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Long-Term Care rider

Strengths and features

NOTE: THIS GUIDE IS FOR USE WITH LTCR18. FOR OTHER LTC RIDER VERSIONS, PLEASE REFER TO THE CONTRACT.

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LIFE-4224 10/25





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5 reasons to offer John Hancock's LTC rider

Long-term care is a life-changing event that can have a significant impact on your clients' well-laid plans for the future — not only financially, but it can also have physical and emotional consequences to family caregivers.

- 1 Take long-term care responsibilities off the family**
 Clients can hire professionals to provide their care, helping to alleviate the emotional, physical and financial toll that caregiving can place on their informal caregivers.
- 2 Help preserve as much of the death benefit as possible**
 John Hancock reimburses qualified long-term care expenses incurred each month, leaving unused benefits in the policy to help pay for an extended LTC need or for beneficiaries.
- 3 Opportunity for larger tax-free LTC Benefit**
 Clients can purchase LTC coverage up to \$50,000 each month, and have access to their maximum benefit regardless of the per diem limit.
- 4 Access to provide-match service**
 We want your clients to be able to enjoy the comforts of their own home for as long possible and feel supported should the time arise when they need some level of long-term care support.

 To help make this process easier, we provide customers that have the LTC rider with access to The Helper Bees Provider Network. This program finds local, home healthcare agencies that are best suited to the client's individual care needs, and often times, can get the client access to those services at a reduced rate.
- 5 Offer simple tax reporting for LTC benefits**
 Reimbursement benefits are received income tax-free. Form 1099 is sent indicating benefits were paid for qualified long-term care expenses. Form 8853 is not necessary.



Our Long-Term Care (LTC) rider¹ offers an appealing solution by giving your clients access to financial and professional support in the event of a long-term care need, through a tax-free acceleration of their life insurance policy's death benefit.

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



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What key planning needs does it address?

John Hancock offers a variety of life insurance solutions that help your clients address a wide range of needs. And including our LTC rider their policy can offer even more protection.

For example:

Tax-free benefits — whether paid to beneficiaries as a death benefit or accelerated to reimburse long-term care expenses, life insurance’s benefits are received income tax-free.³

Diversification — life insurance contributes to a comprehensive and well-diversified financial plan. Death benefits and LTC benefits are unrelated to market conditions, so they offer stable protection even when markets are volatile.

Whatever needs your clients are addressing through their life insurance policy, adding an LTC rider can strengthen their financial plans by providing access to benefits if they have a need for long-term care, today or in the future. Let’s look at some typical planning scenarios:

Need	Solution
Protection planning	Clients focused on death benefit long-term care protection, or legacy planning, may consider one of our protection focused products - Protection UL, Protection IUL and Protection VUL. The LTC rider can help pay for the cost associated with a LTC need, helping protect their other plans for a more secure retirement. Unlike LTC insurance, any unused benefits are paid to beneficiaries at death.
Grow Cash Value*	Clients looking for ways to supplement their retirement income in a tax-efficient manner can choose from one of our cash value-focused products: Accumulation IUL and Accumulation VUL. ² The LTC rider provides additional value and flexibility from their life insurance plan, if LTC is needed.
Enhancing assets for wealth transfer	For clients who have qualified plans, annuities, CDs, and other assets that they are not using and do not need for retirement income, leveraging that asset to buy life insurance is one solution that enhances legacies. But often times those assets may be earmarked for “what if something happens” and being able to leverage that asset and still provide for LTC benefits in the event they are needed is often a good option. For clients with underutilized assets, they can purchase life insurance to offer greater leverage and legacy planning in a tax efficient manner. Furthermore, the LTC rider can enhance their plan by creating an income tax free benefit to pay for long-term care expenses.
Executive bonus	For business owner clients who want to provide rewards and incentives to their key employees. The business provides a bonus to the executive to fund their life insurance needs and combine it with LTC benefits. For business owner clients wanting to reward and incentivize key employees, they can pay a bonus for the purchase life insurance with an LTC rider.

From legacy planning to supplemental retirement income needs, a John Hancock insurance policy with LTC rider can address multiple needs for clients. *Note:* The only permanent life insurance product available for sale in New York is Accumulation IUL.

*Please note: If the policy value is accessed for retirement income, the death benefit and cash value will decrease along with the LTC benefit amount.



