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CORRESPONDENCE MEMORANDUM

DATE: May 12, 2011

TO: Group Insurance Board

FROM: Roni Harper, Manager
Optional Insurance Plans and Audits

SUBJECT: Long-Term Care Insurance New Plan Proposal – John Hancock

Staff recommends the Group Insurance Board (Board) NOT approve the Long-Term Care Insurance (LTC) offerings from John Hancock, Custom Care III and Core Care, submitted in conjunction with Senior Care Insurance Services, Inc. (Senior Care). The plan fails to comply with inflation protection options required by Wis. Admin. Code § ETF 41.02(5).

Background

John Hancock is one of two companies currently offering LTC policies to state employees and annuitants as provided in Wis. Stat. § 40.55 and Wis. Admin. Code Ch. ETF 41. John Hancock Life Insurance Company USA is one of the most highly-rated companies offering LTC insurance. As of May 3, 2011, the firm's AM Best rating was A+, and Standard and Poor's was AA-. However, its outlook was downgraded from "stable" to "negative" in December 2010. The LTC market, in general, has experienced reduced interest rate earnings as well as lapse rates that have been lower than projected.

The Board previously approved a premium rate increase for the John Hancock Custom Care II Enhanced LTC policy in August 2010. That existing plan and premium rates will no longer be available for sale in Wisconsin as of June 8, 2011, when the Custom Care III plan, and a simplified version called Core Care, would go into effect. All state employees, state annuitants, and their eligible family members who have purchased the current Custom Care II Enhanced policy will continue to hold those policies uninterrupted.

Reviewed and approved by Lisa Ellinger, Administrator, Division of Insurance Services

Lisa Ellinger 5/23/11
Signature Date

Board	Mtg Date	Item #
GIB	6.7.11	9

Discussion

John Hancock is reporting a premium increase of approximately 12% (varies by age and benefits selected) for the Custom Care III policy. Hancock indicates this is needed due to lower interest rates since their previous product introduction. A number of policy provisions are changing as well, which will have the effect of reducing policy payouts.

Other benefit changes from the Custom Care II Enhanced to the Custom Care III policy would include:

- Eliminating the 15% discount when only one partner purchases the policy.
- Requiring at least two hours of home care in a day to count that day toward the elimination period.
- Eliminating a provision that one or more days of home care in a calendar week counts as seven days toward satisfying the elimination period.
- Allowing Independent Home Care providers only if there is no licensed Home Care agency within a 40 mile radius.
- Removing coverage for Respite Care during the elimination period.

The most significant change, from the perspective of the Department of Employee Trust Funds (ETF), is John Hancock's request to diverge from the inflation protection options required by Wis. Admin. Code § ETF 41.02(5)(a)4. This provision requires that benefits be increased by 5% compounded annually, with a guaranteed purchase option (GPO) offered to the insured at least every three years, if an inflation index specified by the policy and approved by the Board exceeds the annually compounded 5%. If the policyholder declines the additional coverage for three consecutive offers, the company is not required to continue GPO offers to that person. *The new plan Custom Care III would offer a GPO every three years without underwriting, up to age 80, but would end the GPO after two non-consecutive refusals by the policyholder.*

ETF staff discussed with Dave Plumb, John Hancock's representative, the insurer's concerns about the potential risk in offering the GPO until three non-consecutive declines by the member, as provided in the ETF administrative rule. Staff advised Mr. Plumb that the rule does not require a periodic GPO unless inflation exceeds 5% compounded annually; this would likely reduce the number of GPO offerings. However, Mr. Plumb felt that adverse risk issues remained and also that this would create administrative complexities. Ultimately, John Hancock preferred not to change the plan offered to state employees substantially from the Custom Care III plan approved by the interstate compact.

An additional alternative John Hancock suggested was to allow the policy benefit to be linked to the Consumer Price Index. However, neither ETF nor the Board's actuary (see page 2 of attached review) believes this is equivalent to the requirements of § ETF 41.02(5).

Actuarial review: The Board's consulting actuary, Deloitte Consulting, LLP (Deloitte), has reviewed the proposal. The Deloitte review indicates, on page 2, that, while the premium rates are slightly higher than comparable carriers, the pricing assumptions and premium rates are reasonable. However, in its discussion (also on page 2), Deloitte's analysis reported: "the inflation protection characteristics of the proposed policy are not in compliance with § ETF 41.02(5), and we find John Hancock's reasons for deviating from the standard to be inadequately substantiated from an actuarial perspective."

In 2010, John Hancock requested the Board approve an inflation protection provision that would link premium costs directly to the Urban Consumer Price Index (CPI-U). Deloitte analyzed that proposal and stated they "would not reasonably expect the CPI-U to increase at a rate each year such that the CPI benefit option would cover increases in the cost of care in the State of Wisconsin in the same year. Therefore, we find that the CPI benefit option does not meet the requirements of § ETF 41.02(5)(a)3."

Wisconsin Agent: Senior Care has been the marketing arm for John Hancock since 1999 and utilizes licensed insurance agents to sell the Board-approved John Hancock LTC policies to state employees, annuitants and eligible family members. It should be noted that non-approval of this John Hancock policy for marketing to state employees would leave Health Choice agency, the marketing agency for United of Omaha, as the only agency and LTC plan being currently marketed through provisions of Wis. Stat. § 40.55.

Insurance Commission approvals: The Custom Care III policy has been approved by the Interstate Insurance Product Regulation Compact. Wisconsin's Office of the Commissioner of Insurance (OCI) joined this Compact in 2008; the Compact provides a single point of filing for LTC policies in multiple states.

The policy has also met Partnership requirements, as approved by the OCI. A Partnership policy is designed to allow participants in claim status to disregard assets from their estate in an amount equal to the benefits paid by the policy should Medical Assistance (Medicaid) be needed. The Partnership Program requires all policies to be sold with a minimum 3% annual compound inflation, which differs from the inflation protection standards required by Wis. Admin. Code § ETF 41.02 (5) outlined in Deloitte's memo; the Custom Care III policy would include 5% compound inflation.

Conclusion

Based on staff review and the attached Deloitte evaluation, we recommend the Board NOT approve John Hancock's Custom Care III policy. The Guaranteed Purchase Offerings do not meet the standards specified in § ETF 41.02 with respect to inflation protection.

Staff intends to review the current rules to determine if they are in need of revision and will report to the Board at a future meeting.

Staff will be available at the meeting to answer any questions you may have regarding this proposal.

Attachments: Deloitte Consulting Actuarial Memorandum - 2011
JH Cover Letter
JH Actuarial Memorandum and Filing Certificate
JH Endorsement for Guaranteed Purchase Option

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May 31, 2011

Roni Harper
Manager, Optional Insurance Plans & Audits
Division of Insurance Services
Department of Employee Trust Funds
801 West Badger Road
Madison, WI 53702

Re: Actuarial Review of John Hancock's Long-Term Care Insurance policy Custom Care III.

Dear Roni:

We have reviewed the proposal materials submitted by John Hancock related to the Long-Term Care (LTC) Insurance plan Custom Care III ("the proposed policy"). The proposed policy would only apply to new applicants after June 8, 2011 and not those covered under the current Custom Care II policy. The proposal materials we reviewed included a sample policy form, the actuarial memorandum, premium rate schedules, and various correspondence between John Hancock and ETF staff.

The sections below address the specific issues examined during the course of our review. Based on our review, we believe the proposed policy and rates are reasonable, however the benefits designed to offer protection from inflation are not in line with the Group Insurance Board's requirements.

