



LONG-TERM CARE  
INSURANCE

## Custom Care III *featuring* Benefit Builder

Facts-at-a-Glance

# Custom Care III featuring Benefit Builder

## Building Blocks<sup>1</sup>

CUSTOM CARE III FEATURING BENEFIT BUILDER					
Issue Ages	<ul style="list-style-type: none"> <li>• 18–75</li> </ul>				
Maximum Daily/Monthly Benefits	<table border="1"> <tr> <td>Daily Benefit (Standard rates)</td> <td>Monthly Benefit (for additional cost)</td> </tr> <tr> <td> <ul style="list-style-type: none"> <li>• \$50 to \$400</li> <li>• \$10 increments</li> </ul> </td> <td> <ul style="list-style-type: none"> <li>• \$1,500 to \$12,000</li> <li>• \$100 increments</li> </ul> </td> </tr> </table>	Daily Benefit (Standard rates)	Monthly Benefit (for additional cost)	<ul style="list-style-type: none"> <li>• \$50 to \$400</li> <li>• \$10 increments</li> </ul>	<ul style="list-style-type: none"> <li>• \$1,500 to \$12,000</li> <li>• \$100 increments</li> </ul>
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Benefit Periods	<ul style="list-style-type: none"> <li>• 2, 3, 4, 5, 6 years</li> </ul>				
Elimination/Deductible Periods	<ul style="list-style-type: none"> <li>• 30, 60, 90, 180, or 365 days of service</li> <li>• 1 day = 1 day</li> <li>• True cumulative Elimination Period (EP); days of service do not need to be consecutive or within same claim.</li> <li>• Base rates include the 90-day EP.</li> <li>• Rates are (+20/+10/+0/-10/-28%) of the base rate for 30/60/90/180/365, respectively.</li> <li>• 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.</li> </ul>				
Inflation Options	<ul style="list-style-type: none"> <li>• Benefit Builder Your client's benefits can grow in two ways: <ul style="list-style-type: none"> <li>✓ 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. <ul style="list-style-type: none"> <li>– Those individuals who are issue age 64 or under, can decline one offer and continue to receive future offers.</li> <li>– 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.</li> <li>– 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.</li> </ul> </li> <li>✓ 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.</li> </ul> </li> <li>• 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.</li> </ul>				

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CUSTOM CARE III FEATURING BENEFIT BUILDER	
Inflation Options continued	<ul style="list-style-type: none"> <li>✓ 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.</li> <li>• 5% Compound Inflation Each year, the Daily/Monthly Benefit and Total Pool of Money will increase by 5% on a compounded basis.</li> </ul>
Eligibility for Payment of Benefits	<ul style="list-style-type: none"> <li>• 2 out of 6 ADLs with hands-on or standby assistance, or cognitive impairment with substantial supervision</li> <li>• Subject to the Elimination Period</li> <li>• Receiving covered care or services according to an acceptable Plan of Care</li> <li>• 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</li> </ul>

## Built-in Benefits<sup>1</sup>

CUSTOM CARE III FEATURING BENEFIT BUILDER	
Coverage	<ul style="list-style-type: none"> <li>• Nursing Home, Assisted Living Facility, Adult Day Care, Home Care, and Hospice Care</li> </ul>
Nursing Home and Assisted Living Facilities	<ul style="list-style-type: none"> <li>• 100% of actual Nursing Home or Assisted Living Facility charges are covered, up to the Benefit Amount</li> <li>• All benefits will be deducted from the Total Pool of Money</li> <li>• Must meet policy definition of a qualified facility</li> </ul>
Home Health Care	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Services covered include Adult Day Care, care in the policyholder's home, and Hospice Care Services.</li> <li>• All benefits will be deducted from the Total Pool of Money.</li> <li>• 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.</li> <li>• Includes incidental homemaker services (shopping not included).</li> <li>• Must meet policy definition of a qualified facility.</li> </ul>
Additional Stay at Home Benefit	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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).</li> <li>• Separate Pool of Money.</li> <li>• Not subject to, nor does it satisfy, the Elimination Period.</li> <li>• Does not reduce the Total Pool of Money.</li> </ul>

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## Built-in Benefits<sup>1</sup>