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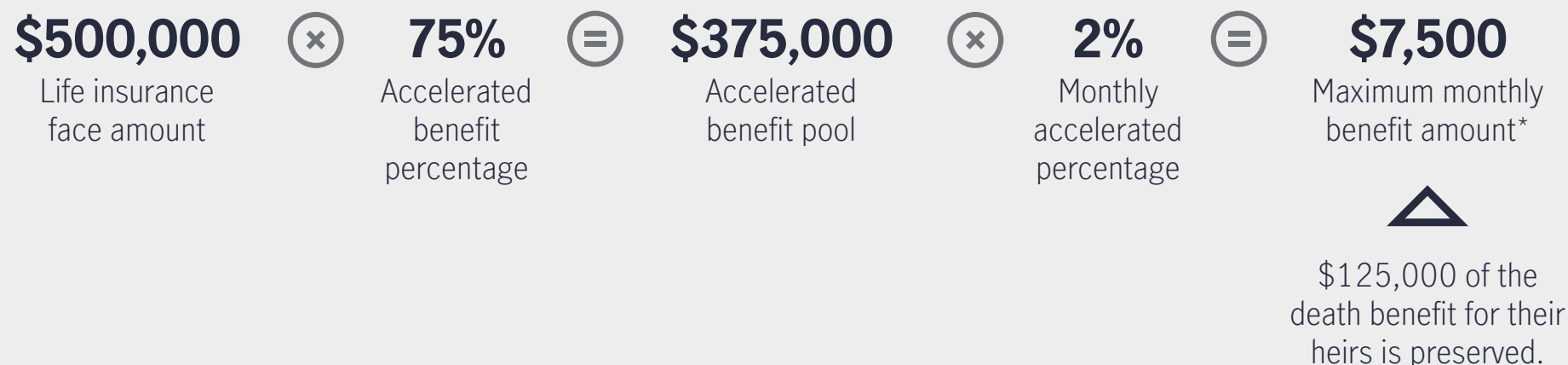
When applying for a life insurance policy with our LTC rider:

- 1 Your client selects an **accelerated benefit percentage** to determine the **accelerated benefit pool** — that’s the portion of the policy’s death benefit that may be accelerated to reimburse the policyholder for qualified long-term care costs. The accelerated benefit percentage can range from 1%-100%.
- 2 Next, they select a **monthly acceleration percentage (MAP)**, which will determine the **maximum monthly benefit amount** available to reimburse covered long-term care services each month. The MAP is equal to 1%, 2% or 4% of the accelerated benefit pool.

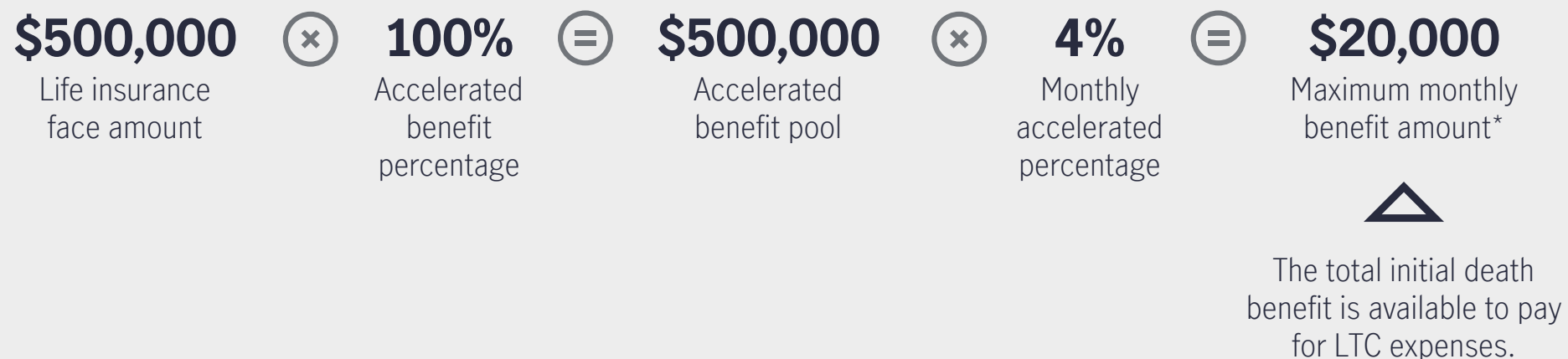
As the following examples show, clients can tailor the accelerated benefit percentage and MAP to fit their goals. Additionally, the maximum monthly benefit amount is based on what your client elects for coverage, and not the IRS per diem limit. So they control how much protection they have today and in the future.

