



John Hancock Long-Term Care Rider Overview

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JOHN HANCOCK LIFE INSURANCE COMPANY (U.S.A.)

JOHN HANCOCK LIFE INSURANCE COMPANY
OF NEW YORK

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Now's the time to consider long-term care insurance

While it is nice to imagine living independently for the rest of your years, the time may come when you need help with everyday self-care activities such as getting up and dressed, eating, using the washroom, or bathing.

While many are surprised to learn that Medicare typically does not cover this type of care, you may have some ideas on how you would manage handling it, such as:

- **Using your income and savings** — The high costs of long-term care services could require you to reallocate income, liquidate assets and risk your long-term financial stability, potentially leaving you (and your spouse) without enough for the rest of your retirement.
- **Relying on family members** — because of other obligations and the specialized services needed, many family members are not equipped to provide this physically and emotionally demanding care. The stress may even impact their overall health — and ultimately, they may be forced to cut down work hours or retire earlier.

Long-term care (LTC) insurance can offer you an appealing option to help reduce these risks.



LTC insurance *may help* address your concerns

When making plans to help ensure your future financial security, it is important to ask some tough questions about the challenges that life may present — such as the potential need for long-term care services.

- Who would provide your long-term care if you should need it?
- How would those closest to you be affected if you ever need such care?
- What impact would paying for care have on your retirement portfolio? Or your surviving spouse's income?
- Would you have expenses you could eliminate or would you need to liquidate assets to help pay for LTC?
- What are the tax implications of doing so?

Created specifically to help pay for the types of care that people need as they age, LTC insurance helps you:

- Afford specialized services from qualified long-term care providers
- Protect your income and assets from the financial consequences of paying for such care out of pocket
- Shield your loved ones from the physical and emotional toll of providing care that they may not have the skills or resources to do
- Ensure that those taking care of you have the training needed to keep you comfortable and safe

What insurance choice is best *for you?*

Long-term care coverage can take two forms:

- A standalone policy, which only pays a benefit if long-term care is needed, or
- A “combination” policy, where long-term care coverage is paired with other types of protection a family needs such as life insurance.

Making the best choice for your needs involves balancing various factors:

Determine your protection needs	<ul style="list-style-type: none">• A standalone long-term care insurance policy pays benefits only if you have a qualified long-term care need; if you never do, your policy doesn't pay a benefit..• With a long-term care rider, you are purchasing all of the advantages that a life insurance policy offers, i.e., you're able to borrow or withdraw from your policy's cash value to supplement retirement income,¹ while being able to access your death benefit to pay for LTC if needed. Any of the death benefit not used for long-term care is passed on to your loved ones. And if you never need long-term care, they'll receive the entire amount.
Consider the cost of coverage	<ul style="list-style-type: none">• While the current cost of standalone long-term care insurance is generally less than a life insurance policy with a long-term care rider, rates may rise and there are fewer standalone products available. Also, with a standalone policy, you are addressing just one need.• With a combination policy, you may address both life and LTC insurance needs with one cost-efficient policy that often costs less than buying separate permanent and LTC insurance policies. In some instances, a long-term care rider offers a guaranteed rate² — making planning easier.
Check how benefits are paid	<p>Keep in mind that LTC coverage is meant to cover long-term care expenses. But plans vary in how they address this:</p> <ul style="list-style-type: none">• Some plans offer a reimbursement benefit model, which pays only for the qualified long-term care costs you incur, up to a monthly maximum you choose.• Other plans use an indemnity benefit model, where you receive a set amount each month regardless of, your actual care costs, this payment is often based on maximums regulated by the government.

1. Loans and withdrawals reduce the death benefit and the cash surrender value, and may cause the policy to lapse. Lapse or surrender of a policy with a loan may cause the recognition of taxable income. Withdrawals in excess of the cost basis (premiums paid) are be subject to tax and certain withdrawals within the first 15 years may be subject to recapture tax. Additionally, policies classified as modified endowment contracts may be subject to tax when a loan or withdrawal is made. A federal tax penalty of 10% may also apply if the loan or withdrawal is taken prior to age 59 1/2. Cash value available for loans and withdrawals may be more or less than originally invested. Withdrawals are available after the first policy year.
2. Guaranteed product features are dependent upon minimum-premium requirements and the claims-paying ability of the issuer. Premiums may vary with the selection of benefits selected.

