registration
   One John Hancock Way, Suite 1600
   Boston, MA 02117-1600
   Fax: 617-450-8057
   Email: mgalicensing@jhancock.com

To check your appointment status, call 800-377-7311.

For information on state restrictions and education requirements, download the Guide to Licensing from www.jhltc.com. If you are selling LTC insurance products in states that require CE or Partnership requirements, please review the Training and Resource Guide (LTC-3251) or the Guide to LTC Insurance Licensing for pertinent information.

Medicare/Medicaid

Contrary to what your client might think, many long-term care services are not typically covered by any other kind of insurance, including health and long-term disability insurance. LTC insurance policies cover the day-to-day assistance your client needs when he/she has a chronic illness, disability, or cognitive impairment. As for government programs, Medicare pays only for short periods of care. Medicaid covers those whose assets and income are at or below state-required levels. Medicaid generally will not pay for custodial care, adult day care, board and care facilities, or assisted-care living facilities.

MEDICARE
The federal program providing hospital and medical insurance to people aged 65 or older and to certain younger ill or disabled persons. It will pay benefits for skilled care or sub-acute nursing care that is provided by a licensed nursing professional, but these benefits are limited and require that the patient show progress toward recovery. Medicare will not generally pay for non-skilled custodial care, which makes up the vast majority of long-term care services. This insurance does not pay your client's Medicare deductibles or coinsurance and is not a substitute for Medicare Supplement Insurance.

MEDICAID
The medical and health welfare program supported by federal, state, and local funds, and administered by each state to provide health care for eligible poverty-level individuals. Generally, Medicaid will cover long-term care in a skilled nursing facility only if the individual meets medical criteria set by the state and spends down assets prior to becoming eligible for coverage. These assets may include cash, stocks, bonds, all general investments, qualified plans, life insurance, vacation property, and investment property.

Please note: Coverage provided by Medicaid programs may vary by state.

If you need further information, please visit www.cms.hhs.gov/MedicaidEligibility or contact your local Medicaid office.

National Partnership

With the signing of the Deficit Reduction Act (DRA) of 2005 in February 2006, the federal government took steps to encourage Americans to take more personal responsibility for covering the cost of their long-term care. One provision in the DRA allows states to establish Qualified State Long-Term Care Insurance Partnership (QSLTCIP) Programs. The intention of these government-sponsored long-term care programs is to:

- Help protect the stability of state Medicaid programs.
- Promote the importance and value of private LTC insurance coverage.
- Offer Medicaid Asset Protection to consumers who buy LTC insurance, enabling them to protect an additional dollar amount of personal assets and still remain eligible to apply for Medicaid coverage of LTC services if needed.

If your client is interested in a Partnership policy, John Hancock's Custom Care III featuring Benefit Builder is designed and certified to meet the requirements for Partnership-qualified policies in states that implement National Partnership programs. (Please note: Benefit Builder is not a Partnership-approved inflation option.) Please see the chart below for the minimum required level of inflation coverage. Our policies are tax qualified and meet or exceed all currently applicable National Association of Insurance Commissions (NAIC) consumer protection standards. As a reminder, there are some important steps that a consumer must take to ensure that his/her policy retains its Partnership-qualified status.

Specifically, he/she must:

- Be a resident of the state at the time the policy is issued.
- Select the appropriate level of inflation protection based on his/her age at the time of purchase.

Age at time of purchase	Minimum required level of inflation coverage[34]
For issue ages under 61	CPI Compound Inflation Coverage
	5% Compound Inflation Coverage
For issue ages 61-75	CPI Compound Inflation Coverage
	5% Compound Inflation Coverage

Please note that the Custom Care III featuring Benefit Builder policy may no longer be Partnership-qualified in the future under the following situations:

- Your clients revise their benefits in a manner that no longer meets the requirements for a Partnership-qualified policy (e.g., drop their inflation coverage).
- Your clients move to a state that does not have the same Partnership program or does not recognize their Partnership-qualified policy.
- State and/or federal laws change and the Partnership program is modified or discontinued at a future date.

Currently, John Hancock has Partnership-approved policies in several states, and new states will continue to be added over the course of the next year. For a complete list of Partnership-approved states and other training and legislative information, please visit the Partnership section of www.jhltc.com.

Please note: Partnership requirements vary by state, and the information above does not apply to the original partnership programs in CT, IN, or NY.