Adherence to Inflation Protection Standards in "Guidelines for Optional Insurance Programs: Chapter ETF 41 – Long-Term Care Insurance"

You asked us to specifically address ETF 41.02(5) - Inflation Protection, in particular the reasonableness of the policy's Guaranteed Purchase Option (GPO). ETF 41.02(5) allows the insurer four options for providing insureds with protection against the increasing cost of care:

1. Offering annual increases of at least $10 per day during an annual enrollment period
2. Automatic increases of 10% per year for 10 years
3. Benefits payable as a constant percentage of the cost of care
4. Automatic increases of at least 5% compounded annually, and the insured must have the right to, without evidence of insurability, periodically increase the daily benefit by $10 at least once every three years in the event that an inflation index established by the policy increases at a rate faster than 5% compounded annually. If the insured rejects three consecutive offers for additional coverage, the insurer is not required to make further offers (the "three decline rule").

The proposed policy offers a 5% inflation benefit along with a GPO rider in an attempt to mimic option number four. It allows the policyholder to increase the daily benefit amount by $10 without evidence of insurability every three years. The policy allows for two non-consecutive refusals before future offers become unavailable (the "two decline rule"), a provision which is more restrictive (i.e.

less beneficial to insureds) than the three decline rule found in ETF 41.02(5). John Hancock stated that allowing the insured an additional offer to increase coverage after two offers have been declined will pose significant adverse selection risk. Based on our experience in the industry with similar contracts, we feel that the additional risk does not warrant an exception to ETF 41.02(5).

In summary, the inflation protection characteristics of the proposed policy are not in compliance with ETF 41.02(5), and we find John Hancock's reasons for deviating from the standard to be inadequately substantiated from an actuarial perspective.

CPI-Linked Inflation Benefit

As an alternative to the inflation protection options outlined in ETF 41.02(5), John Hancock proposed an additional inflation option whereby benefits would increase according to the Consumer Price Index (CPI). John Hancock expressed the opinion that the CPI-Linked benefit would closely mimic long-term care cost increases, and would provide greater protection than the standards mandated in ETF 41.02(5) because annual benefit increases would not be limited to 5%.

We reviewed historical CPI data and noted that the CPI inflation rate was less than 5% for a majority of the last 50 years. Further, we disagree that long-term care costs are closely linked to the CPI and noted several examples in the recent past where CPI inflation was less than long-term care cost inflation in a number of markets.

In summary, we believe the CPI-Linked inflation option would not provide inflation protection equivalent to that outlined in ETF 41.02(5).

Analysis of Premium Levels & Assumptions

We reviewed the premium rates for the proposed policy for reasonableness compared to similar products in the industry. Overall, we find the premium rates to be reasonable relative to what other insurers are charging. We noted that the proposed policy has premium rates slightly higher than several other carriers offering similar products. However, this is not unreasonable or necessarily unexpected as many long-term care insurers, in reaction to the unfavorable investment environment experienced in recent years, have begun requesting substantial rate increases from regulators to maintain profitability. We expect that as more insurers impose such rate increases on policyholders, the premium rates for the proposed policy will no longer be slightly higher than similar products offered by other insurers. Therefore, we believe the policy's premium rates are reasonable.

We also reviewed the pricing assumptions disclosed in the proposed policy's actuarial memorandum and found them to be reasonable compared to what we are observing from other carriers.

Summary

In summary, we believe the proposed policy and rates are reasonable, however the benefits designed to offer protection from inflation are not in line with the Group Insurance Board requirements.

Timothy D. Gustafson

Timothy D. Gustafson
Principal

John Hancock Financial Services

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David Plumb, FSA, MAAA
Vice President
Product & Risk Management

April 21, 2011

Ms. Roni Harper
Manager, Optional Insurance Plans & Audits
Division of Insurance Services
Department of Employee Trust Funds
801 West Badger Road
Madison, WI 53702

Re: John Hancock Life Insurance Company
Replacement of our Custom Care II Enhanced Individual Long-Term Care Insurance Plan for the State of Wisconsin Employees with our new Custom Care III Plan

Dear Ms. Harper:

Per our various communications over the past couple of weeks, I am enclosing 5 copies of the following items for your review.

Cover letter
Actuarial Memorandum
Application
Specimen Policy
Disclosure of benefit options that are not available in the State Employee Plan
Marketing materials
Premium comparison vs. our plan being discontinued
Premium comparison with competitors' plans
Audited financial report of John Hancock (U.S.A.)
Transition Plan from old plan to new plan
Policy form for proposed Guaranteed Purchase Option to be used for this case

15 additional copies will be provided at a later date for submission to the ETF Board.

We are including two similar sets of marketing materials because, in addition to our new policy (Custom Care III), we are also marketing a simplified package of this new plan under the name of Core Care. Core Care has its own marketing material, but it will use the same policy form and rates as Custom Care III. The simplified Core Care package differs from Custom Care III as follows:

Daily benefits only (no monthly option),
Daily benefit of $100, $150, $200, $250 or $300,
Two benefit period choices – 3 years or 5 years,
90 day elimination period (no choice),
Inflation protection of CPI compound inflation to age 75, 5% compound or GPO (only 5% compound would be allowed for ETF business),

Optional riders of Shared Care and Nonforfeiture (Survivorship and Waiver of Premium, Waiver of Home Health Care Elimination Period and Additional Cash Benefit are not available on Core Care).

For our Custom Care III policy, we are making the product changes from our Custom Care II Enhanced policy that are detailed below. While we are launching this new plan in the 33 Interstate Compact states (which includes Wisconsin), on May 2, we will keep our current Custom Care II Enhanced plan for ETF sales until June 8 when we would replace that with our new Custom Care III plan if it is approved by the ETF Board on June 7. More details on this are included in the attached Transition Plan.

We are Increasing premiums by about 12% on average, due to lower interest rates since our previous product was priced.

Due to a recent analysis of claims experience, we are making further changes to benefits:

Eliminating the 15% discount when only one partner purchases the policy.

Eliminating the provision that one or more days of home care in a calendar week counts as seven days towards satisfying the elimination period. We are also requiring a minimum of two hours of home care in a day in order for that day to count towards the elimination period.

Independent Home Care providers are now only covered if there are no Home Care agencies available within a 40 mile radius and when covered, the maximum amount we will reimburse for Independent Home Care providers is 75% of the daily or monthly benefit.

We are replacing our 10 pay and paid up at age 65 options with a 20 pay and paid up at age 75 options.

Respite Care is no longer covered during the elimination period.

We are also removing the following optional benefits: Family Care, Restoration of Benefits and the Enhanced Return of Premium.

All policies sold to ETF members must contain a 5% compound inflation feature. In addition, all policies sold to ETF members will also contain a Guaranteed Purchase Option (GPO) which will allow insureds to purchase an additional $10 per day (or $300 per month for monthly benefits) every three years through age 80 without evidence of insurability as long as the insured was not Chronically Ill in the two year period prior to the option date. No further offers will be made if the insured declines two offers. In our discussions, you asked us to include a clear explanation of the rationale for the provision that no further offers will be made after two declines as opposed to the provision in your Admin Rule that says that no further offers need to be made after 3 consecutive declines.

After the events of the recent economic downturn and the level of interest rates available in today's environment, we and many other companies and industries have focused more attention on risk management, including benefit options that could subject the business to anti-selection risk due to policyholder behavior. We believe that a guaranteed purchase option (no underwriting) can pose a significant anti-selection risk, especially when the underlying policy already has benefits that increase at 5% per year. This is because we would not expect insureds to need to purchase additional insurance under this provision (because their coverage is already keeping up with inflation since inflation in long-term care costs has been below 5% for many years now) and a large portion of those who do purchase the additional amounts are doing so because their health has deteriorated and thus are getting a good deal. If all insureds took all the increases that are offered to them, there would be no anti-selection. We get comfortable with this provision by stipulating that there are no further offers after 2 declines. If the lock-out mechanism were to be 3 consecutive declines, insureds could take one offer out of every 3 while they are healthy and then take all offers after their health begins to deteriorate. This is a risk that would not be good for the company or the customers if inforce rates have to be increased in the future due to the anti-selection. In fact, we would not have been able to extend the maximum option age from 75 to 80 as you requested if it were not for the two decline rule.