How may John Hancock *help you?*

A John Hancock life insurance policy with our Long-Term-Care rider³ offers you comprehensive coverage and convenience including:

- **Financial protection** for you and your family
- **Income-tax free access** to a portion of the death benefit on a monthly basis to help pay long-term care expenses⁴
- **The option to have John Hancock pay care providers directly**, so you may avoid the need to manage receipts⁵
- **The advantage of affording specialized care** from licensed professionals who have the specific training needed to ensure your safety
- **Access to expert guidance** from day one in considering and navigating your options
- The security of knowing you'll have **resources to help protect your family** from the financial, physical and emotional challenges of handling your long-term care needs on their own
- The possibility of a **larger legacy for your loved ones** through your policy's tax-free death benefit⁶

In short, John Hancock offers a long-term care insurance solution that builds on the expertise our company has gained through more than 35 years in this market.

3. The Long-Term Care (LTC) rider is an accelerated death benefit rider and may not be considered long-term care insurance in some states. The Maximum Monthly Benefit Amount is \$50,000. When the death benefit is accelerated for long-term care expenses, the death benefit is reduced dollar for dollar, and the cash value is reduced proportionally. The policy account value is also reduced proportionally. There are additional costs associated with this rider. The benefits provided by this rider are designed to be excludable from gross income under federal tax law; however, there might be situations in which the benefits or charges for this rider are taxable. Rider is subject to underwriting and a medical exam may be required to determine eligibility. This rider has exclusions and limitations, reductions of benefits, and terms under which the rider may be continued in force or discontinued. Please contact the licensed insurance producer or John Hancock for more information, cost, and complete details on coverage. John Hancock's Long-Term Care rider is not a Partnership Qualified product. For more information on Partnership Qualified products, please contact your state department of insurance. Receipt of accelerated death benefits may affect eligibility for public assistance programs For prospective policyholders in New York, this product is a life insurance policy that accelerates the death benefit for qualified long term care services and is not a health insurance policy providing long term care insurance subject to the minimum requirements of New York Law; and is not a Medicare supplement policy. Receipt of accelerated death benefits may affect eligibility for public assistance programs.

4. The benefits provided by this rider are designed to be excludable from gross income under federal tax law; however, there might be situations in which the benefits or charges for this rider are taxable.

5. The insured is financially responsible to their care providers, including charges not covered by the LTC rider.

6. Life insurance death benefit proceeds are generally excludable from the beneficiary's gross income for income tax purposes. There are few exceptions such as when a life insurance policy has been transferred for valuable consideration. Comments on taxation are based on John Hancock's understanding of current tax law, which is subject to change. No legal, tax or accounting advice may be given by John Hancock, its agents, employees or licensed agents. Prospective purchasers should consult their professional tax advisor for details.

What happens if you have a long-term care need?

At John Hancock, we understand long-term care. When you purchase a policy from us with a Long-Term Care rider, you and your family may count on us to support you every step of the way.



If you need care, contact us

- We have registered nurses and social workers on staff, who are ready to guide you and your family members.



When you are eligible for LTC benefits

- The rider allows you to “accelerate” (or draw on) your policy’s death benefit to help pay for your long-term care expenses. Each month, you may use this money to help pay for whatever services you need, including:
 - In-home care
 - Adult day care
 - Care received in an assisted living facility or nursing home
- Any portion of the life insurance benefit not used to pay for long-term care is passed on to your loved ones.



What the policy offers

- You get exactly what you need to cover the qualified long-term care expenses you incur each month, up to your monthly maximum benefit amount. If you need less, you may potentially stretch the benefit over a longer period of time.
- You may hire professionals to provide your care, helping alleviate the emotional, physical and financial toll that caregiving may place on your loved ones, and helping to ensure your comfort and safety.
- By assigning benefits, you may leave the reimbursement of your LTC expenses to us and your care provider — meaning you don’t have submit receipts.

