



# NewsLINK

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## Important update on our LTC insurance products

This is to inform you of an important development concerning our long-term care (LTC) insurance product portfolio. John Hancock has recently completed another comprehensive claims study, which we generally conduct every three years and which examines the usage trends for our insured population. Similar to our previous analysis, the new data demonstrates that claims, particularly at higher ages, continue to last longer than expected, and more policyholders are initiating claims at older ages than previously expected. Based on that data, we have determined that there is a need to increase premiums on certain policy series.

As a result, this month, we will begin filing for an increase of premiums on certain individual long-term care policy series. We will be requesting an average increase of approximately 20% across most of our LTC insurance business. This amount assumes that we were permitted to implement the full amount of the increases we have requested in the past. The actual amount requested will vary by state based on the amount and timing of previous rate increases. Increases will also vary depending on the policy series, issue age, inflation option, and benefit period. All proposed rate increases will be filed with state insurance regulators, and will only be implemented in a particular state once we are permitted to do so.

As with prior rate increases, there will be a number of benefit adjustment options to help keep premiums at or close to their current level. For example, insureds that originally purchased automatic 5% compound or 5% simple inflation coverage will be offered reduced inflation coverage (subject to state acceptance) which, in most cases, may allow them to keep their premium at its current level. Customers can also reduce their benefit period, adjust their daily/monthly benefit amount, extend their elimination period, or drop riders from their coverage.

### Affected Policies

The 2016 inforce rate increase will affect most of our individual product portfolio, excluding the Performance LTC products. Please refer to the [2016 Rate Action Information Guide](#) for a list of impacted policy series, frequently asked questions, and a tentative timeline. Please note that policyholders who are currently on claim will be notified, but are not subject to the premium rate increase until their claim status changes.

**Timing**

Starting this month, we will begin filing the proposed individual increases with the state departments of insurance. After we are permitted to proceed with implementation of a rate increase in a particular state, John Hancock will send affected policyholders a letter that explains the premium rate increase and summarizes the options available to them, about 90 days prior to the effective date of the premium increase. As is our practice, we will provide you with lists of affected clients in each state and sample letters in advance of the policyholder mailing, as well as any other pertinent state-specific variations.

We appreciate your support and encourage you to contact your John Hancock representative should you have any questions.