This anti-selection is not something that can necessarily be priced for because the more you charge for such an option, the more anti-selection you end up with.

I hope you will agree that a 3 consecutive decline lock-out does present significant anti-selection (particularly in an environment where the inflation needs are being met by the underlying policy) and see why we are proposing to make the lockout based on 2 declines.

Only agents with signed agreements with Senior Care Insurance Services are authorized to market our long-term care products to ETF members.

Please do not hesitate to contact me at 617 572-4989 or dplumb@jhancock.com if you have any additional questions.

We look forward to our continued partnership with you and the Employee Trust Fund.

Thank you for consideration.
Sincerely,

David Plumb, FSA, MAAA
Vice-President
Product and Risk Management

Attachments

John Hancock Life Insurance Company (U.S.A.)
Individual Long-Term Care Policy Series ICC10-LTC-11
Actuarial Memorandum and Initial Rate Filing Certification

Interstate Insurance Product Regulation Commission

Scope & Purpose

This memorandum consists of materials which support the development of premium rates for new business under the Long-Term Care Policy Series ICC10-LTC-11 and all associated riders. The purpose of this memorandum is to allow the rate filing to be reviewed by regulatory authorities to determine that benefits are reasonable in relation to the premiums charged.

Attached are the premium rate schedules to be used for new sales of the policy forms as specified therein.

Actuarial Certification

I, David Plumb, am an Actuary of John Hancock and a member of the American Academy of Actuaries. I meet the Academy's qualification standards for rendering this opinion and am familiar with the requirements for filing long-term care insurance premiums.

I hereby certify that to the best of my knowledge and judgment:

(a) The initial premium rate schedule is sufficient to cover anticipated costs under moderately adverse experience and the premium rate schedules are reasonably expected to be sustainable over the life of the forms with no future premium increases anticipated.
(b) Policy design and coverage provided have been reviewed and taken into consideration.
(c) Underwriting and claims adjudication processes have been reviewed and taken into consideration.
(d) With respect to contract reserves and their relation to gross premiums:
    (i) The assumptions used for reserves contain reasonable margins for adverse experience.
    (ii) The net valuation premium for renewal years does not increase.
    (iii) The difference between gross premium and the net valuation premium for renewal years is sufficient to cover expected renewal expenses.
    (iv) The reserve morbidity assumptions used do not include any provision for morbidity improvement.
(e) The premium rate schedule is not less than the premium rate schedule for an existing similar policy form series (LTC-03) that will be replaced by this policy series in all applicable Compact states.
(f) This entire rate filing is in compliance with the applicable laws and regulations of the IIPRC.
(g) The rates are reasonable in relation to the benefits provided and are not excessive, inadequate, nor unfairly discriminatory.
(h) I have provided a complete description of the basis for contract reserves anticipated to be held under the filed policy form.

In forming my opinion, I have used actuarial assumptions and actuarial methods and such tests of actuarial calculations as I considered necessary.

David Plumb, FSA, MAAA
Vice President

March 4, 2011
Date

Description of Benefits

Policy Series ICC10-LTC-11

This is an individual Long-Term care policy that pays benefits on a monthly or daily basis depending on the insured's selection. The following covered care or services are provided to the insured:

- Confinement in a Nursing Home or Assisted Living Facility for room, board and care services
- Home Health Care; Hospice Care; or
- Attendance at an Adult Day Care Center providing Adult Day Care

It is intended to be a Qualified Long-Term Care Insurance contract under the Federal Internal Revenue Code.

Benefit eligibility is determined based on the insured's cognitive impairment or their requiring substantial assistance to perform two out of six activities of daily living (ADLs) of bathing, dressing, eating, toileting, transferring and maintaining continence. The insured must be certified to be chronically ill by a licensed health care practitioner.

Long-Term Care Benefits are paid at 100% of the actual charges up to the Long-Term Care benefit amount for Nursing Home, Assisted Living Facility or home health care benefits after the elimination period. Benefits are payable until the policy limit is reached. Benefits are coordinated with Medicare. In the event a home health agency is not available within a 40-mile radius of the insured's home, we will pay actual charges incurred for an independent home care provider up to 75% of the Long-Term Care benefit amount.

In addition, if a stay in a Nursing Home or Assisted Living Facility is interrupted for any reason a bedhold benefit is payable under this Policy. These bed hold days will be counted as part of the Long-Term Care Benefit amount, but are limited to 60 days per calendar year.

Any unused portion of the Long -Term Care Benefit will remain in the Policy Limit. Any benefit paid under this provision will reduce the Policy Limit.

Benefit features included in the policy are as follows:

Double Coverage for Accident Benefit (form ICC10-DAB) If the insured is approved for this benefit it will automatically be included in the policy at no additional cost. This benefit provides that if Long-Term Care services are required due to an accidental injury prior to the insured's 65th birthday, we will reimburse eligible expenses up to two times the monthly or daily benefit for the duration of the claim. Any reimbursements made in excess of the monthly or daily benefit will not be deducted from the policy limit.

Return of Premium Upon Death Benefit Upon the insured's death prior to their 65th birthday, we will refund to their beneficiary an amount equal to the sum of premiums paid under the policy less any benefits paid under the policy.

Care Advisory Services Benefit Care Advisory Services provides for an assessment, at the option of the insured, of the need for health care and related services, the development of recommendations that are consistent with that assessment, the coordination of the delivery of such care and services, and the monitoring of the delivery of such care and services. If the policy provides Monthly Benefits this benefit is limited to 1/3 of the Long-Term Care Monthly Benefit per calendar year. If the policy provides Daily Benefits this benefit is limited to 10 times the Long-Term Care Daily Benefit per calendar year. The insured must be benefit eligible but does not have to satisfy the elimination period in order to receive this benefit. Benefits paid are not counted towards the Policy Limit.

Additional Stay at Home Benefit can be used to pay for a variety of long-term care expenses for an insured who is living in their home. This benefit is not subject to the elimination period. These services include: home modifications; emergency medical response systems; durable medical equipment; caregiver training; a home safety check; and a provider care check.

Eligibility for the benefit is met if the insured is a chronically ill individual and the benefits are provided pursuant to a plan of care approved by a Licensed Care Practitioner.

Any unused portion of this benefit amount may be used for future Additional Stay at Home Services. Benefits paid under the Additional Stay at Home Benefit will not reduce the Policy Limit. Benefits under the Long-Term Care Benefit and/or Care Advisory Services Benefit can still be received while receiving benefits under the Additional Stay at Home Benefit.

If the policy provides Monthly Benefits, the Stay at Home Benefit has a separate lifetime pool equal to 1 times the Long-Term Care Monthly Benefit. If the policy provides Daily Benefits, the separate lifetime pool will equal 30 times the Long-Term Care Daily Benefit.

Waiver of Premium allows premiums to be waived after the insured has met the elimination period and is receiving benefits and will continue to be waived until the insured stops receiving such benefits or the policy limit is reached. The premium will not be waived; however, if benefits are only being received under the Additional Stay at Home benefit or Care Advisory Services Benefit.

International Coverage Benefit we will pay actual charges incurred for covered Long-Term Care Services received outside of the United States for up to one year. No benefits are payable under the Additional Stay at Home Benefit, Care Advisory Services Benefit or for Independent Care Providers under the International Coverage Benefit.