Can you provide more *policy details*?

The following are additional details about the Long-Term Care rider offered with John Hancock's life insurance. Please discuss these with your agent.

Issue ages

You must be between the ages of 20 and 75 if you are applying for this rider.

Rider cost

The rate you pay for the rider is set at issue and guaranteed not to change over the life of the policy.

One-time elimination period⁷

Before you can receive LTC benefits, a 90-day elimination period needs to be satisfied. It begins on the day you are determined to be chronically ill and ends after 90 days pass. You are not required to receive long-term care services during the elimination period. After the elimination period has been satisfied, your long-term care benefits begin. The elimination period needs to be met only once.

Long-term care benefit amount

You may purchase up to \$50,000 in coverage each month based on your specific long-term care needs. Because we reimburse actual long-term care expenses, your benefits may be income tax free. Additionally, you get exactly what you need to cover your care up to the maximum amount purchased, and you may stretch the benefit over a longer period of time (if needed).

Eligibility for benefits

You may become eligible for benefits if you are unable to perform two of the following six “activities of daily living (ADLs)” without substantial assistance or are found to have a severe cognitive impairment that threatens your health or safety. The ADLs are bathing, dressing, eating, continence, toileting and transferring.

Note: To be eligible for benefits, the insured must be a Chronically Ill individual due to cognitive impairment or the inability to perform at least 2 activities of daily living for at least 90 days, with qualified long-term care services provided pursuant to a plan of care prescribed by a licensed health care practitioner.

Care services and settings

If eligible, you are be covered for skilled, intermediate and custodial care provided by licensed and certified care providers in any of the following settings: your home, adult day care, hospice facility, assisted living facility and nursing home.

Note: You will work with your Licensed Health Care Provider to determine the appropriate setting to receive care.

Stay-at-home services⁸

You may accelerate up to one maximum monthly benefit amount to pay for services that may help you stay at home longer and more safely. These may include:

- Modifications to your home
- Emergency medical response systems
- Durable medical equipment
- Caregiver training

These may be paid in excess of your maximum monthly benefit amount. For example, the cost for adding a ramp to your home may be reimbursed above and beyond the maximum monthly benefit amount for home health care, if needed.

Bed-hold benefit⁹

If you require hospital care while you're in a nursing home or assisted living facility, our bed-hold benefit may pay to reserve your bed for up to 21 days per calendar year.

Extension of benefits¹⁰

If your policy lapses while you're receiving care in a nursing home, we continue to pay claims until either you are discharged or the entire accelerated benefit amount has been used for long-term care expenses. Once the extension of benefits feature is initiated, your policy's death benefit is no longer payable.

8. Stay at Home Services Benefit is not available in Montana and New York.

9. Maximum bed-hold payment not to exceed the selected monthly benefit.

10. In some states, this provision also applies to care received in other settings.

7. Eligibility requirements must be met. The elimination period varies by state.



Commonly asked *questions*

For your reference, here are answers to some typical questions we have been asked about John Hancock’s Long-Term Care rider.

I have strong family support — why should I consider buying long-term care protection?

Family members sometimes assume the responsibilities of providing or paying for care, which over time may have a significant impact on their lifestyle and well-being. Having a plan in place for long-term care may not only help protect your financial security, but may also help protect those you care about the most.

What advantages does a long-term care rider with life insurance offer over a standalone long-term care policy?

A standalone LTC insurance policy is designed to cover long-term care costs, whether a need for care arises or not — meaning you may pay premiums for a benefit that you never use. If you purchase a life insurance policy with the optional long-term care rider, you may accelerate your death benefit to help pay long-term care expenses. Any portion of the life insurance benefit not used to pay for long-term care may be passed on to your loved ones. (For those who do not need life insurance, standalone long-term care insurance may be an appropriate solution.)

