



An employee benefit that benefits employers



Long term care insurance is underwritten by
John Hancock Life Insurance Company, Boston, MA 02117.



Independence is something we treasure but often take for granted.

It might be difficult to imagine needing help with basic tasks. But it can happen.

Long term care is the kind of care you need when you're no longer able to manage everyday tasks, like bathing or dressing, without assistance. Contrary to what you might think, long term care can be an issue for anyone. Accidents or illness can strike at any age. Care is expensive and costs continue to rise. Funding is limited and many of these costs must be paid for out-of-pocket. Paying for long term care is a serious issue facing millions of Americans.

You can help. More employers than ever are adding long term care insurance (LTCI) to their benefits packages. The benefit's growth has been impressive, with the number of employers offering the coverage having increased more than 411% over the past seven years. (LIMRA. U.S. Employer-Sponsored Group Long Term Care Insurance Sales Reports, 1996-2004.) Maybe it's time for your organization to think about long term care insurance. Employers that care about their employees, care about long term care.

Planning for retirement

Long term care insurance can play an important role in overall retirement planning.

Employees depend on their pension plans and 401(k) accounts to fund their retirement plans. Unfortunately, a long term care situation can change those plans, as individuals struggle to deal with the emotional and financial ramifications. Long term care insurance provides funding specifically designated to cover long term care costs, so that retirement funds can be used for what they were intended – enjoying retirement.



CONSIDER

EMPLOYEE NEED	EMPLOYER RESOLUTION
Healthcare	Health Insurance Plan
Dental Care	Dental Insurance Plan
Premature Death	Life Insurance Plan
Income Replacement	Disability Insurance Plan
Personal Assistance	Employee Assistance Program
Retirement Portfolio	401(k) Program
Protection of Retirement Portfolio	Long Term Care Insurance Plan



LTCI HELPS EMPLOYEES

Preparing for the unexpected

An illness or accident can strike employees of any age.

When people are busy working or raising a family, the prospect of facing a long term care situation may seem unlikely, but it is important to be prepared.

By offering long term care insurance, you are giving your employees access to coverage that can provide them with protection if they have difficulty managing without assistance, in the event of an illness or accident. Because premiums are based on age at time of enrollment, younger employees can purchase the coverage at very attractive rates.

FACT

57% of all LTC costs are either donated or paid for out-of-pocket.

The Cost of Financing Long-Term Care Services, Figure 1. Statement of Douglas Holtz-Eakin, Director of CBO before the Subcommittee on Health, Committee on Ways and Means, U.S. House of Representatives. April, 2005.

Questions? Make sure to ask your broker or agent about John Hancock CorporateChoice.



LTCI HELPS EMPLOYEES

Relieving caregiver stress

Caregiving can be physically demanding and emotionally exhausting.

And, if the family member who needs care lives far away, it can mean hours on the telephone trying to arrange for assistance. Employees who find themselves in this role often have trouble focusing on their work.

Long term care insurance can help. In addition to paying benefits, it also offers insureds and family members a support network they can count on. Each claimant is assigned a personal care coordinator who can make suggestions about the site and level of care and can share valuable information about local providers and other available resources.

FACT

Based on a study of over 1,200 caregivers in the United States:

- > 83% are caring for a relative
- > 61% are women
- > 50% are employed full-time
- > 82% help with transportation
- > 75% help with grocery shopping
- > 69% help with housework
- > 64% help with managing finances
- > 59% help with meal preparation
- > 41% help with medication

Caregiving in the United States. National Alliance for Caregiving and AARP. April, 2004.

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Taking personal responsibility

Many employees make the mistake of relying on government programs like Medicare and Medicaid* to fund their long term care expenses.

They may not realize that there are certain criteria to qualify for either program and that the benefits provided may not suit their needs. In addition, both programs are straining under rising demand. Taking personal responsibility for potential long term care needs may be the wisest course of action. In fact, the federal government is trying to encourage the purchase of private insurance by offering the Federal Long Term Care Insurance Program (FLTCIP) to its own employees and their family members. The FLTCIP has been well-received and is the largest employer-sponsored long term care insurance plan in the nation, with over 200,000 insureds.

FACT

In 2003 alone, Medicare and Medicaid paid more than \$120 billion dollars for long-term care services.

