



# Performance LTC Long-Term Care Insurance Proposal

John Hancock Life Insurance Company (U.S.A.), Boston, MA 02117

PRESENTED FOR:                    Mr. Valued Client  
   Mrs. Valued Client

PRESENTED BY:                    Sample Producer

PREPARED ON:                    7/9/2015

## PERFORMANCE LTC OVERVIEW

The Performance LTC insurance policy you are considering can help you cover the expenses associated with long-term care, should you ever need it. The coverage is subject to a daily or monthly limit and a total pool of money, each of which grows with the inflation coverage you selected. The Policy Premium required for the coverage you choose may be reduced by the policy's Flex Account, which is described below.

### Flex Credits

If your policy is in force on the policy anniversary, you may be eligible to receive Flex Credits. Flex Credits are equal to:

- The amount of any Insurance Credit, plus
- The amount of any Interest Credit, less
- The amount of any outstanding negative Flex Credits occurring in prior years

Insurance Credits will vary based on the mortality, morbidity and lapse experience for this policy series and other policy series in the same class. Interest Credits will vary based on the Declared Rate.

When your Flex Credit is greater than zero, it is applied to your Flex Account on the policy anniversary and may be used as described below. If your Flex Credit is negative, your Flex Account balance will not be reduced. However, any negative credits will be carried forward until offset by future positive Flex Credits. For example, if the current year's Flex Credit is a negative \$1,000 and the following year's Flex Credit is a positive \$1,200, you will receive no Flex Credit for the current year and a Flex Credit of \$200 the following year.

Your policy includes additional information about how we calculate Flex Credits. Our method for calculating and allocating Flex Credits is maintained on file with our regulators.

### Flex Account

Your Flex Account is an account established to accumulate your Flex Credits. The balance in your Flex Account will earn interest at the Declared Rate and can be used to:

- Reduce premiums
- Pay for services that can help you remain in your own home
- Reimburse long-term care expenses during the elimination period
- Reimburse long-term care expenses in excess of the long-term care benefit amount
- Provide a return of premium upon death or surrender, capped at total premiums paid

This illustration assumes your Flex Account is used to reduce premiums and that no amounts are deducted from your Flex Account for other purposes. You may request a Custom Illustration report to see the effect of deferring the use of all or part of your Flex Credits.

### Premium

You are required to pay premiums each year in order to keep this policy in force. Premiums are not guaranteed and may be higher or lower than what is shown on this illustration.

If you elected the 3% compound inflation for your policy the premium will increase on each policy anniversary through your attained age 90. Premium increases will be automatic and will continue as long as no corresponding benefit increase has been declined. If a benefit increase is declined then the premium will no longer increase and benefit increases will not be available until the policy anniversary following your 91st birthday, when automatic benefit increases will start again without a corresponding increase in premium.

The Policy Premium shown on this illustration is the premium due before any amount in the Flex Account is applied to reduce the premium. The Net Premium shown is equal to the Policy Premium less any amount from the Flex Account applied to reduce the premium. In no instance will the Net Premium be less than zero.

## PERFORMANCE LTC DISCLOSURES

This proposal is an illustration only and is not intended to predict actual performance. All amounts set forth in this proposal are not guaranteed. The projection of benefits is hypothetical and for illustration purposes only.

### Flex Credit & Flex Account

- Your policy must be in force on your policy anniversary in order to be eligible for any Flex Credits.
- There will be little or no Flex Credits in the early years of the policy.
- Under the assumptions in this proposal, Flex Credits will be greater than or equal to zero for all years shown.
- Flex Credits can be negative. When a Flex Credit is negative we will not increase the premium or reduce the Flex Account. However, we will offset any such negative amount when calculating future Flex Credits. This means that there may be no Flex Credits until such time that the amount offset for all prior years has been recouped.
- Our method for calculating and allocating Flex Credits will be on a basis that does not discriminate unfairly within any class of insureds and will be consistent with accepted accounting and actuarial principles. There is no single best method or formula for calculating and allocating Flex Credits. We maintain our method on file with our regulators. Our process may permit us to amortize the effects of certain unexpected events.
- This proposal assumes that the Flex Account is used to reduce premium and no other deductions are taken from the Flex Account in any year.