* The accelerated benefit pool is not capped by the IRS per diem limit.

Example 1: Focused on protection and legacy planning



Example 2: Focused on maximizing LTC coverage



Anything not used for that coverage will pass on to their heirs.



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Availability	<p>The LTC rider is available</p> <ul style="list-style-type: none"> • On individual, permanent, life insurance policies • Only at issue • With Death Benefit Option 1 & Death Benefit Option 2 <p>The LTC rider is not available</p> <ul style="list-style-type: none"> • With the Return of Premium (ROP) rider • With scheduled supplemental face amount (SFA) increases 								
Issue ages	20–75 (policies cannot be backdated to save age 75)								
Accelerated benefit percentage	1%–100% of the base policy’s initial face amount. The accelerated benefit percentage may not be increased after issue. Note: Accelerated benefit not offered in California.								
Monthly acceleration percentage	1%, 2% or 4% of the accelerated benefit pool. The monthly acceleration percentage (MAP) cannot be changed after issue.								
Maximum accelerated benefit pool	<p>The maximum accelerated benefit pool varies by the MAP selected.</p> <table border="1" data-bbox="847 940 1670 1149"> <thead> <tr> <th>MAP selected</th> <th>Maximum accelerated benefit pool at issue</th> </tr> </thead> <tbody> <tr> <td>1%</td> <td>\$5,000,000</td> </tr> <tr> <td>2%</td> <td>\$2,500,000</td> </tr> <tr> <td>4%</td> <td>\$1,250,000</td> </tr> </tbody> </table> <p>Note: In no event may the accelerated benefit pool be greater than \$5,000,000.</p>	MAP selected	Maximum accelerated benefit pool at issue	1%	\$5,000,000	2%	\$2,500,000	4%	\$1,250,000
MAP selected	Maximum accelerated benefit pool at issue								
1%	\$5,000,000								
2%	\$2,500,000								
4%	\$1,250,000								
Maximum monthly benefit amount	<p>Pays for qualified long-term care services each month, up to the maximum monthly benefit amount (MMBA), regardless of daily or weekly charges.</p> <p>Note: In no event may the MMBA be greater than \$50,000. The MMBA is not capped at the IRS per diem amount.</p>								
Underwriting	<p>The LTC rider is available with full underwriting and ExpressTrack. In general, the same underwriting process is used for all individual life insurance policies. However, additional underwriting guidelines are used for the LTC rider.</p> <ul style="list-style-type: none"> • LTC Application Supplement must be completed and submitted. • An APS may be ordered if additional information is needed. • If a change in smoking classification is approved for the base policy under the Quit Smoking Incentive, the change will also apply to the LTC rider. • The LTC rider is available on Term conversions, but will require full underwriting. <p>Note: LTC rider is not available if the life insurance policy is rated higher than 200% or has a flat extra. LTC rider risk class can be different than the base policy, but never better than the base policy. Foreign nationals and foreign residents are not eligible for the LTC rider.</p>								



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Eligibility for LTC benefits

Insureds are eligible for LTC benefits if they are Chronically ill; unable to perform two of six activities of daily living (ADLs) without substantial assistance or require supervision due to a severe cognitive impairment. The six ADLs are bathing, dressing, eating, continence, toileting and transferring.

One-time elimination period

- An elimination period must be satisfied before LTC benefits are paid.
- The elimination period is 90 calendar days and begins on the day the insured is determined to be chronically ill.
- Long-term care services are not required to be received during the elimination period.

Note in California (LTC05) and New York (LTC14):

The elimination period (waiting period) is 100 dates of service.

Payment of the maximum monthly benefit amount

The MMBA is calculated based on the accelerated benefit pool in effect at time of claim and the MAP elected at issue. Benefit payments are made on a reimbursement basis, for eligible services received each month. Payment of accelerated benefits will continue until the earliest occurrence of the following:

- The policy is terminated because of death, surrender or lapse;
- The insured recovers;
- The accelerated benefit pool is fully accelerated; or
- No further receipts for service are submitted.