Long-Term Care Financing: Growing Demand and Cost of Services Are Straining Federal and State Budgets, Figure 1, based on 2003 data from Centers for Medicaid and Medicare Services. General Accounting Office report, GAO-05-564T. April 2005.

In-force LTCI policies saved government programs and consumers more than \$8.2 billion in long-term care expenses, last year.

Total LTCI Market. Total Market In-Force. LIMRA International, 2005.

*Known as Medi-Cal in California.



LTCI HELPS EMPLOYERS

Enhancing your benefits package

As good as your benefits package is, it may have gaps when it comes to protecting employees and their family members from the high costs of long term care.

Health benefits are designed to cover the costs of treating acute illnesses; they do not cover the cost of a nursing home stay. Disability insurance is there as income replacement; it does not pay the cost of home health care. Long term care insurance can enhance your benefits package by providing employees with important coverage that these other benefits do not.

FACT

6,576 employers installed a group long term care insurance plan in 2004.

This represents a 411% growth over seven years.

LIMRA. U.S. Employer-Sponsored Group Long Term Care Insurance Sales Reports, 1996-2004.



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LTCI HELPS EMPLOYERS

Regaining lost productivity

There is a price associated with long term care that has nothing to do with the cost of services.

It's the hidden cost of productivity lost to caregiving; by some estimates, it is as high as \$29 billion annually. (Frequently Asked Questions: Family Caregiving. U.S. Department of Health and Human Services. December, 2003.) Employees lose time at work dealing with long term care issues or may not come in at all. Many must sacrifice their careers for their caregiving responsibilities. Long term care insurance can help employees make the most of their time at work because it gives them resources to better deal with a difficult situation.

FACT

57% of caregivers report having to go in late, leave early, or take time off.

17% of caregivers have to take a leave of absence.

16% of caregivers either need to quit or go from working full-time to working part-time.

Caregiving in the United States. National Alliance for Caregiving and AARP. April, 2004.

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LTCI HELPS EMPLOYERS

Subsidizing the coverage

Paying for long term care coverage offers a number of advantages that every employer should consider.

When your organization pays for all or a portion of long term care insurance coverage, you are eligible for more liberal underwriting, with the availability of guaranteed issue for actively-at-work employees, in some cases. There are tax advantages, too, since the premium you pay can be deducted as a business expense [IRC 162 (a)], and, in most cases, your employees will not be taxed on any benefits they receive. You can also anticipate stronger plan participation, when you offer to pay for base coverage and allow employees to purchase additional insurance.

ILLUSTRATION

If a corporation contributes \$1,000 in premium for an employee, that corporation can deduct the full premium amount, and that amount is excluded from taxable income of the employee, even if it exceeds the premium eligible for an individual deduction under IRC 213(d).

Illustration based on [IRC 106, 7702B, 104(a) (3)].

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Making the best choice

Choosing CorporateChoice

CorporateChoice is one of the finest long term care insurance plans available to employers today. It offers flexible, affordable coverage that provides benefits for a wide range of care, from nursing homes and alternate care facilities to adult day care and home settings.

Some of the plan feature highlights include:

>	informal care and stay at home benefits so that individuals can receive care from familiar faces in familiar surroundings, for as long as possible
>	a generous respite benefit that helps provide relief for unpaid caregivers
>	hospice benefits that cover care received in a hospice center or at home
>	inflation provisions that allow coverage to keep pace with rising long term care costs
>	comprehensive, educational marketing programs and customized employer Web sites to facilitate enrollment
>	toll-free access to a customer service center that specializes in long term care
>	care coordination that assists claimants and their family members in determining the level of care that is best for them and in finding local care providers

Choosing John Hancock

John Hancock has been a leading long term care insurance carrier since we entered the marketplace in 1987. We began selling long term care insurance to employers in 1988 and have over 1,900 clients representing some of the best known companies and universities in the country. And, we are proud to be one of two carriers selected to introduce and administer the Federal Long Term Care Insurance Program.

When you choose John Hancock, you are choosing a carrier with:

>	proven experience in the development and administration of long term care insurance plans
>	one of the largest long term care books of business in the industry, with in-force premium in excess of \$1 billion, as of 12/31/04
>	centralized resources dedicated to marketing, customer service, and administration
>	superior financial strength and stability ratings
>	commitment to long term care insurance

When you consider long term care insurance, we hope you consider John Hancock. It could be one of the best decisions you'll ever make for your organization.