### Insurance Credit & Interest Credit

- Insurance Credits are affected by variations in mortality, morbidity and lapse experience. In the examples used to illustrate the Insurance Credit in this proposal we have taken into consideration only variations from expected morbidity experience, referred to as "total claims paid by the company". The Insurance Credit that we have assumed for each of the hypothetical scenarios shown in this proposal could also result from many other combinations of mortality, morbidity and lapse experience.
- Interest Credits will be positive when the Declared Rate is greater than the Threshold Rate and will be negative when the Declared Rate is less than the Threshold Rate. Threshold Rates vary by inflation option and issue age.
- The Declared Rate means the rate or rates of interest that we determine prospectively based on our expectations for future investment earnings, investment expenses, taxes, and reserve and capital requirements. The Declared Rate will not take into account our expectation for future mortality, morbidity or lapse experience.
- The Declared Rate may increase or decrease, but in no event will the Declared Rate ever be less than the portfolio rate of return from the prior period less 0.50%, subject to a guaranteed minimum rate of 1%. The method for calculating the portfolio rate of return is on file with our regulators and may include amortization of investment gains and losses.
- For 3% compound inflation this proposal assumes benefit increases are taken each year, with the corresponding increase in premium, unless otherwise noted. If you choose to decline a benefit increase, your Flex Credits and Flex Account balance may be lower than as shown in this proposal.

## PERFORMANCE LTC DISCLOSURES

### Premium

- Premiums are shown to age 100 in this proposal for illustration purposes only. Premiums continue for the life of the insured and will extend beyond age 100 for as long as the policy remains in force.
- While this illustration may show a Net Premium equal to zero, this may not occur as actual Flex Credits may be higher or lower and will not occur exactly as illustrated. As such, premiums may be required in the years illustrated and in future years. A Net Premium equal to zero may not occur on a continual, annual basis.
- To maintain your long-term care insurance coverage you are required to pay the premium each year.
- This policy has a 65-day grace period. If we do not receive the required premium payment before the end of the grace period, this policy will terminate.

**POLICY PREMIUMS ARE NOT GUARANTEED TO REMAIN UNCHANGED.** As long as you pay the required premium, you have the right to continue the policy for as long as you live or until the policy terminates. We cannot cancel the policy unless you do not make the required premium payments on a timely basis. To continue this policy, you must ensure that you pay the premiums when they are due. We cannot change the provisions of this policy without your consent. However, in addition to any scheduled increases in premium due to the operation of inflation coverage as may be applicable, we reserve the right to increase your premium as of any premium due date in the future. Any changes in premium rates must apply to all similar policies issued in your state to policyholders in the same class on this policy form. This means we cannot single you out for an increase because of your advancing age, declining health, claim status or for any other reason related solely to you.

### Additional Considerations

- This policy is intended to be federally tax-qualified. Tax-qualified long-term care insurance premiums may be deductible from income. Please consult with your tax advisor.
- This policy does not have a pre-existing condition clause.
- This policy is subject to underwriting. A medical exam is required to determine eligibility.
- This policy has a 30-day free look period. If you are not completely satisfied with it for any reason, you may return it within 30 days from the date it was delivered to you.
- Our obligations under this policy are backed by our general account assets. We have sole discretion over the assets of our general account and policyholders do not have any preferential claim on those assets. We expect to maintain the assets backing this policy in a segment of our general account that may also support other products with similar features as Performance LTC. The investment strategies that we employ for this segment of our general account will vary for other policies and may result in different declared rates among our products.
- In addition to fixed income investments, such as corporate bonds, we expect to invest a portion of the premiums received under this class of policies in equities and other alternative long duration assets. While this investment approach is intended to produce growth in the Flex Account over the long term, this approach could cause variability of results from year to year.

## PROPOSAL SUMMARY

BENEFIT SELECTIONS		
Name:	Mr. Valued Client	Mrs. Valued Client
Age:	60	60
Sex:	Male	Female
Risk Class:	Select	Select
LTC Benefit Amount <sup>1</sup> :	\$200 Daily	\$200 Daily
Benefit Period:	3 Years	3 Years
Policy Limit <sup>1</sup> :	\$219,000	\$219,000
Elimination Period:	90 Days of Service	90 Days of Service
Inflation Option:	3% Compound	3% Compound
Additional Accident Benefit <sup>2</sup> :	\$400 Daily	\$400 Daily
Premium Mode:	Annual	Annual
Optional Benefits <sup>3</sup> :		
Discounts:	Couples/Partner <sup>4</sup>	Couples/Partner <sup>4</sup>

PREMIUM <sup>5</sup>	
Combined First Year Annual Premium <sup>6</sup> For Mr. Valued Client and Mrs. Valued Client	\$4,200.00

Please refer to the next section for full premium details.