<u>Alternate Services Benefit</u> provides coverage for alternate LTC services not currently covered in the policy so long as we agree that the services are necessary and they are a less costly alternative to care that is covered and would otherwise be received.

<u>Contingent Nonforfeiture Benefit (Form ICC10-CNF)</u>

For Policies where the optional Nonforfeiture Benefit is not elected, the contingent nonforfeiture benefit is available as policy protection in the event a policy lapses due to a premium rate increase.

It is available for a period of 120 days after the insured is informed of a rate increase that exceeds a certain threshold. The threshold is as follows:

Issue Age	% Increase Over Initial Premium	Issue Age	% Increase Over Initial Premium	Issue Age	% Increase Over Initial Premium
29 and under	200%	66	48%	79	22%
30-34	190%	67	46%	80	20%
35-39	170%	68	44%	81	19%
40-44	150%	69	42%	82	18%
45-49	130%	70	40%	83	17%
50-54	110%	71	38%	84	16%
55-59	90%	72	36%	85	15%
60	70%	73	34%	86	14%
61	66%	74	32%	87	13%
62	62%	75	30%	88	12%
63	58%	76	28%	89	11%
64	54%	77	26%	90 and over	10%
65	50%	78	24%		

If the insured elects contingent nonforfeiture and the policy provides Monthly Benefits, the policy becomes paid-up with the new policy limit equal to the total premiums paid. In no event, however, will the new policy limit be less that the Long-Term Care Monthly Benefit at the time of lapse.

If the insured elects contingent nonforfeiture and the policy provides Daily Benefits, the policy becomes paid-up with the new policy limit equal to the total premiums paid. In no event, however, will the new policy limit be less that thirty (30) times the Long-Term Care Daily Benefit at the time of lapse.

If the insured does not elect contingent nonforfeiture, they may elect instead to reduce their benefits. If they elect to decrease their current Policy benefits, they may:

- eliminate any optional riders for which a premium is charged; or
- reduce the Long-Term Care Monthly Benefit in $100 increments, if the policy provides Monthly Benefits
- reduce the Long-Term Care Daily Benefit in $10 increments, if the policy provides Daily Benefits

There is a special Contingent Nonforfeiture benefit for limited pay plans and that benefit is described in the Limited Pay section of this memo.

The following three benefits will only be included in policies sold to member of the National Education Association (NEA):

Emergency Ambulance Transportation (Form ICC10-NEA) The current Stay at Home Benefit above is modified to add Emergency Ambulance Transportation to the list of services. The amount payable for Emergency Ambulance Transportation for each calendar year under the Stay at Home Benefit is subject to the following limit:

- 2-times the Long-Term Care Benefit Amount if You elected the daily Benefit Amount option; or
- 1/15th of the Long-Term Care Benefit Amount if You elected the monthly Benefit Amount option.

Reduced Elimination Period Benefit (Form ICC10-NEA) We will reduce the number of Dates of Services needed to satisfy the Elimination Period by half for NEA members that become Benefit eligible due to a Job-Related Injury.

Annual Union Dues Benefit (Form ICC10-NEA) After an NEA member has been benefit eligible for a period of 365 consecutive days, we will reimburse future Annual Union Dues so long as they remain Benefit eligible.

Optional Benefits:

Nonforfeiture Benefit Rider (Form ICC10-NF)

A nonforfeiture benefit is available to each applicant as a policy option. The benefit provides a means whereby the insured could stop paying premium and still keep coverage.

If an insured stops paying premium on a policy with this benefit after it has been inforce for three full years (one year for limited pay policies), a revised policy limit will be maintained on the policy thereafter and no further premium will be due.

The new policy limit equals the sum of all premiums paid on the policy prior to lapse.

If greater, the new policy limit will equal one times the Long-Term Care Monthly Benefit for policies providing Monthly Benefits or 30 times the Long-Term Care Daily Benefit for policies providing Daily Benefits. The benefit in effect on the date of lapse will remain the benefit for the policy. No additional inflation increases will be applied to either the benefit or the new policy limit once the insured lapses the policy and assumes the nonforfeiture benefit.

The cost for this nonforfeiture benefit is 6% of the base plan rate.

Shared Care Benefit Rider (Form ICC10-SHC)

The Shared Care Benefit rider adds a secondary insured to the primary policy. The rider is issued in pairs, one to be attached to each of two primary policies. Each primary insured is named as the secondary insured on the other's primary policy.

If an insured claimant exhausts the policy limit of his or her own primary policy, services will continue to be covered for the claimant as the secondary insured under the other's primary policy. Thus, the policy limit of each policy is available to either or both insureds until the total amount of the two limits is exhausted.

If one of the insureds dies, the survivor insured will retain the combined policy limit in effect prior to the death, and the Shared Care rider premium ceases.

In addition to married couples the rider will also be offered to family members of the same generation or partners. The family members or partners must have lived together for at least 3 years. With the nonforfeiture rider, the premiums paid count towards determination of the shortened benefit period, but the Shared Care rider terminates upon lapse.

In the event that the secondary insured exhausts the primary insured's policy benefits, the primary insured may elect to purchase an additional 2 year benefit period without evidence of insurability within 60 days after exhausting benefits providing they have not been chronically ill in the prior 2 years and they are less than age 91.

Rates for the Shared Care Benefit are determined by multiplying the base rate for the plan by a factor that depends on the benefit period chosen.

Benefit Period	Shared Care Rate Factor
2 years:	26%
3 years:	16%
4 years:	11%
5 years:	10%
6 years:	8%
10 years:	5%

Survivorship & Waiver of Premium Benefit Rider (Form ICC10-SURV)

The Survivorship & Waiver of Premium Benefit rider provides that the policyholder's premiums will be waived in the event their partner dies or goes on claim after both policies have been inforce for at least 10 years and no claims were payable in the first 10 years. We define partner as being a spouse, a family member of the same generation living together for three years or a domestic partner living together for three years. Payments resume if the partner's premiums are no longer waived or the partner's policy terminates.

If insured's premium has been paid for a period for which premiums are waived under this Rider, premiums will be refunded for such period. Premiums will not be waived for any benefits the insured may purchase in the future due to operation of this rider.

The cost for this benefit is 9% of the base plan rate.

Waiver of Home Health Care Elimination Period Rider (Form ICC10–WEP)

The Waiver of Home Health Care Elimination Period benefit waives the requirement to satisfy the Elimination Period if an insured is receiving Home Health Care, Hospice Care, or Adult Day Care. The Elimination Period must still be satisfied before benefits are payable under Long-Term Care Benefit for confinement in a Nursing Home or an Assisted Living Facility. In addition, the elimination period must be satisfied before premiums are waived under the Waiver of Premium provision. However, days which the Home Health Care Elimination Period is waived will count toward meeting the facility Elimination Period.

This benefit does not apply to the International Coverage Benefit. This rider is not available with the 180 or 365 day Elimination Periods.

The cost of this rider is 15% of the base plan rate.

Additional Cash Benefit Rider (Form ICC10–ACB)

The Additional Cash Benefit Rider provides a monthly cash indemnity benefit that is equal to 15% of the Monthly Long-Term Care Benefit or 4.5 times the Long-Term Care Daily Benefit. This indemnity benefit is in addition to the monthly or daily benefits already provided. In order to qualify for this benefit an insured must be chronically ill, have met the Elimination Period, have not been confined in a Nursing Home or Assisted Living Facility and have received Home Health Care at least one day during the calendar month. The rider ends on the date the Policy Limit has been exhausted.

The cost of this rider is 10% of the base plan rate.

