



LONG-TERM CARE  
INSURANCE

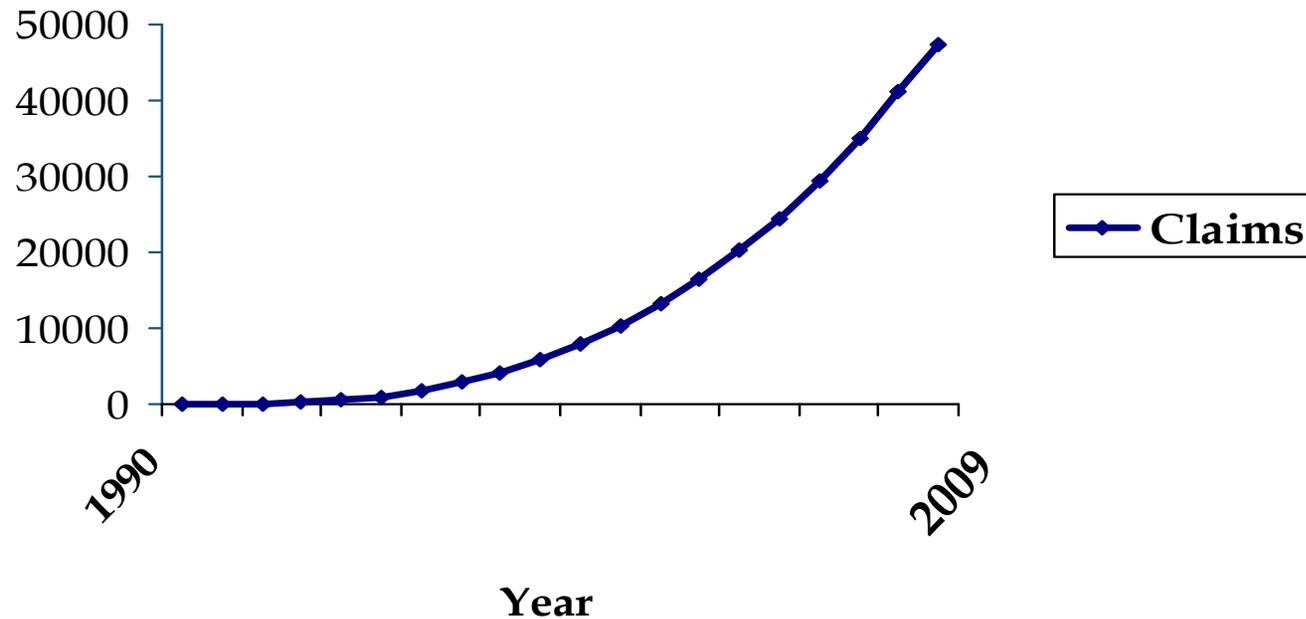
# John Hancock Long-Term Care

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**President**  
**John Hancock Long-Term Care**

**Delaware Insurance Department**  
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# Exhibit A

## Cumulative Claims



- Almost 2x the data from 3 years ago
- 4x the data at older ages
- Total of 47,000 claims paid

# Exhibit B – 5% Compound Lifetime Inflation Example



## Policy Details:

Gold Select: Issued in 1996 (LTC-96 9/96)

Issue Age: 50 (current age – 65)

Inflation Benefit: 5% compound inflation

Daily Benefit purchased: \$100 (current value of \$208)