Sales Support

If you have any questions about Custom Care III featuring Benefit Builder, or any John Hancock LTC insurance products, contact one of the following LTC insurance sales support teams:

- JHFN Producers and Brokers: 888-604-7296
- National Accounts and Broker/Dealers: 800-270-1700
- MGA's and Affiliated Producers: 800-377-7311

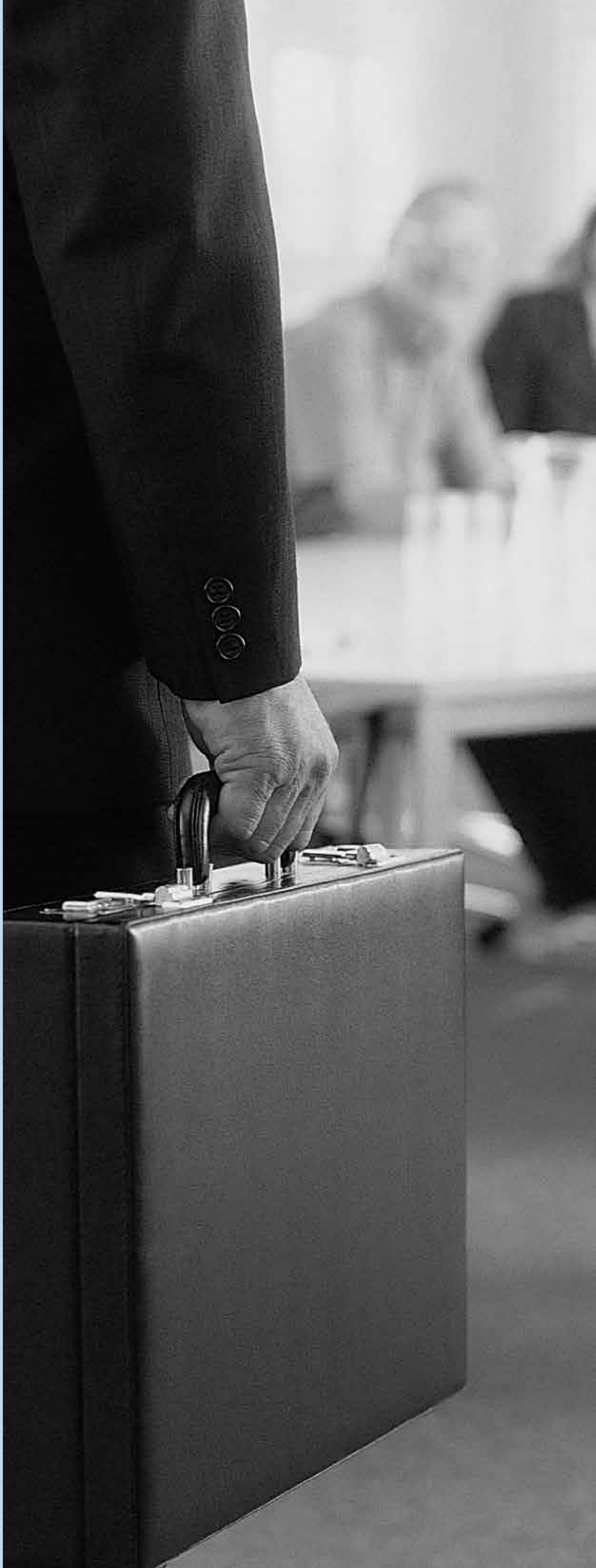
34. Minimum required level of inflation may vary from state to state.

Conclusion

Helping your clients secure their future

Most people understand the importance of planning ahead for their future long-term care needs. The challenge for many is the high cost associated with LTC insurance policies, particularly when compound inflation protection is part of the policy design.

Every client deserves some level of protection that helps them hedge their risk, while also taking into account the competing financial priorities they are trying to manage. With the addition of Benefit Builder on Custom Care III, you are now able to offer coverage that meets a wider array of clients' needs and budgets.



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John Hancock

Helping you protect your clients' future

In a relatively young industry that continues to change and evolve, deciding how to best meet your clients' LTC insurance needs is a continuous process. As you consider your options, one thing you can always expect from John Hancock is responsible leadership — reflected in the design of our products and in our commitment to being there in the future, when your clients and their families need us most.

LEADERSHIP, EXPERIENCE AND STRENGTH

When you partner with John Hancock, you and your clients can be confident that we will be there to deliver on our promise.

- In-depth experience and a steadfast commitment to the LTC insurance line since 1987
- Financial ratings among the highest in the insurance industry[35]
- More than 150 years of experience providing insurance products to meet people's needs
- Over 1.3 million LTC insurance policyholders and more than $5.7 billion in LTC insurance claims paid[36]

Help your clients secure their future with John Hancock — a name people know and trust.

35. 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.
36. Based on internal data as of December 31, 2013. Includes individual and group LTC insurance, and the Federal LTC Insurance Program.

LONG-TERM CARE
INSURANCE

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.
MLI051314050

Policy Series:
ICC12-LTC-12, LTC-12