CUSTOM CARE III FEATURING BENEFIT BUILDER	
<b>Waiver of Premium</b>	<ul style="list-style-type: none"> <li>Begins after Elimination Period is met.</li> <li>Continues while policyholder is on claim.</li> <li>Premium will not be waived if the policyholder:               <ul style="list-style-type: none"> <li>is only receiving benefits under the Additional Stay at Home Benefit</li> <li>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</li> </ul> </li> <li>If premium has been paid during a period for which premiums are waived, we will refund the premium for such period.</li> </ul>
<b>International Coverage</b>	<ul style="list-style-type: none"> <li>Provides coverage anywhere outside of the United States.</li> <li>Coverage is 365 times the Daily Benefit or 12 times the Monthly Benefit.</li> <li>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.</li> <li>Not applicable for care or treatment in any sanctioned countries or territories.</li> </ul>
<b>Care Advisory Services</b>	<ul style="list-style-type: none"> <li>Daily: Limit equals the actual charges up to 10 times the Daily Benefit Amount each calendar year</li> <li>Monthly: Limit equals the actual charges up to 1/3 of the Monthly Benefit Amount each calendar year</li> <li>Not subject to, nor does it satisfy, the Elimination Period.</li> <li>Does not reduce the Total Pool of Money.</li> </ul>
<b>Bed Hold Benefit</b>	<ul style="list-style-type: none"> <li>Covers 60 days of bed-hold per calendar year for any reason.</li> <li>Subject to the Elimination Period; reduces the Total Pool of Money.</li> </ul>
<b>Additional Accident Benefit (Double Coverage for Accident Benefit)</b>	<ul style="list-style-type: none"> <li>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:               <ul style="list-style-type: none"> <li>If the LTC Benefit Amount is less than \$250 Daily Benefit (DB), the total benefit available is 2 times DB.</li> <li>If the LTC Benefit Amount is greater than or equal to \$250 Daily Benefit (DB), the total benefit available is \$500.</li> <li>If the LTC Benefit Amount is less than \$7,500 Monthly Benefit (MB), the total benefit available is 2 times MB.</li> <li>If the LTC Benefit Amount is greater than or equal to \$7,500 Monthly Benefit (MB), the total benefit available is \$15,000.</li> </ul> </li> <li>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.</li> <li>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 <a href="http://jhltc.com">jhltc.com</a> for up to date information.</li> </ul>
<b>Return of Premium Benefit</b>	<ul style="list-style-type: none"> <li>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.</li> </ul>
<b>Advantage Provider Program</b>	<ul style="list-style-type: none"> <li>Information on quality ratings on thousands of long-term care providers.</li> <li>Access to a vendor advocate, who provides claimants and their families with lists of available providers in their area.</li> <li>Negotiated discounts with long-term care providers.</li> <li>John Hancock reserves the right to change vendors, modify, or discontinue this service in the future.</li> </ul>

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CUSTOM CARE III FEATURING BENEFIT BUILDER	
Caregiver Support Services	<ul style="list-style-type: none"> <li>• Extends Advantage Provider Program to insured's family members.</li> <li>• Personalized support via toll-free call.</li> <li>• Website access and information.</li> <li>• John Hancock reserves the right to change vendors, modify, or discontinue this service in the future.</li> </ul>
Coordination of Benefits	<ul style="list-style-type: none"> <li>• Will coordinate with other John Hancock LTC insurance coverage in place (will not duplicate benefits if client has multiple policies with John Hancock).</li> <li>• May not be available in every state.</li> </ul>
Hospice Care Benefit	<ul style="list-style-type: none"> <li>• This benefit will cover end-of-life care for your clients in their home or in a facility.</li> <li>• Also includes support for your client's family.</li> <li>• Hospice Care that is not reimbursable under Medicare is accessible during the Elimination Period.</li> </ul>
Paid Up At Age 95	<ul style="list-style-type: none"> <li>• 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.</li> </ul>

