



Independence — It starts with planning



Being financially secure. Living life the way you want.

That's what independence is all about. But achieving independence requires a sound financial plan. This includes taking into account how the future need for long-term care (LTC) can impact your assets, your quality of life, and your family's well-being.



Help secure your future with proactive long-term care planning

Over the course of a lifetime, you save and invest to reach many goals — a comfortable retirement, a second home, the ability to travel, or to leave a legacy. The truth is, few of us have the financial resources to ensure our independence in the event we need long-term care.

What is long-term care?

Long-term care is the type of ongoing assistance and/or supervision people need when they are unable to perform normal daily activities on their own, such as bathing, dressing, eating, toileting, or getting in and out of bed. The need for long-term care can arise from physical limitations or a cognitive impairment, such as Alzheimer's disease. It can also be the result of the normal aging process.

Where can long-term care be received?

- Your home
- Adult day care center
- Assisted living facility
- Nursing home
- Hospice facility

Most long-term care (about 80%) is provided at home — either in the home of the person receiving care or at a family member's home.¹

1. U.S. Department of Health and Human Services, National Clearinghouse for Long-Term Care Information, www.longtermcare.gov, 2010.

Understanding the cost of care

Anticipating future expenses is an important part of any financial plan. However, when it comes to long-term care, many people fail to recognize the potential impact it can have on their assets, their loved ones, and their overall financial security.

FACTS ABOUT LONG-TERM CARE

Likelihood of needing care

At least 70% of people over age 65 will require long-term care services at some point in their lives.²

Current cost of care

The national average for 24-hour home care or one year in a nursing home can cost more than \$85,775³ today, and can run higher in some states.

The rising cost of care

If costs increase at 4.1%⁴ per year, the average cost of care in 30 years would be \$286,000 a year.

2. U.S. Department of Health and Human Services, National Clearinghouse for Long-Term Care Information, www.longtermcare.gov, September 2008.

3. Based on John Hancock's Cost of Care Survey, conducted by LifePlans, Inc., 2011.

4. Average annual rate of inflation over the past 50 years ending December 31, 2010, using the Consumer Price Index for All Urban Consumers, Bureau of Labor Statistics, www.bls.gov.





SAMPLE OF MONTHLY COSTS ASSOCIATED WITH HOME-BASED LONG-TERM CARE SERVICES

Below is a hypothetical scenario showing potential costs for an individual receiving long-term care services in their home over a three-year period.

LTC services ⁵	Monthly costs
3 skilled nursing visits per week (at \$153 per visit)	\$1,836
1 home-delivered meal per day, 5 days per week (at \$5 per meal)	\$100
4 therapy visits per week (at \$159 per visit)	\$2,544
Total monthly LTC expenses	\$4,480
Total annual LTC expenses	\$53,760
Total LTC expenses over three years	\$161,280

Long-term care needs may evolve over time

In many cases, people who initially receive long-term care services in their home may, over time, need to transition to a different care setting, such as an assisted living facility or nursing home. When this occurs, the need to cover costs for long-term care services is extended.

For example, after receiving three years of home-based care in the scenario above, the person moves into a facility and stays for two years. Based on the current average annual cost of facility care,⁶ the two-year stay would cost more than \$171,000, bringing total long-term care expenses for five years to \$332,280 in today's dollars. Based on inflation, that number could surpass \$742,000 to \$1.1 million in 20 to 30 years.

5. Based on a hypothetical situation. The cost of long-term care services varies by provider and geographical location. Costs provided by CHCS Services, Inc.

6. Based on John Hancock's Cost of Care Survey, conducted by LifePlans, Inc., 2011.



Covering the cost of long-term care

The need for long-term care can be a costly and sometimes unexpected expense. Many people mistakenly believe that long-term care services are already covered. However, this type of assistance is not typically paid for by health or disability insurance. In addition, government programs are not designed to cover the cost of long-term care for most people. Others believe they can “self-insure” by covering long-term care expenses themselves, not realizing how much and how fast the cost of care can affect a lifetime of savings.

If you or a family member were to need care, how would you pay for it?