Review of Policy Design, Coverage, Underwriting and Claims Adjudication

The actuary signing this memorandum was involved in the development of the policy design and coverage and has taken these benefits and their associated risks into account in the pricing of this product. The actuary has also signed off on the policy form associated with this filing. This product is a modification of and will be replacing an existing policy form; therefore, we will continue existing underwriting and claims adjudication processes with minor adjustments. These existing processes are the basis for our underlying claim experience which in turn led to our most current claim cost assumptions described further in this memorandum.

Proposed Effective Date

These rates will be effective on the date they may be illustrated, issued and administered by us in the normal course of operations, but in no event earlier than the date of approval.

Renewability Clause

These forms are issued with a Guaranteed Renewable clause.

Applicability

This form is for new issues and will be replacing the existing LTC-03 policy form. This will be the only LTC product that we will be offering.

Marketing Method

This product is typically marketed through our traditional agency system and brokers involving a personal contact with each applicant. The market is quite varied, but would generally fall in the middle to upper-middle income bracket.

Underwriting

An application with medical and risk questions is filled out by each applicant. Cognitive tests are required for all applicants age 65 and older. Personal interviews are conducted and Attending Physician’s Statements are required with every applicant age 70 and above, and optionally at younger ages. The personal interview tool assesses both physical and cognitive abilities. Below age 70, either a telephone interview, APS, medical exam or paramedical exam is required.

Pricing Assumptions

Morbidity

The morbidity assumptions are derived from our own experience, following a comprehensive claim study recently completed at the end of 3rd quarter, 2010. The study has been peer reviewed both internally as well as by an Independent third party. No morbidity improvements are assumed in the pricing. Please refer to the accompanying Excel spreadsheet for examples of our claim costs.

Mortality

Our mortality decrement is based on the unloaded 1994 Group Annuity Mortality Table, brought to 2010 using improvements from Scale AA (with no future improvements), sex-distinct, and the following selection factors by issue age and risk class:

Policy	Issue Ages			
Year	<=55	65	75	79
1	21.7%	16.4%	18.8%	20.7%
2	29.1%	21.7%	24.2%	26.8%
3	35.6%	27.0%	31.2%	34.2%
4	39.0%	30.1%	37.5%	41.3%
5	41.6%	37.7%	44.6%	49.4%
6	43.4%	43.9%	51.9%	53.2%
7	45.9%	46.4%	59.2%	59.4%
8	49.1%	48.9%	63.7%	65.4%
9	51.3%	52.9%	67.5%	71.2%
10	54.7%	56.9%	72.1%	77.4%
11	58.0%	60.9%	76.9%	83.3%
12	61.4%	62.0%	82.6%	88.5%
13	62.5%	64.1%	88.4%	92.6%
14	64.4%	66.1%	90.8%	92.8%
15	66.4%	67.2%	93.0%	93.0%
16	68.2%	68.4%	93.0%	93.0%
17	70.7%	69.5%	93.0%	93.0%
18	73.1%	72.6%	93.0%	93.0%
19	75.5%	75.7%	93.0%	93.0%
20	78.0%	78.8%	93.0%	93.0%
21	80.5%	81.9%	93.0%	93.0%
22	83.0%	85.1%	93.0%	93.0%
23	85.5%	88.3%	93.0%	93.0%
24	88.0%	91.5%	93.0%	93.0%
25+	93.0%	93.0%	93.0%	93.0%

Policy	Risk Class			
Year	Preferred	Standard	Substd 1	Substd 2
1	60%	108%	147%	185%
2	61%	108%	149%	187%
3	62%	108%	151%	190%
4	63%	108%	153%	192%
5	64%	108%	155%	195%
6	65%	108%	157%	198%
7	66%	108%	159%	200%
8	67%	108%	162%	203%
9	68%	108%	164%	205%
10	69%	108%	166%	208%
11	70%	108%	168%	210%
12	73%	108%	170%	213%
13	76%	108%	172%	215%
14	79%	108%	174%	218%
15	82%	108%	176%	221%
16	86%	108%	176%	221%

Factors for ages between the ones listed above are interpolated.

Persistency

The lapse rates assumed are as follows:

Duration	Guaranteed Purchase Option	Other Inflation Options
1	3.90%	3.30%
2	2.45%	1.95%
3	1.55%	1.35%
4	1.25%	1.00%
5	1.10%	0.95%
6	1.00%	0.90%
7	1.00%	0.85%
8	1.00%	0.85%
9	1.00%	0.85%
10	1.00%	0.85%
11+	0.95%	0.85%

Limited Pay Lapse Assumptions

The lapse rates above were multiplied as follows, where P is the number of premium payments at issue and t is the policy duration:

a) While P-t is greater than or equal to 10, lapse rates were multiplied by a factor equal to 1 – (39-P+t)*0.5/30, but no greater than 1, and
b) While P-t is less than 10, lapse rates were multiplied by a factor equal to (P-t-1)/16.

There are no lapses after the premium paying period.

Expenses

Compensation:*

Policy Year	Avg Commission
1	98.6%
2-3	14.6%
4	14.4%
5	10.3%
6-10	9.1%
11+	3.6%

*Compensation for limited pay plans is equal to 60% of the average commissions shown above. Commissions are also reduced on Sponsored Group, Family Discount, and Substandard policies

Other Expenses:

- Acquisition (year 1): 102.32% of premium
- Maintenance (all years): $75.45 per policy
- Premium Tax (all year): 2.0%

Claim Administration Expenses:

- 2.41% of incurred claims

Net Investment Rate

The average net investment rate used for invested assets is 4.62%.

Contingency & Risk Margins

Premiums are determined to meet required profitability measures, the main one being Return on Investment (ROI) which reflects reserve and capital requirements as well as expected claims, expenses and investment income.

Expected Distribution of Business

Inflation Option	Weight
CPI Compound	80%
GPO	15%
5% Compound	5%
CPI to age 75	0%
Total	100%

Benefit Period	Weight
2	8%
3	30%
4	24%
5	27%
6	8%
10	4%
Total	100%

Gender	Weight
Female	60%
Male	40%
Total	100%

Issue Age	Weight	Preferred	Standard	Substd Class 1	Substd Class 2	Single	Married
40	6%	55%	39%	5%	1%	22%	78%
50	12%	50%	43%	6%	2%	19%	81%
55	24%	46%	45%	7%	2%	18%	82%
60	33%	39%	51%	8%	2%	23%	77%
65	20%	33%	56%	9%	2%	27%	73%
70	4%	22%	65%	11%	2%	34%	66%
75	1%	11%	72%	14%	3%	44%	56%
79	0%	11%	72%	14%	3%	54%	46%
Total	100%	41%	49%	8%	2%	23%	77%

All assumptions are representative of the CPI inflation option, minor variations exist for other inflation options.

Average Issue Age

The expected average issue age is 58.

Sources and Levels of Pricing Margins

Margin for adverse deviation refers to any combination of morbidity, mortality, lapse, or investment return experience that reaches the level of magnitude equivalent to the singled out margins below. Each margin value below assumes that the other three components are completely in line with the best estimate.

- 10% higher claim costs (morbidity)
- 15% reduction in mortality
- 68% reduction in lapse
- 52 bps reduction in investment returns

Premium Classes

Base Rates

The base policy form rates depend upon the following attributes:

- *Issue Age*

  Ages 18 through 79 on an age last birthday basis.

- *Elimination Period*

  30, 60, 90, 180, or 365 days of actual service for which John Hancock will not pay benefits (except for Care Advisory and Stay at Home Benefit). The elimination period must be met only once during the lifetime of the policy. For purposes of Home Health Care only, a date of service will only count toward the elimination period if there are 2 or more hours of covered care that is not primarily incidental homemaker services.

  Rates for each elimination period option are determined by applying the corresponding factor from the table below to the respective 90 day elimination period tabular rate.