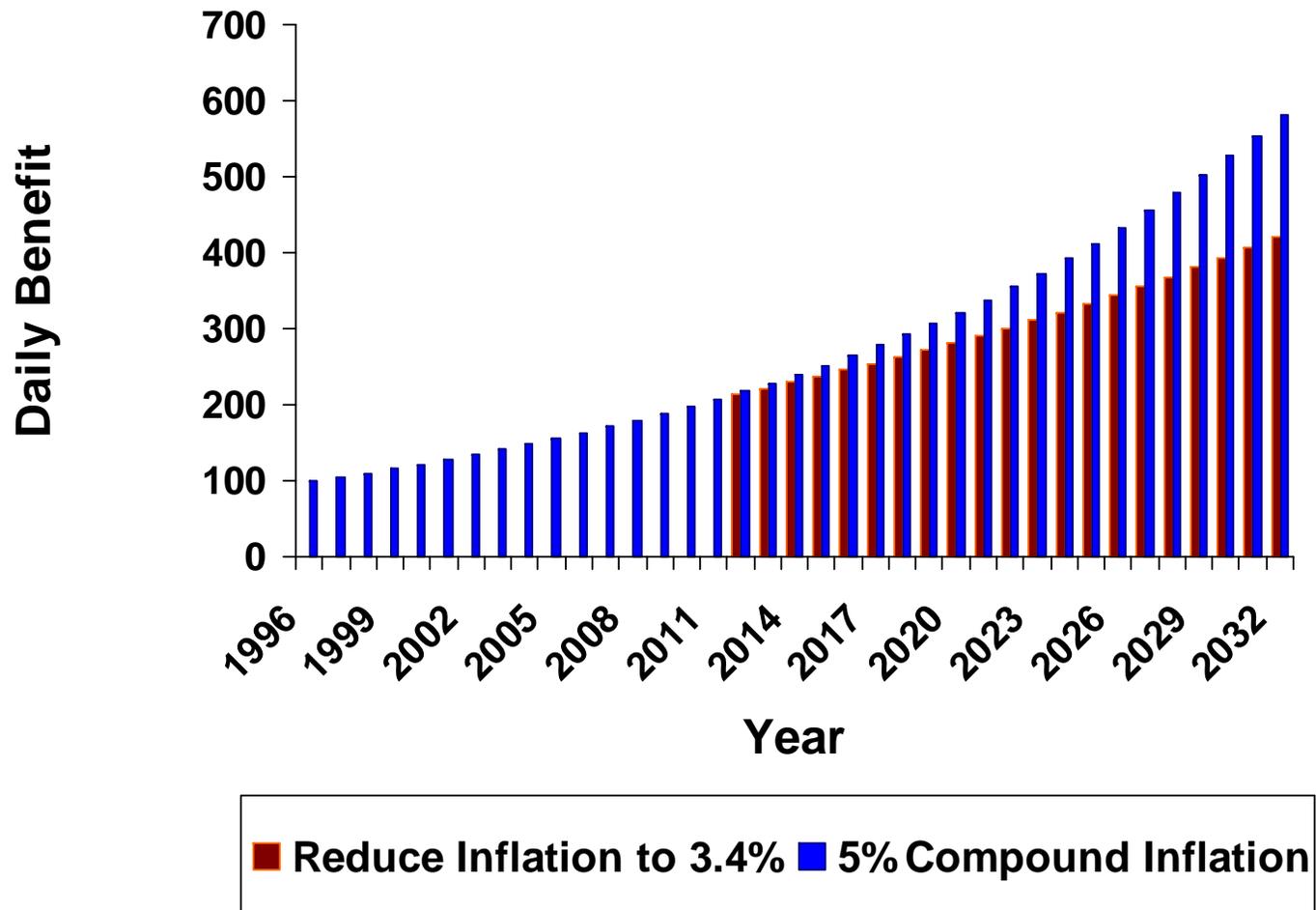
Benefit Period: 4 years

Marital Status: Single (Standard rate class)

Annual premium before rate increase	\$983.10	Inflation Factor 5%
Annual premium after rate increase	\$1,740.00	
Premium after reducing future inflation	\$983.10	Future Inflation Factor 3.4%

Summary – Inflation factor going forward reduced from 5% compound to 3.4% compound with no increase in premiums

# Exhibit C



# Exhibit D



	<b>John Hancock Cost of Care Survey – 2011 9 year Compound Growth Rates</b>
<b>Private nursing home</b>	3.5%
<b>Semi-private nursing home</b>	3.2%
<b>Assisted Living Facility</b>	3.4%
<b>Home Health Aide</b>	1.3%
<b>Adult Day Care</b>	2.2%

# Exhibit E – Daily Benefit Example



## Policy Benefits:

Gold Select: Issued in 1996 (LTC-96 9/96)

Issue Age: 50 (current age - 65)

Inflation Option: Guaranteed Purchase Option

Daily Benefit: \$100

Benefit Period: 4 years

Marital Status: Single (Standard rate class)

Annual premium before rate increase	\$418.10	Daily Benefit \$100
Annual premium after rate increase	\$525.00	
Premium after reducing daily benefit	\$420.00	New Daily Benefit \$80

Summary – Daily benefit reduced from \$100 to \$80 with a premium increase of \$1.90 per year

# Exhibit F –Lifetime Benefit Example



## Policy Details:

Gold Select: Issued in 1996 (LTC-96 9/96)

Issue Age: 50 (current age - 65)

Inflation Option: Guaranteed Purchase Option

Daily Benefit: \$100

Benefit Period: Lifetime

Marital Status: Single (Standard rate class)

Annual premium before rate increase	\$632.80	Lifetime Benefit Period
Annual premium after rate increase	\$855.10	
Premium after reducing benefit period	\$600.50	New 6 YR Benefit Period- 5% less than current premium

Summary – Reducing benefit period from lifetime to 6 years would result in a **reduction** from the current premiums of \$32.30 per year