- **Medicare** pays only for short periods of care, typically up to 100 days per benefit period.
- **Medicaid** generally covers only people with very little income and assets, and usually only covers care received in approved nursing homes.⁸
- **Personal income and assets** are often used to cover long-term care expenses, putting a significant portion of people’s retirement savings at risk.
- **Family members** sometimes assume the burden of care, which over time can have a significant impact on their lifestyle, personal and work commitments, as well as their physical and emotional well-being.

Long-term care insurance is a cost-effective way for many people to help cover the risk of needing long-term care.

Medicare does not pay for long-term care, so you may want to consider options for private insurance.⁷

7. U.S. Social Security Administration, “Your Social Security Statement,” 2010.

8. Medicaid spend-down limits vary by state. In states where Medicaid does cover home-based long-term care expenses, it is done so on a limited basis.

Long-term care planning — The time to prepare is now

When it comes to long-term care insurance, there are two important reasons to address your future needs sooner rather than later.

Your age and health matter

The cost of long-term care insurance is based on your age and health when you apply, as well as the additional benefits you select on your policy. As a result, the annual premium that you would pay for a policy bought today may be significantly lower than what you would pay for a comparable policy purchased at an older age, or if your health declines.

An accident or illness can strike at any age

The coverage you buy for your future also protects you today. If an accident or illness were to occur when you are relatively young, owning a long-term care insurance policy would ensure you have coverage to help pay for the cost of your care.

Who receives long-term care services?

Although the majority of individuals who receive long-term care services are age 65 and above, 42 percent are people with disabilities and chronic illness under age 65.⁹



9. The Kaiser Commission on Medicaid and the Uninsured, "Filling in the Long-Term Care Gaps," 2009.

About long-term care insurance

Helps protect your assets

Accumulating enough money for a comfortable and secure future is a lifelong endeavor for most people. Owning a long-term care insurance policy enables you to help protect your assets for their intended purpose by providing you with a pool of money to help cover the cost of long-term care.

By purchasing a long-term care insurance policy with proper inflation¹¹ protection today, you can face the future with confidence, knowing that your financial plan takes into account the risk of needing long-term care and that your coverage will grow to meet your future needs.

LTC INSURANCE POLICY — WITH INFLATION PROTECTION

A pool of money that grows over time

Today —————> \$219,000

10 years¹⁰ —————> \$327,304

20 years¹⁰ —————> \$489,169

30 years¹⁰ —————> \$731,082



Helps ensure quality time — for you and your family

Providing care to a loved one is an act of compassion, but if you've ever been in a caregiving situation, you probably understand the financial, physical, and emotional toll it can take.

In today's busy world, family members and friends may live far away or have other responsibilities that make it difficult for them to do as much as they might like. With long-term care insurance, you'll be less dependent on family members for financial or physical assistance. That way, the time you spend together can be more rewarding and enjoyable.

10. Increases in the pool of money are hypothetical and based on a 4.1% average annual rate of compound inflation over the past 50 years ending December 2010, using the Consumer Price Index for all Urban Consumers, Bureau of Labor Statistics, www.bls.gov.

11. Inflation options available at an additional cost.

Provides choice and control when you need care

The best long-term care insurance policies help give you control over important care decisions. When choosing a long-term care insurance policy, it's important that you choose a plan that provides:

- Coverage in a variety of care settings, including at a nursing home, assisted living facility, in your local community, or at home
- A wide range of home health care benefits that allow you to stay at home longer
- Inflation protection that helps your benefits keep pace with the rising cost of care
- Flexible benefit options to meet your specific care needs

Provides resources, support, and advice

When you need long-term care services, you need access to dependable resources and objective advice that you and your family can rely on.

A John Hancock long-term care insurance policy can provide:

- A plan of care customized to your needs and preferences
- Access to a personal care coordinator
- Discounts on care provider services, to help maximize your benefit dollars¹²
- Quality reports and information on providers and facilities in your community

Proactive long-term care planning today helps protect your assets, your family, and your future.

12. This is part of our provider discount program. Discounts vary by provider and may be discontinued by the provider at any time.