Elimination period	rate multiplier
30	1.2
60	1.1
180	0.9
365	0.8

- *Long-Term Care Benefit Amount*

  For Monthly Benefits: $1,500 to $15,000 in $100 increments
  For Daily Benefits: $50 to $500 in $10 increments

  For policies with the Guaranteed Purchase Option for inflation, rates for monthly benefits are calculated by dividing the $10 per day rate by 2.79 to get the $100 per month rate.

  For policies with the other Inflation options, rates for monthly benefits are calculated by dividing the $10 per day rate by 2.88 to get the $100 per month rate.

- *Benefit Period/Policy Limit*

  The possible benefit periods are 2 years, 3 years, 4 years, 5 years, 6 years or 10 years.

- *Inflation Options*

The insured has the choice of four inflation options:

1. Guaranteed Purchase Option (Endorsement ICC10-GPO)

This endorsement is automatically included in every policy that does not elect one of the other inflation options and also does not select any limited payment option or the Survivorship and Waiver of Premium Rider.

Every 3 years an option to increase coverage by an amount equal to 10% of the current Long-Term Care Benefit Amount will be offered. The premium for any increase will be based on attained age. No additional underwriting will be required.

No offers will be made if the policyholder was chronically ill within the past 2 years, if the policyholder is age 76 or older or if the policyholder has declined two previous options.

In addition, the policyholder has the option of converting to the CPI Compound inflation option without underwriting on the first policy anniversary that falls on or after their 65th birthday. This option must be exercised within 60 days of the appropriate policy anniversary. This conversion option is not available if the policyholder was chronically ill within the past 2 years. If the insured exercises this conversion option, their premium will be increased by the difference between the premiums for the CPI Compound inflation option and Guaranteed Purchase Option at age 65 for the insured's then current benefit amounts.

2. CPI Compound Inflation (Endorsement ICC10-CPI/GIO)

The Long-Term Care Benefit and remaining Policy Limit will, on each policy anniversary, increase by the percentage change in the Consumer Price Index, Urban, All Items (CPI percentage). The CPI percentage will be measured over the 1 year period that ends three months prior to the month of the policy anniversary. If the CPI percentage is negative in a year, no reduction in current Long-Term Care benefit amounts or policy limits will occur, but will offset future increases.

In addition, every 3 years an option to increase the Long-Term Care Benefit amount and remaining Policy Limit by a factor of 5% will be offered (this is referred to as the Guaranteed Increase Option). This increase will be in addition to the automatic CPI increases. The premium for any increase will be based on attained age. No additional underwriting will be required. The offer will not be available if the policyholder was chronically ill in the 2 years prior to the date of the offer, after the insured attains age 76 or if the policyholder has declined two previous options. The Guaranteed Increase Option is not available for limited pay policies or policies with the Survivorship and Waiver of Premium Benefit Rider.

3. CPI Compound Inflation Through Age 75 (Endorsement ICC10-CPI75GIO)

The Long-Term Care Benefit and remaining Policy Limit will, on each policy anniversary through age 75, increase by the percentage change in the Consumer Price Index, Urban, All Items (CPI percentage). This inflation option functions exactly like the "CPI Compound

Inflation" option above with the exception that the automatic benefit increases end after age 75. The maximum issue age for this inflation option is age 70.

4. Annual 5% Compound Inflation (Endorsement ICC-5COMP)

The Long-Term Care benefit and remaining policy limit will increase 5% per year compounded. The premium for this option is level from the date of issue.

In addition, we are filing a fifth inflation option that will not be available upon launch of this product but we may make available at a later date:

5. Annual 3% Compound Inflation (Endorsement ICC-3COMP)

The Long-Term Care benefit and remaining policy limit will increase 3% per year compounded. The premium for this option is level from the date of issue.

Partner Discounts and Underwriting Factors

The following two paragraphs describe the partner discounts available with this product and the underwriting factors for the different rate classes. The combination of these two items is limited to a 35% reduction from single life standard rates.

- *Partner Discount*
  A partner discount of 30% is available for married couples or domestic partners who have lived together for at least 3 years and if both individuals apply and are accepted for coverage.

- *Underwriting Classes*
  A preferred class, standard class, and two sub-standard classes are available. Preferred Rates are 90% of standard rates and the substandard rates are 125% and 150% of standard rates.

Other Discounts

- *Sponsored Group Discount*
  For eligible employer, association, and other groups approved by us, a 5% discount will be applied to each policy.

- *Family Discount*
  If three or more members of an immediate family purchase the policy, a 5% discount applies. This discount is not available in combination with the Sponsored Group discount.

- *Loyalty Credit*
  If an insured has an existing John Hancock individual long-term care policy from a prior policy series inforce for two years or more and replaces that coverage with this policy, there will be a 5% credit applied to this policy.

Limited Pay Options

A 20 year payment option and a paid up at age 75 option are available. Limited Pay Options are not available in conjunction with the Survivorship and Waiver of Premium benefit rider. If a limited pay option is elected the Guaranteed Purchase Option is not available (the customer must choose between no inflation, CPI compound inflation, CPI compound through age 75 or 5% compound inflation). The 20 year payment option is available through issue age 69 and the paid up at 75 option is available through issue age 55. The policy is guaranteed renewable during the premium paying period and noncancelable after the policy is paid up.

The following factors are applied to the base plan rates and any optional benefits for limited pay plans:

Issue Age	20 Pay	Paid Up 75
18-29	2.58	1.48
30	2.54	1.48
31	2.50	1.48
32	2.47	1.48
33	2.43	1.48
34	2.40	1.48
35	2.36	1.48
36	2.32	1.48
37	2.28	1.48
38	2.24	1.48
39	2.20	1.48
40	2.15	1.48
41	2.12	1.49
42	2.08	1.49
43	2.04	1.49
44	2.01	1.50
45	1.97	1.50
46	1.94	1.51
47	1.91	1.52
48	1.87	1.53
49	1.84	1.54
50	1.81	1.56
51	1.77	1.57
52	1.73	1.57
53	1.69	1.58
54	1.64	1.59
55	1.60	1.60
56	1.56	
57	1.52	
58	1.48	
59	1.44	
60	1.40	
61	1.37	
62	1.33	
63	1.30	
64	1.26	
65	1.23	
66	1.20	
67	1.18	
68	1.15	
69	1.10	

There is a special contingent nonforfeiture benefit for Limited Pay policies. It is available if the policy terminates within a period of 120 days following any substantial rate increase (defined in table below) and if the ratio of the number of months of premium all ready paid is 40% or more than the number of months that was originally agreed to pay.

Triggers for a Substantial Premium Increase	
Issue Age	Percent Increase Over Initial Premium
Under 65	50%
65-80	30%
Over 80	10%

The benefit under this provision is a reduced paid up policy in the amounts of 90% of the daily or monthly benefit and policy limit at the time of the lapse multiplied by the ratio of the number of months already paid premiums to the number of months that were agreed to pay.

Rider Charges

Nonforfeiture	6%
Survivorship and Waiver of Premium	9%
Waiver of Home Health Care EP	15%
Additional Cash Benefit	10%
Shared Care	2 yr BP: 26% 3 yr BP: 16% 4 yr BP: 11% 5 yr BP: 10% 6 yr BP: 8% 10 yr BP: 5%

Premium Modalization Rules

Semiannual:	.52 * Annual Premium
Quarterly:	.27 * Annual Premium
Monthly:	.09 * Annual Premium

These factors recover interest and premiums lost due to deferred payments and off anniversary lapses as compared to annual mode experience.

Contract Reserves

Active Life Reserves

Reserve Basis

- One-year Full Preliminary Term
- The assumptions used for reserves contain reasonable margins for adverse experience
- The net valuation premium for renewal years does not increase

Morbidity

- 107.5% (2.41% load for claim administration expenses and 5% margin for adverse experience) of the select and ultimate claim costs developed for this form and as described above in the pricing assumptions. No future morbidity improvements are assumed.