<sup>1</sup> Subject to increase due to the inflation coverage selected.

<sup>2</sup> The Additional Accident Benefit is available for care resulting from an accidental injury that occurs before age 65. The Additional Accident Benefit amount will increase under the policy's inflation coverage provision. The amount shown for the Additional Accident Benefit includes the LTC Benefit Amount.

<sup>3</sup> Optional Benefits are available at an additional cost.

<sup>4</sup> Discount is available for married couples, domestic partners or family members of the same generation if living together for at least 3 years. Both individuals must apply, be approved and accept the coverage under the same policy form to receive the discount.

<sup>5</sup> If you elected the 3% compound inflation option for your policy the premium will increase on each policy anniversary through your attained age 90. Premium increases will be automatic and will continue as long as no benefit increase has been declined.

<sup>6</sup> The First Year Annual Premium includes any Optional Benefits and/or Discounts selected.

Premiums will vary based on benefits selected, underwriting risk class, age and sex.

This proposal is a hypothetical illustration that shows premiums based on the proposed selection of certain plan variables and benefits. Illustrated coverage, premium rates and underwriting risk class are subject to underwriting approval.

## CALCULATION OF FIRST YEAR PREMIUM

PROPOSED INSURED		
Name:	Mr. Valued Client	Mrs. Valued Client
Age:	60	60
Sex:	Male	Female
Premium Mode:	Annual	Annual

BASE PREMIUM		
<b>Base First Year Premium:</b>	\$2,440.00	\$3,560.00

DISCOUNTS		
Couples/Partner <sup>1</sup> :	\$732.00	\$1,068.00
<b>Premium Discount:</b>	\$732.00	\$1,068.00

TOTAL PREMIUM <sup>2</sup>		
<b>Total First Year Premium:</b>	\$1,708.00	\$2,492.00
<b>Annual First Year Premium:</b>	\$1,708.00	\$2,492.00

INDIVIDUAL PREMIUM PAYMENT OPTIONS				
Modal Payment Options <sup>3</sup>	First Year Modal Premium	First Year Annualized Premium	First Year Modal Premium	First Year Annualized Premium
Annual:	\$1,708.00	\$1,708.00	\$2,492.00	\$2,492.00
Semi-Annual:	\$888.16	\$1,776.32	\$1,295.84	\$2,591.68
Quarterly:	\$461.16	\$1,844.64	\$672.84	\$2,691.36
Monthly:	\$153.72	\$1,844.64	\$224.28	\$2,691.36

COMBINED PREMIUM	
Combined First Year Annual Premium For Mr. Valued Client and Mrs. Valued Client	\$4,200.00

<sup>1</sup> Discounts are calculated based on Select Risk Class Rates.

<sup>2</sup> If you elected the 3% compound inflation option for your policy the premium will increase on each policy anniversary through your attained age 90. Premium increases will be automatic and will continue as long as no benefit increase has been declined.

<sup>3</sup> Please note that the more often you pay, the higher your premium amount will be per year.

Premiums will vary based on benefits selected, underwriting risk class, age and sex.

This proposal is a hypothetical illustration that shows premiums based on the proposed selection of certain plan variables and benefits. Illustrated coverage, premium rates and underwriting risk class are subject to underwriting approval.

## NET PREMIUM SUMMARY

*Based on Current Assumptions*

NAME: Mr. Valued Client

INFLATION OPTION: 3% Compound

The table below shows the amount of annual Net Premium due at selected ages under the Current scenario, which assumes a Declared Rate of 6% and total claims paid by the company are 10% higher than our current expectations. The amount of Net Premium assumes that the Flex Account is used to pay a portion of the Policy Premium each year starting in year 2 and the full Policy Premium starting in year 30. Please see the Base Illustration Detail for full details.