## Consumer Protection Provisions<sup>1</sup>

CUSTOM CARE III FEATURING BENEFIT BUILDER	
Alternate Services Benefit	<ul style="list-style-type: none"> <li>• Helps to ensure that policyholders have access to emerging services that may develop over time, but are not currently identified in their policy.               <ul style="list-style-type: none"> <li>– 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.</li> </ul> </li> <li>• Benefit paid must be a lower-cost alternative to covered services.</li> </ul>
Lifestyle Benefit Changes	<ul style="list-style-type: none"> <li>• Allows annual adjustments to Benefit Amount, effective on policy anniversary.</li> <li>• Increases subject to underwriting and additional premium at attained age.</li> <li>• Policyholder can also elect to decrease coverage.</li> <li>• Coverage selection change form needs to be submitted.</li> </ul>
Independent Third-Party Review	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Decision of that third party will be binding and must be upheld by John Hancock.</li> </ul>
Timely Payment of Claims	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
Contingent Nonforfeiture	<ul style="list-style-type: none"> <li>• 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:               <ul style="list-style-type: none"> <li>– pay the increased premium</li> <li>– decrease their benefits to a level supported by their current premium</li> <li>– elect the Contingent Nonforfeiture Benefit</li> </ul> </li> <li>• 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.</li> <li>• Will be automatically included in the policy at no cost, in the event that traditional Nonforfeiture is not purchased.</li> </ul>

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## Ratings & Discounts<sup>1</sup>

CUSTOM CARE III FEATURING BENEFIT BUILDER	
<b>Underwriting Classes</b>	<ul style="list-style-type: none"> <li>• Preferred — 10% discount off Select rates</li> <li>• Select (Standard)</li> <li>• Class I (125% of Select premium)</li> <li>• Class II (150% of Select premium)</li> </ul>
<b>Discounts Available</b>	<ul style="list-style-type: none"> <li>• Couples/Partner Discount               <ul style="list-style-type: none"> <li>– 30% if both individuals applying at the same time, are approved for coverage, and accept the individual LTC insurance policies from John Hancock (In NY, discount is 20%)</li> <li>– Partners are defined as:                   <ul style="list-style-type: none"> <li>• married couples</li> <li>• people who have lived with a family member of the same generation for at least three years</li> <li>• people who have lived with a partner of the same sex or opposite sex for at least three years</li> </ul> </li> </ul> </li> <li>• Preferred Discount — 10% discount off Select rates (maximum combination of Couples/Partner and Preferred Discounts is 35%)</li> <li>• Sponsored Group — 5%</li> <li>• Valued Client — 5%</li> <li>• Family Discount — 5% (must have at least three members of immediate family buy separate individual John Hancock LTC insurance policies)</li> <li>• A policy can have either the Family, Sponsored Group, or Valued Client discount (not more than one)               <ul style="list-style-type: none"> <li>– Discounts are multiplicative and reduced commission rates apply</li> </ul> </li> </ul>
<b>Loyalty Credit</b>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Original policy must have been in-force at least three years.</li> <li>• Rates are based on attained age, and are fully underwritten.</li> <li>• This discount is multiplicative.</li> </ul>
<b>Payment Options</b>	<ul style="list-style-type: none"> <li>• Direct bill — Annual, Semi-annual, Quarterly</li> <li>• Bank draft — Annual, Semi-annual, Quarterly, Monthly</li> <li>• List bill — all modes for Sponsored Group cases</li> </ul>

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## Optional Benefits (Riders)<sup>1</sup>

CUSTOM CARE III FEATURING BENEFIT BUILDER	
<b>SharedCare</b>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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:               <ul style="list-style-type: none"> <li>– are married</li> <li>– have lived with a family member of the same generation for at least three years</li> <li>– have lived with a partner of the same sex or opposite sex for at least three years</li> </ul> </li> <li>• 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).</li> <li>• 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.</li> </ul>
<b>Waiver of Home Health Care Elimination Period</b>	<ul style="list-style-type: none"> <li>• Waives the Elimination Period for home health care, creating a Zero-Day Elimination Period for home health care.</li> <li>• Days of home health care count toward the facility Elimination Period.</li> <li>• Waiver of Premium begins after Elimination Period has been satisfied.</li> <li>• Not available with 180- or 365-day Elimination Periods.</li> <li>• Rider cost is 17%.</li> </ul>
<b>Additional Cash Benefit</b>	<ul style="list-style-type: none"> <li>• 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).               <ul style="list-style-type: none"> <li>– Daily: 4.5 times the Daily Benefit Amount</li> <li>– Monthly: 15% of the Monthly Benefit Amount</li> </ul> </li> <li>• At certain levels, benefits received may cause a taxable event.</li> <li>• Rider cost is 10%.</li> </ul>
<b>Nonforfeiture</b>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Rider cost is 6%.</li> </ul>

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*John Hancock*<sup>®</sup>

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LONG-TERM CARE  
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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.

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