Interest

- 4% discount rate

Mortality

- 60% female and 40% male blend of 1994 Group Annuity mortality

Persistency

- Policy years 1-4: 80% of the lapse rate used in the calculation of gross premiums (as described above in the pricing assumptions)
- Policy years 5+: 100% of the voluntary lapse rate used in the calculation of gross premiums.

Claim Liability and Reserves

The claim reserves are calculated as the present value of future claim payments for claims that have been incurred, based on claim runoffs that reflect 95% of our pricing claim termination rates (for conservatism), discounted at 4% interest.

Relationship to Gross Premiums

The difference between gross premium and the net valuation premium for renewal years is sufficient to cover expected renewal expenses. In addition, None of the major pricing cells fail the ratio test. The Excel spreadsheet accompanying this memo provides a table of sample ages and coverages demonstrating this.

Premium Rate Schedules

The following pages contain the premium rate schedules to which the information in this actuarial memorandum applies. The Excel spreadsheet accompanying this form shows a comparison of these premium rates to an existing similar policy form series (LTC-03) that will be replaced by this policy series in all applicable Compact states.

John Hancock Life Insurance Company
Individual Long-Term Care Policy Series ICC10-LTC-11

Standard Rates per $10 Daily Benefit, 90-day EP

Guaranteed Purchase Option						
	Benefit Period					
Age*	**2**	**3**	**4**	**5**	**6**	**10**
18-29	23	27	29	31	32	38
30	23	27	29	31	32	42
31	24	28	30	32	33	43
32	25	29	31	33	34	45
33	25	29	32	34	35	47
34	26	30	33	35	36	48
35	27	31	34	36	37	50
36	28	32	36	38	39	52
37	29	33	37	40	42	54
38	30	34	39	43	44	56
39	31	36	42	45	47	59
40	32	37	44	47	49	61
41	33	39	45	48	51	64
42	34	40	47	50	53	66
43	35	43	49	51	54	70
44	36	44	50	53	56	73
45	37	46	52	55	58	75
46	39	48	54	57	60	79
47	40	50	56	59	62	82
48	43	52	57	61	64	86
49	45	54	59	64	67	90
50	46	56	61	66	70	94
51	49	59	64	70	73	100
52	51	61	67	74	76	104
53	53	64	72	77	80	109
54	56	67	75	81	84	115
55	59	71	79	85	87	120
56	62	76	83	90	93	128
57	66	80	88	95	99	136
58	71	85	93	102	105	144
59	75	90	99	108	111	154
60	79	95	105	114	118	164
61	85	103	113	124	128	176
62	91	111	122	134	138	191
63	99	120	133	144	149	206
64	107	130	143	157	162	222
65	115	140	155	169	175	240
66	126	154	170	185	191	262
67	136	168	186	201	209	285
68	148	184	204	219	228	311
69	162	202	224	240	249	339
70	176	221	245	262	272	371
71	194	243	269	289	303	405
72	212	266	295	319	337	441
73	233	291	323	352	376	482
74	254	318	354	388	418	525
75	278	348	388	429	466	573
76	308	388	432	476	518	627
77	343	433	481	529	576	686
78	380	483	536	589	640	750
79	420	538	596	654	711	821
80	689					
81	744					
82	802					
83	867					
84	935					
85	1009					
86	1075					
87	1146					
88	1221					
89	1302					
90	1387					

John Hancock Life Insurance Company
Individual Long-Term Care Policy Series ICC10-LTC-11

Standard Rates per $10 Daily Benefit, 90-day EP

CPI Compound Inflation						
	Benefit Period					
Age*	**2**	**3**	**4**	**5**	**6**	**10**
18-29	61	74	80	85	87	115
30	65	78	84	88	90	121
31	66	79	85	89	91	124
32	67	80	87	90	93	126
33	67	82	88	92	94	128
34	69	83	90	93	97	130
35	70	84	91	94	98	132
36	71	85	93	97	100	134
37	73	87	95	99	102	137
38	74	88	98	101	103	139
39	76	90	100	103	105	142
40	77	91	102	105	107	144
41	79	93	104	107	109	147
42	80	95	106	110	112	151
43	82	98	107	112	114	154
44	84	100	109	114	116	157
45	86	102	111	116	119	160
46	88	104	113	118	121	164
47	89	106	116	121	124	167
48	91	108	118	124	127	171
49	92	110	120	126	129	175
50	94	113	122	129	132	180
51	98	116	127	133	136	185
52	101	119	131	137	140	190
53	104	122	135	141	144	196
54	107	126	139	146	149	201
55	110	130	144	151	154	208
56	115	135	149	157	161	216
57	119	140	156	163	167	225
58	125	145	162	169	173	234
59	129	152	169	176	181	244
60	134	158	175	184	188	253
61	142	167	186	194	199	269
62	151	177	197	207	212	284
63	160	188	210	219	224	301
64	169	199	222	231	238	319
65	180	211	236	246	252	338
66	192	226	251	264	271	364
67	204	244	268	283	292	393
68	219	262	286	304	315	424
69	234	281	305	326	338	458
70	250	302	326	350	364	493
71	268	323	356	384	402	531
72	288	346	387	421	442	572
73	308	371	422	463	486	617
74	330	398	461	509	536	663
75	354	426	502	559	589	714
76	391	471	554	614	648	790
77	433	523	610	677	713	874
78	480	579	674	744	785	967
79	529	641	743	818	864	1070
80	869					
81	929					
82	992					
83	1061					
84	1133					
85	1211					
86	1279					
87	1350					
88	1425					
89	1505					
90	1588					

*Ages 80-90 only available for the Shared Care guaranteed option

John Hancock Life Insurance Company
Individual Long-Term Care Policy Series ICC10-LTC-11
Standard Rates per $10 Daily Benefit, 90-day EP

	CPI Inflation to 75					
	Benefit Period					
Age*	2	3	4	5	6	10
18-29	52	63	69	73	75	100
30	55	66	72	76	78	105
31	56	67	73	77	79	107
32	57	69	74	78	80	108
33	57	69	75	79	81	110
34	58	70	76	80	82	111
35	59	71	77	81	83	113
36	60	72	79	83	85	115
37	61	73	80	84	86	117
38	62	75	82	86	88	119
39	63	76	84	87	89	122
40	64	77	86	89	91	125
41	65	78	87	91	93	127
42	66	80	88	92	95	129
43	69	81	90	94	97	132
44	70	83	91	97	99	134
45	72	84	92	98	101	136
46	73	86	94	100	103	139
47	74	88	97	102	105	142
48	75	89	98	104	107	145
49	76	91	100	106	109	148
50	78	93	102	108	111	152
51	80	95	105	111	114	156
52	82	98	108	114	117	161
53	84	101	111	117	120	165
54	86	103	115	121	125	169
55	89	106	118	125	128	174
56	92	110	122	130	133	182
57	95	114	128	135	138	188
58	100	118	133	140	143	195
59	104	122	137	145	149	202
60	107	128	143	151	155	211
61	113	135	152	160	164	223
62	120	142	160	169	173	236
63	127	151	170	180	184	249
64	134	159	180	190	195	264
65	142	168	191	200	207	279
66	152	181	203	215	222	301
67	162	194	217	230	239	325
68	172	209	231	247	257	350
69	185	224	246	266	277	377
70	197	241	263	284	298	407
71	213	261	285	309	323	441
72	225	275	305	334	350	467
73	237	297	328	361	384	496
74	258	323	359	392	424	530
75	278	348	388	429	466	573

John Hancock Life Insurance Company
Individual Long-Term Care Policy Series ICC10-LTC-11

