

LIFE IN THE FAST LANE

HIGH SPEED IDEAS TO PASS THE COMPETITION

Why self insure against a potentially catastrophic risk?

John Hancock's suite of single life insurance products can be creatively designed to also provide robust long-term care coverage delivered in a flexible, cost effective package.

Long-Term Care Rider — A Cost-Effective Solution

Unfortunately, most clients simply plan to "self insure" against future long-term care (LTC) costs (i.e., use their savings or sell other assets to provide care).

Clients are generally:

- Overwhelmed by the cost of stand-alone LTC insurance
- Disturbed by the "use it or lose it" economics of the coverage design

However, given the significant risks of being without a long term-care strategy, a tremendous opportunity exists for the advisor to help their clients overcome these challenges.

Unfortunately, recent developments in the long-term care market have only made solving this problem more difficult for advisors.

- Average premiums on new LTC policies have risen 6 -17% within the past year
- 10 of the top 20 carriers of 5 years ago providing individual LTC have exited the market
- 11% of applicants for LTC under age 50 in 2010 were denied coverage
 - 17% of applicants in their 50s were denied coverage
 - 24% of applicants in their 60s were denied coverage

Wall Street Journal Article, "Don't Grow Old Without It," April 9, 2012

John Hancock has the solution:

Imagine saying to a client that you can...

- Provide them with coverage for a fraction of the cost of conventional stand-alone long-term care
- Offer them access to money they pay for coverage, while growing it tax deferred and income tax free
- Pass along any unused long-term care coverage to a beneficiary in the form of a death benefit
- Simultaneously use the same coverage to enhance their estate and retirement planning strategy
- Accomplish all of this with a pioneer in the long-term care insurance market

The Solution: A life insurance policy with *John Hancock's innovative Long-Term Care rider*, available in all states.

Please contact our office and put your Life sales in the Fast Lane.

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Will your clients be ready for Long-Term Care needs?

"The lifetime probability of becoming disabled in at least two activities of daily living or of being cognitively impaired is 68% for people age 65 and older."

[AARP. Beyond 50.2003: A Report to the Nation on Independent Living and Disability, 2003, (11 Jan 2005).]

"For the typical woman, the lost wages due to dropping out of the labor force because of adult caregiving responsibilities averages nearly \$143,000." — "When foregone pension and Social Security benefits are counted, the out-of-pocket losses roughly double."

[Discovering The True Cost Of At-Home Caregiving - by Marilyn Geewax- May 1, 2012]

"Nearly 54% of all nursing home stays are longer than 1 year, with 24% greater than 3 years."

[Association's 2008 LTCi Sourcebook]

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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. Prospective purchasers should consult their professional tax advisor for details.

The Long-Term Care (LTC) and Long-Term Care (LTC) Continuation riders are accelerated death benefits and may not be available in some states. Maximum face amount: \$5 million with LTC rider; \$1 million with LTC Continuation rider. These riders are not considered long-term care insurance in some states. When the policy death benefit is accelerated for long-term care expenses, the death benefit is reduced dollar for dollar, and the cash value is reduced proportionately. There are additional costs associated with these riders. The LTC Continuation rider is not available in some states including New York. Please go to www.jhsalesnet.com for a complete list of up-to-date state approvals.

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, does not qualify for the New York State Long-Term Care Partnership program and is not a Medicare supplement policy.

These riders have exclusions and limitations, reductions of benefits, and terms under which the riders may be continued in force or discontinued. Consult the state specific Outline of Coverage for additional details.

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

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