Care settings

Long-term care may be received in the following settings: Home, adult day care, hospice facility, assisted living facility or nursing home.

Stay-at-home services

The insured can accelerate up to one maximum monthly benefit to reimburse for services that can help them stay at home more safely and for longer. These include modifications to their home, emergency medical response systems, durable medical equipment, caregiver training, as well as evaluations to help ensure home safety and the quality of care being provided.

Note in California (LTC05) and New York (LTC14):

This benefit is not available. See Policy Specifications for details.

Bed-hold benefit

If the insured's stay in a nursing home or assisted living facility is interrupted for any reason, the accelerated benefit can pay the cost to hold their bed up to 21 days per calendar year, up to the selected MMBA.



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Assignment of benefits

Because we reimburse for qualified LTC incurred, John Hancock can work directly with care providers to obtain invoices and pay them directly. This helps eliminate the need for insureds or their family members to manage receipts, submit invoices and track payments. The insured is financially responsible to their care providers, including charges not covered by the LTC Rider.

Extension of Benefits Provision

If the rider terminates while the insured is confined to a nursing home and receiving continuous, uninterrupted benefits under this rider, the Extension of Benefits Provision guarantees that benefits for nursing home services will continue until the earliest occurrence of the following:

- The insured is discharged from the nursing home
- The accelerated benefit amount remaining after any monthly benefit payment is zero (i.e., the benefit is fully accelerated)
- The insured dies
- The insured no longer qualifies as chronically ill

If benefits are continued under the Extension of Benefits Provision, the accelerated benefit amount remaining is calculated as if the policy was in force, but no death benefit will be paid to the beneficiary.

Withdrawals or partial surrenders

- Reduce the MMBA (i.e., the maximum monthly benefit amount).
- Are available while on claim, but will result in a recalculation of the MMBA.

Policy loans

- A policy loan reduces the available accelerated benefit amount, but does not result in a recalculation of the MMBA, even if the loan is taken while on claim.
- When a loan is present, a proportional amount of each monthly accelerated benefit payment serves to repay a portion of that loan. This amount is calculated to repay the total policy loan by the time the death benefit is fully accelerated.

Note: The net death benefit is reduced by the amount of the loan. Also, if the policy should lapse while a loan is outstanding, the loan will be treated as a distribution from the policy, and there may be tax consequences as a result.





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LTC rider charges

The LTC rider charge is part of the monthly deductions, and based on an amount per \$1,000 of the rider's net amount at risk.

- The LTC rider rate is set at issue and guaranteed not to change over the life of the policy.
- The payment of LTC benefits will reduce the net amount at risk. Therefore, charges associated with the LTC rider and any ongoing premiums will also be reduced.
- The LTC rider charge is based on the net amount at risk and therefore, may vary.

Notes:

- Clients should be advised to make premium payments that are sufficient to maintain the policy's death benefit guarantee (for guaranteed death benefit policies), or to keep a positive surrender value (non-guaranteed policies) to prevent policy lapse. Premium payments must continue during the claim period for the guarantee to remain in effect and for any remaining death benefit to be paid.
- For tax purposes, this charge is considered a non-taxable distribution from the policy and reduces the policy's cost basis.

Commissions

Target commissions on policies that include the LTC rider are calculated taking into account the LTC rider charge.

Tax-qualified LTC benefit

The LTC rider is intended to be a qualified long-term care insurance contract under Internal Revenue Code Section 7702 (B)(b):

- Long-term care benefits are intended to be excludable from federal gross income.
- Even if the policy is classified as a modified endowment contract (MEC), the intent is for the LTC benefit payments to continue to be excludable from income taxes.
- If, in the future, it is determined that the rider does not meet these requirements, we will make reasonable efforts to amend the rider if to do so, necessary. We will offer the policy owner the opportunity to receive these amendments.

Long-term care rider reduces cost basis

Monthly charges for the LTC rider are considered policy distributions for federal income tax purposes, and therefore will usually reduce the policy's cost basis. Please consult a qualified tax professional for more information.

Third-party ownership

The LTC rider is recommended for clients who intend to own the policy personally, but may be allowable in third-party ownership arrangements. Ownership by anyone other than the insured however, could have adverse tax consequences. Purchasing this product for, or transferring it to, a person other than the insured should be considered only after careful review with the client's own tax and legal professionals.