Standard Rates per $10 Daily Benefit, 90-day EP

5% Compound Inflation						
	Benefit Period					
Age*	**2**	**3**	**4**	**5**	**6**	**10**
18-29	162	198	215	227	234	308
30	170	207	227	239	245	324
31	171	208	228	240	246	326
32	172	209	229	241	247	328
33	172	210	231	243	248	329
34	173	211	233	244	249	331
35	174	212	234	245	250	333
36	175	213	235	246	251	335
37	176	214	236	247	253	336
38	177	216	237	249	254	338
39	179	217	238	250	256	339
40	180	218	239	251	257	342
41	181	219	240	252	258	344
42	182	220	241	253	260	345
43	183	221	242	254	261	346
44	184	222	244	255	262	348
45	185	223	245	256	263	349
46	186	224	245	256	263	351
47	187	225	246	257	264	354
48	188	225	247	257	264	356
49	189	226	247	258	265	358
50	190	227	248	260	266	361
51	192	229	251	262	269	364
52	193	233	254	265	272	368
53	195	235	257	268	275	372
54	197	238	260	271	278	376
55	199	241	263	274	281	379
56	202	245	268	279	286	387
57	207	250	273	284	293	395
58	211	254	278	291	298	404
59	215	260	282	296	304	413
60	219	265	288	301	309	421
61	228	276	301	315	323	440
62	238	288	315	328	336	460
63	248	300	328	342	351	480
64	260	312	343	356	365	501
65	271	326	358	372	381	523
66	283	343	375	392	405	546
67	297	359	393	413	430	571
68	310	378	412	436	456	596
69	325	397	432	460	485	623
70	340	417	453	486	514	650
71	372	446	493	528	561	702
72	406	477	536	576	611	758
73	442	512	583	627	666	818
74	483	547	634	683	727	883
75	527	585	690	744	792	954
76	561	640	756	818	869	1044
77	595	701	827	900	953	1143
78	631	767	906	989	1044	1251
79	671	839	991	1088	1145	1368
80	1056					
81	1119					
82	1186					
83	1257					
84	1333					
85	1412					
86	1497					
87	1591					
88	1691					
89	1797					
90	1910					

John Hancock Life Insurance Company
Individual Long-Term Care Policy Series ICC10-LTC-11

Standard Rates per $10 Daily Benefit, 90-day EP

3% Compound Inflation						
	Benefit Period					
Age*	**2**	**3**	**4**	**5**	**6**	**10**
18-29	66	79	86	91	93	124
30	71	84	90	94	97	130
31	72	85	91	95	98	133
32	73	86	93	97	100	135
33	73	88	94	99	101	137
34	74	89	97	100	104	140
35	75	90	98	101	105	142
36	76	91	100	104	107	144
37	78	93	103	106	109	147
38	79	94	105	108	110	149
39	81	97	107	110	112	153
40	82	98	109	112	114	155
41	85	100	111	114	116	159
42	86	103	113	117	119	162
43	88	105	114	119	122	165
44	90	107	116	122	125	168
45	92	109	118	125	128	171
46	94	111	121	127	130	175
47	95	113	125	130	133	180
48	98	115	127	133	136	184
49	99	117	129	135	138	188
50	101	121	132	138	142	192
51	105	125	136	143	146	198
52	108	128	141	147	151	203
53	111	132	145	152	155	210
54	114	135	149	157	161	216
55	117	140	155	162	165	223
56	124	145	161	168	172	231
57	128	151	167	174	180	242
58	134	156	173	182	186	251
59	138	163	182	189	193	262
60	144	169	188	197	201	272
61	153	180	199	208	214	289
62	162	190	211	222	227	304
63	171	201	225	236	241	323
64	182	214	239	248	255	342
65	192	226	253	264	271	363
66	206	243	270	282	291	390
67	220	262	286	303	313	422
68	236	280	308	327	337	454
69	251	301	328	350	363	491
70	268	324	350	375	390	529
71	286	347	382	412	431	571
72	309	371	415	452	474	613
73	331	398	453	497	521	662
74	354	427	495	545	575	711
75	379	457	539	600	631	766
76	420	506	595	660	694	848
77	464	561	654	726	765	938
78	515	621	722	798	842	1038
79	568	688	797	877	927	1148
80	932					
81	996					
82	1064					
83	1138					
84	1217					
85	1300					
86	1372					
87	1449					
88	1528					
89	1614					
90	1703					

JOHN HANCOCK LIFE INSURANCE COMPANY (U.S.A.)

ENDORSEMENT

GUARANTEED PURCHASE OPTION

This Endorsement explains how Your Long-term Benefit Amount increases on each Option Date to provide protection against the increasing cost of long-term care due to inflation.

This Endorsement is part of the Policy to which it is attached. It is subject to all the provisions of the Policy unless otherwise provided below.

Important Notice – The Guaranteed Purchase Option is *not* applicable to You if You are paying Your premium via the Twenty-Year Premium Payment Option or the Paid up at Age 75 Payment Option or if You purchased the Survivorship and Waiver of Premium Benefit.

Option Dates

Effective as of the third anniversary of the Effective Date of Coverage and every third anniversary thereafter (the "Option Dates"), We will offer You the option to increase Your Long-Term Care Benefit Amount by purchasing an additional amount of coverage. The additional amount of coverage available to You will depend upon what Long-Term Care Benefit Amount You elected.

- If You elected the daily Long-Term Care Benefit Amount You will be offered the opportunity to increase Your daily Long-Term Care Benefit Amount by $10.
- Or, if You elected the monthly Long-Term Care Benefit Amount You will be offered the opportunity to increase Your monthly Long-Term Care Benefit Amount by $300.

No additional underwriting will be required.

We must receive Your written election within 31-days after the applicable Option Date or Your right to elect that increase will expire.

When the Long-Term Care Benefit Amount is increased under the Guaranteed Purchase Option, the remaining Policy Limit (as well as any remaining Benefit Amounts listed in the Policy Schedule) will be increased by the same percentage as the increase in the Long-Term Care Benefit Amount and rounded to the nearest dollar.

At the time of each offer, We will provide You with information regarding:

- Your current Long-Term Care Benefit Amount;
- the amount of increase available to You under this Guaranteed Purchase Option;
- the additional premium amount for the increase under this Guaranteed Purchase Option; and
- instructions on how You may elect this increase. We must receive Your written election within 31-days after the applicable Option Date or Your right to elect that increase will expire.

IMPORTANT NOTICE - If You do not elect an increase when offered, that increase will not be available on any future date. You will, however, still have the opportunity to accept future offers unless You decline the offer two times. After You decline the offer of an optional increase on any two Option Dates, no future offers will be available to You. However, You may request to resume such offers by making the request to Us in writing and provide evidence of insurability satisfactory to Us. Any resumed offers will be subject to all conditions of this Endorsement.

The premium for any increase under the Guaranteed Purchase Option (including any corresponding premium for any optional benefit riders/endorsements that You have elected and are part of Your Policy) will be based on Your age on the Option Date and the premium rates then in effect.

The increase on any Option Date will not be available to You (and, if requested, will not take effect) if:

- You were a Chronically Ill Individual at any time during the two year period prior to the Option Date; or
- the Option Date occurs on or after Your 81st birthday.

No Guaranteed Purchase Option offer or adjustment will be made while this Policy is in effect under any nonforfeiture benefit.

Nothing in this Endorsement will extend termination of the Policy or create a new Policy Limit after the then applicable Policy Limit is exhausted.

Termination

This Endorsement will terminate when the Policy terminates, or when the Policy is continued under the provisions of any nonforfeiture benefit.

Signed for the Company at Boston, Massachusetts:

Emanuel Alves

Secretary