



**DID YOU KNOW...**

# John Hancock's Long-Term Care riders utilize the reimbursement model for Long-Term Care claims.

With over 25 years in the Long-Term Care Insurance business, John Hancock has paid out more than \$8 billion in LTCI claims. This depth of experience sets John Hancock apart.

Many life insurance companies offering long-term care riders lack experience in dealing with LTC claims process. This may be why these companies utilize the "Indemnity" model to pay claims.

John Hancock utilizes a "Reimbursement" model to pay claims, allowing your client to benefit from the company's extensive experience in delivering the highest level of service and support at the time of claim.

The chart below compares the two models insurance companies can follow when paying claims — with John Hancock's claims paying approach you can rest assured that your clients are in good hands.

MODEL	JOHN HANCOCK'S REIMBURSEMENT MODEL APPROACH	INDEMNITY
<b>Cost</b>	<ul style="list-style-type: none"> <li>The rate to determine the charge is level and guaranteed</li> </ul>	<ul style="list-style-type: none"> <li>The following companies can increase rates for their long-term care or chronic illness riders: Minnesota Life, Nationwide and Protective</li> </ul>
<b>Claims Support</b>	<ul style="list-style-type: none"> <li>John Hancock's Long Term Care claims area is staffed with Registered Nurses and Social Workers who:               <ul style="list-style-type: none"> <li>– Establish professional relationships and make regular contact with claimants and/or their families</li> <li>– Help client navigate through the LTC process</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Client or Client's family must function as a "claims administrator," processing bills and writing checks, often for multiple providers and services</li> </ul>
<b>Taxation</b> (Based on 2016 HIPAA limit of \$10,200/month or \$340/day)	<ul style="list-style-type: none"> <li>The reimbursement model does not create a taxable event for claim payments because the expenses are incurred</li> <li>At John Hancock, the maximum possible monthly limit is \$50,000, more than five times higher than the tax-free indemnity limit</li> </ul>	<ul style="list-style-type: none"> <li>Most won't allow more than the HIPAA daily limit to be removed from the policy regardless of qualified expenses incurred</li> <li>For carriers that do allow more than HIPAA, the client will need to file expenses with their tax return to avoid having the excess be taxable</li> </ul>
<b>Benefit Preservation</b>	<ul style="list-style-type: none"> <li>Disburses only the funds necessary for client's care directly to the care provider — and therefore preserve their benefit pool and extend their benefit period</li> </ul>	<ul style="list-style-type: none"> <li>Clients who receive amounts greater than their long-term care expenses may deplete their long-term care pool and death benefit sooner than with the reimbursement model</li> <li>Funds may be diverted to other uses or to opportunistic individuals</li> </ul>
<b>Quality of Care</b>	<ul style="list-style-type: none"> <li>Care is provided by licensed professionals that the client selects with help from John Hancock. John Hancock has been in the LTC insurance business for over 25 years.</li> <li>John Hancock helps establish a plan of care, which is executed by a licensed professional</li> </ul>	<ul style="list-style-type: none"> <li>Care could be provided by a non-licensed professional. Without the support of an experienced claims provider, the quality of care could be inferior — and more expensive — with the Indemnity Model</li> </ul>

Competitor information is current and accurate to the best of our knowledge as of September 2016. On guaranteed UL products, premiums would not increase, however cash values could change.

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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 [www.jhsalesnet.com](http://www.jhsalesnet.com) to verify state availability.

Insurance products are issued by John Hancock Life Insurance Company (U.S.A.), Boston, MA 02210 (not licensed in New York) and John Hancock Life Insurance Company of New York, Valhalla, NY 10595.

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