

# Long-Term Care Insurance Personal Worksheet



JOHN HANCOCK LIFE INSURANCE COMPANY

People buy long-term care insurance for many reasons. Some don't want to use their own assets to pay for long-term care. Some buy insurance to make sure they can choose the type of care they get. Others don't want their family to have to pay for care or don't want to go on Medicaid. But long-term care insurance may be expensive, and may not be right for everyone.

By state law, John Hancock Life Insurance Company must fill out part of the information on this worksheet and ask you to fill out the rest to help you and us decide if you should buy this policy.

## Premium Information

**Policy Form Number:** \_\_\_\_\_

The premium for the coverage you are considering will be \$ \_\_\_\_\_ per \_\_\_\_\_.

**Type of Policy:** Guaranteed Renewable

**The Company's Right to Increase Premiums:** John Hancock Life Insurance Company has a right to increase premiums on this policy form in the future, provided we raise rates for all policies in the same class in this state.

## Rate Increase History

John Hancock has sold individual long-term care insurance since 1987 and has sold this John Hancock policy since 2003. In March, 2000, John Hancock entered into an agreement whereby it would administer and reinsure the Fortis Insurance Company block of individual long-term care insurance. John Hancock raised the premiums rates on the Fortis policy series listed below:

States	Fortis Policy Series	Years Fortis Policy Series was Available for Purchase	Fortis Policy Series Rate History
CA, FL, IL, IA, KS, KY, MO, NE, ND, OH, SD and TX.	Policy series 4040, 4042 & 4043; With associated riders 2020, 2021, 2022 & 2023 (where applicable)	1993 - 1997	30% increase in 2003
All states and DC.	Policy series 4000, 4002, 4006, 4008, 4040, 4042 & 4043	1993 - 1997	In 2005: <ul style="list-style-type: none"> <li>• 8% - 40% increase for series 4040, 4000 and 4006</li> <li>• 12% - 56% increase for series 4042, 4002 and 4008</li> <li>• 25% increase on series 4043 in OR, RI &amp; VT</li> </ul>

However, please note that John Hancock has not raised its rates for this or any other John Hancock individual long-term care insurance policy it has sold in this or any other state.

## Questions Related to Your Income

**How will you pay each year's premium?** (check all boxes that apply)

- From My Income     
 From My Savings/Investments     
 My Family Will Pay

**Have you considered whether you could afford to keep this policy if the premiums went up, for example, by 20%?**

**What is your annual income?** (check one)

- Under \$10,000     
 \$10-20,000     
 \$20-30,000     
 \$30-50,000     
 Over \$50,000

**How do you expect your income to change over the next 10 years?** (check one)

- No change       Increase       Decrease

*If you will be paying premiums with money received only from your own income, a rule of thumb is that you may not be able to afford this policy if the premiums will be more than 7% of your income.*

**Will you buy inflation protection?** (check one)  Yes       No

If not, have you considered how you will pay for the difference between future costs and your daily benefit amount? (check all boxes that apply)

- From My Income       From My Savings/Investments       My Family Will Pay

*The national average annual cost of care in 2004 was \$70,080, but this figure varies across the country. In ten years, the national average annual cost would be about \$114,152 if costs increase 5% annually.*

**What elimination period are you considering?** Number of days: \_\_\_\_\_

Approximate cost: \$\_\_\_\_\_ for that period of care

How are you planning to pay for your care during the elimination period? (check all boxes that apply)

- From My Income       From My Savings/Investments       My Family Will Pay

### **Questions Related to Your Savings and Investments**

Not counting your home, about how much are all of your assets (your savings and investments) worth? (check one)

- Under \$20,000       \$20-30,000       \$30-50,000       Over \$50,000

How do you expect your assets to change over the next 10 years? (check one)

- Stay about the same       Increase       Decrease

*If you are buying this policy to protect your assets and your assets are less than \$30,000, you may wish to consider other options for financing your long-term care.*

### **Disclosure Statement**

**(Check one)**

- The information provided in this worksheet accurately describes my financial situation.  
or  
 I choose not to complete the financial information in this worksheet.

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**(The box directly below this statement must be checked.)**

- I acknowledge that John Hancock Life Insurance Company and/or its agent (below) have reviewed this form with me including the premium, premium rate increase history and potential for premium increases in the future. I understand the above disclosures. **I understand that the rates for this policy may increase in the future.**

Applicant's Signature \_\_\_\_\_ Date \_\_\_/\_\_\_/\_\_\_

- I explained to the applicant the importance of completing this information.

Agent's Signature \_\_\_\_\_ Date \_\_\_/\_\_\_/\_\_\_

Agent's Printed Name \_\_\_\_\_

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- My agent has advised me that this policy does not appear to be suitable for me. However, I still want John Hancock Life Insurance Company to consider my application.

Applicant's Signature \_\_\_\_\_ Date \_\_\_/\_\_\_/\_\_\_

*A Company representative may contact you to verify your answers.*