How do I qualify for benefits with John Hancock’s Long-Term Care rider?

You may become eligible for LTC benefits if you are unable to perform two of six activities of daily living (ADLs) without substantial assistance or are found to have a severe cognitive impairment that threatens your health or safety. The six ADLs are bathing, dressing, eating, continence, toileting and transferring.

How long do I have to wait before benefits are paid?

Our Long-Term Care rider has a 90-day elimination period. This period needs to be satisfied only once and it begins on the day you are determined to be chronically ill. You are not required to receive long-term care services during the elimination period. After the elimination period has been satisfied, your long-term care benefits begin.

Will I be taxed on the benefit?

John Hancock’s Long-Term Care rider is intended to be a Qualified Long-Term Care Insurance contract under Internal Revenue Code Section 7702 (B)(b) and as such, your benefits are excluded from income taxes. Our reimbursement rider means your benefits are received, including stay-at-home services, income tax free — even if they are higher than the limit imposed by the IRS each year.

How much LTC benefit can I purchase?

You select how much of your potential life insurance benefit you want to make available for long-term care expenses. This amount is called your “accelerated benefit pool” and it may be anywhere from 1% to 100% of the life insurance coverage (i.e., the death benefit) that you choose when you get your policy.

You also choose the “maximum monthly benefit.” This is the amount that is available each month to cover your long-term care costs. Your monthly acceleration percentage (MAP) may be 1%, 2% or 4% of the accelerated benefit pool you choose, up to a maximum of \$50,000 monthly benefit.

MAP selected	Maximum accelerated benefit pool at issue
1%	\$5,000,000
2%	\$2,500,000
4%	\$1,250,000

What types of services does John Hancock’s Long-Term Care rider cover?

Long-term care benefits are payable in the following settings: home, adult day care, hospice facility, assisted living facility and nursing home.

Why should I choose John Hancock?

For almost three decades, John Hancock has remained dedicated to supporting our customers when they need long-term care. We have seen the difference long-term care coverage makes in the lives of our customers.

- We have paid more than \$17 billion in long-term care benefits¹¹
- We currently pay more than \$4.7 million in long-term care benefits per day¹¹

11. Based on internal data from 1987 to December 31, 2021. LTC claims data is inclusive of LTC rider individual LTC policies; totals include individual, group and the Federal programs.



Strength. Stability. John Hancock.

John Hancock is among the highest-rated companies for financial strength and stability as demonstrated by its A+ rating from A.M. Best.¹² Financial strength ratings are a comprehensive measure of a company's financial strength and stability, and are important as they reflect a life insurance company's ability to pay claims in the future.

With 160 years of experience, John Hancock offers clients a diverse range of insurance products and services through its extensive network of employees, agents, and distribution partners.

**For more information and a personalized product illustration,
please contact your insurance agent.**

12. A.M. Best, A+ (2nd highest of 13 ratings) Superior ability to meet ongoing insurance obligations. Financial strength ratings, which are current as of June 30, 2023 and are subject to change, apply to John Hancock Life Insurance Company (U.S.A.) and John Hancock Life Insurance Company of New York as a measure of each company's financial ability to pay claims and to honor any guarantees provided by the contract and any applicable optional riders. The ratings are not an assessment or recommendation of specific products, policy provisions, premium rates, performance of the products, the value of any investment in these products upon withdrawal, individual securities held in any portfolio, or to the practices of the insurance company. Financial strength ratings do not apply to the safety and performance of separate accounts.

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

This material is for informational purposes only and is not investment advice or a recommendation.

Not for use in California or Florida.

This long-term care guide must accompany a base policy consumer guide.

This rider has exclusions and limitations, reductions of benefits, and terms under which it may be continued in force or discontinued. Please contact the licensed agent or John Hancock for more information, cost, and complete details on coverage.

Insurance products are issued by: John Hancock Life Insurance Company (U.S.A.), Boston, MA 02116 (not licensed in New York) and John Hancock Life Insurance Company of New York, Valhalla, NY 10595.

Rider Forms: 18LTCR, 14LTCR

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