Real-life stories from our LTC policyholders

John Hancock offers comprehensive long-term care insurance coverage and support when you and your family need it the most. Our customers count on us to give them the support they need throughout the care process. Here are a few real-life stories from our policyholders:¹³

The ability to stay home

“Buying long-term care insurance was probably one of the best decisions I ever made. Without it, I would have had to leave my home. Plus, there would have been serious implications with what my son could not have done with his life and career, if he felt he had to be there to take care of me.”

Karol B.

Claimant, Wyckham, NJ

Claims experience

“I’d like to express my gratitude toward the team who handled my wife’s claim. They processed our claims in an expeditious and accurate manner. Our contact was professional, pleasant, compassionate, and sincerely concerned with my wife’s well-being.”

Robert H.

Husband of claimant, Tucson, AZ

Reducing the financial and emotional burden

“After the accident, I felt scared and lost, but when I contacted John Hancock, I really felt comforted. I have lots of friends and relatives willing to come in and help, but I’d rather they just be my friends than coming to do something for me. I can’t imagine what the emotional and financial impact of this would have been like without it (long-term care insurance policy).”

Hank T.

Claimant, Round Rock, TX

Not just for you. For your family.

“Having a long-term care insurance policy has protected our assets, enabled my husband to receive care at home, and relieved me from the stress of caregiving.”

Barbara F.

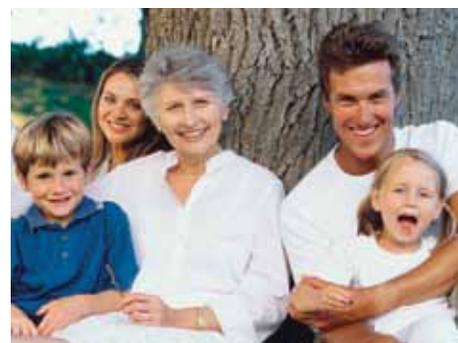
Wife of claimant, Murfreesboro, TN

Programs that save you money

“My mother is 92 years old and after a three-month stay in a rehabilitation center, she moved back to Connecticut to receive 24-hour home care.” (Emil used the Advantage Provider Program on behalf of his mother.) “With this program, we didn’t need to worry about it being an additional cost.”

Emil C.

Son of a claimant, Danbury, CT



13. The testimonials above are true, and represent the current opinion of the individual. These individuals were not compensated for their testimony. John Hancock has received written permission from all individuals.

About John Hancock

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

JOHN HANCOCK IS PROUD TO HAVE:

- More than 145 years of experience providing insurance products to meet people's needs
- A record of being one of the most experienced LTC insurance providers in the industry¹⁴
- An unwavering commitment to our more than 1.3 million LTC insurance policyholders¹⁵
- More than \$3.4 billion in claims paid on our LTC insurance policies¹⁵
- More than \$14.8 billion in LTC insurance claims reserves¹⁵
- Financial strength ratings among the highest in the insurance industry¹⁶



14. Life Insurance Management Research Association (LIMRA), year-end 2010.

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

16. Based on analysis by major rating agencies, such as A.M. Best, Fitch Ratings, Standard & Poor's, and Moody's. Financial strength ratings measure the Company's ability to honor its financial commitments and are subject to change. The ratings are not an assessment or recommendation of specific policy provisions, premium rates, or practices of the insurance company. To view our most current financial ratings, please go to www.johnhancockLTC.com.

John Hancock

A name people know and trust

With a proud history of more than 145 years, and financial strength ratings among the highest in the insurance industry,* John Hancock is dedicated to providing you and your family with comprehensive coverage and compassionate support when you need it most.



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

*Based on analysis by major rating agencies, such as A.M. Best, Fitch Ratings, Standard & Poor's, and Moody's. Financial strength ratings measure the Company's ability to honor its financial commitments and are subject to change. The ratings are not an assessment or recommendation of specific policy provisions, premium rates, or practices of the insurance company. To view our most current financial ratings, please go to www.johnhancockLTC.com.

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

Policy Form: ICC10-LTC-11