Trusts

Trusts should be drafted by an attorney familiar with such matters in order to take into account income and estate tax laws (including the generation-skipping transfer tax). Failure to do so could result in adverse tax treatment of trust proceeds. There can be costs associated with drafting a trust.



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Licensing & appointment

There are additional requirements that apply to the sale of the LTC rider and vary by state.

- In most states, producers must have an accident and health authority on their state insurance license in addition to being properly licensed to sell John Hancock life insurance products.
- Producers need statutory company appointment with John Hancock Life Insurance Company (U.S.A.) for the accident and health authority.

Long-term care training requirement

Most states have adopted the training requirements outlined in the Deficit Reduction Act of 2006 and the NAIC Long-Term Care Model Act. These require producers selling LTC insurance products, including LTC riders, to take an initial eight-hour NAIC partnership training course, followed by a four-hour refresher course every two years.

John Hancock requires that all courses be approved by ClearCert to be accepted as valid training.

- When selecting a course with your preferred CE vendor, be sure to search for “LTCI/ Partnership” courses and look for a statement indicating the content is “ClearCert approved/certified.” This will ensure the course meets the requirement needed to sell John Hancock’s Long Term Care Rider. For more information, please refer to the **NAIC Model Regulation Training and Resource Guide**, visit **ClearCert.com** or contact John Hancock Licensing at 1-800-505-9427, option 2 or usagency@jhancock.com
- To take an approved course at a discounted rate, please visit **JHInsuranceCE.com**

ClearCert does not review and approve courses in CA, CT, DC, IN, HI, MS and NY.



Materials required at time of solicitation

The following requirements for LTC rider applicants are in addition to the life insurance requirements. Any additional state-specific materials or notices are posted on [JHSalesHub.com](https://www.jhsaleshub.com).

Complete:

- LTC Application Supplement
- Third-Party Ownership Disclosure Long-Term Care riders (if policy will be owned by a third-party)
- Notice of Replacement (if other coverage is being replaced)
- Summary and Disclosure Statement for Accelerated Benefit — Accelerated Death Benefit rider for terminal illness (if the applicant elects this rider)

Note: In New York, the Summary and Disclosure Statement for Accelerated Benefit must be completed when the LTC rider is elected. In California, the Disclosure of Risk of Lapse and Offer of Protection Against Lapse must be completed.

Provide:

- Outline of Coverage
- Notice of Protected Health Information Privacy Practices
- Shopper’s Guide to Long-Term Care Insurance
- Guide to Health Insurance for People with Medicare (if applicant is age 65 or older)



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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.⁴ 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 over 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 about the Long-Term Care Rider or our other products:



Contact your **John Hancock sales representative**



Call **National Sales Support at 888-266-7498, option 2**



Visit **JHSalesHub.com**

1. The Long-Term Care (LTC) rider is an accelerated death benefit rider and may not be considered long-term care insurance in some states. There are additional costs associated with this rider. The maximum monthly benefit amount is \$50,000. When the death benefit is accelerated for long-term care expenses, it is reduced dollar for dollar, and the cash value is reduced proportionately. Please go to JHSalesHub.com to verify state availability. *This rider has exclusions and limitations, reductions of benefits, and terms under which the rider may be continued in force or discontinued. Consult the state specific Outline of Coverage for additional details.*

2. Loans and withdrawals will reduce the death benefit, 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. 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 59½.

3. 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 can be given by John Hancock, its agents, employees or licensed agents. Prospective purchasers should consult their tax professional for details.

4. Second highest of 13 ratings (superior ability to meet ongoing insurance obligations). Financial strength rating is current as of September 30, 2025, is subject to change, and applies 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. These companies have also received additional financial strength ratings from other rating agencies. Financial strength ratings are not an assessment, recommendation, or guarantee of specific products and their investment returns or value, do not apply to individual securities held in any portfolio or the practices of an insurance company, and do not apply to the safety and performance of separate accounts.

Guaranteed product features are dependent upon minimum-premium requirements and the claims-paying ability of the issuer.

The insured is financially responsible to their care providers, including charges not covered by the LTC rider. ExpressTrack is not available in New York. Consumers, 18-60, submitting an application via JH eApp, and applying for single-life coverage up to \$3 million are eligible for ExpressTrack, with an opportunity for certain applicants to obtain an instant underwriting decision.

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

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