Age	Daily Benefit	Policy Limit	Policy Premium	Flex Credit	Net Premium	Flex Account Balance
60	\$200	\$219,000	\$1,708	\$0	\$1,708	\$0
65	\$232	\$253,887	\$1,953	\$164	\$1,789	\$0
70	\$269	\$294,325	\$2,313	\$512	\$1,801	\$0
75	\$312	\$341,202	\$2,880	\$1,086	\$1,794	\$0
80	\$361	\$395,558	\$3,817	\$2,085	\$1,733	\$0
85	\$419	\$458,564	\$5,419	\$4,207	\$1,213	\$0
90	\$485	\$531,601	\$8,066	\$8,514	\$0*	\$475
95	\$563	\$616,255	\$8,066	\$14,568	\$0*	\$23,337
100	\$652	\$714,400	\$8,066	\$22,247	\$0*	\$91,424

***\*This assumes Flex Credits in the Flex Account are used to pay the full Policy Premium. While this illustration may show a Net Premium equal to zero, this may not occur as actual Flex Credits may be higher or lower and will not occur exactly as illustrated. As such, premiums may be required in the years illustrated and in future years. A Net Premium equal to zero may not occur on a continual, annual basis.***

An illustration is not intended to predict actual performance. Illustrated values are rounded and may be higher or lower than actual values. Actual Flex Credits may be higher or lower and will not occur exactly as illustrated. Policy Premiums and Flex Credits are not guaranteed. Premiums will vary based on benefits selected, underwriting risk class, age and sex. Premiums are annualized based on premium mode selected. This proposal is a hypothetical illustration that shows premiums based on the proposed selection of certain plan variables and benefits. Illustrated coverage, premium rates and underwriting risk class are subject to underwriting approval.

## NET PREMIUM SUMMARY

*Based on Current Assumptions*

NAME: Mrs. Valued Client

INFLATION OPTION: 3% Compound

The table below shows the amount of annual Net Premium due at selected ages under the Current scenario, which assumes a Declared Rate of 6% and total claims paid by the company are 10% higher than our current expectations. The amount of Net Premium assumes that the Flex Account is used to pay a portion of the Policy Premium each year starting in year 2 and the full Policy Premium starting in year 30. Please see the Base Illustration Detail for full details.

Age	Daily Benefit	Policy Limit	Policy Premium	Flex Credit	Net Premium	Flex Account Balance
60	\$200	\$219,000	\$2,492	\$0	\$2,492	\$0
65	\$232	\$253,887	\$2,878	\$251	\$2,626	\$0
70	\$269	\$294,325	\$3,444	\$756	\$2,688	\$0
75	\$312	\$341,202	\$4,333	\$1,619	\$2,714	\$0
80	\$361	\$395,558	\$5,782	\$3,247	\$2,536	\$0
85	\$419	\$458,564	\$8,178	\$6,429	\$1,749	\$0
90	\$485	\$531,601	\$12,061	\$12,953	\$0*	\$1,115
95	\$563	\$616,255	\$12,061	\$22,025	\$0*	\$36,821
100	\$652	\$714,400	\$12,061	\$32,983	\$0*	\$138,011

***\*This assumes Flex Credits in the Flex Account are used to pay the full Policy Premium. While this illustration may show a Net Premium equal to zero, this may not occur as actual Flex Credits may be higher or lower and will not occur exactly as illustrated. As such, premiums may be required in the years illustrated and in future years. A Net Premium equal to zero may not occur on a continual, annual basis.***

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## NET PREMIUM COMPARISON

NAME: Mr. Valued Client

INFLATION OPTION: 3% Compound

The table below shows the amount of annual Net Premium due at selected ages based on three hypothetical scenarios for the Flex Credit.

**No Flex Credit** - Assumes a Declared Rate equal to the Threshold Rate of 2.5% and total claims paid by the company are 65% higher than our current expectations. Under this scenario the Net Premium is equal to the Policy Premium. There are other scenarios that result in no Flex Credits or negative Flex Credits.

**Adverse** - Assumes a Declared Rate of 4.5% and total claims paid by the company are 35% higher than our current expectations. More adverse outcomes are possible.

**Current** - Assumes a Declared Rate of 6% and total claims paid by the company that are 10% higher than our current expectations. The 10% safety margin is for illustration purposes only and is added for conservatism.

Age	Daily Benefit	Policy Limit	Net Premium		
			No Flex Credit	Adverse Assumptions	Current Assumptions
60	\$200	\$219,000	\$1,708	\$1,708	\$1,708
65	\$232	\$253,887	\$1,953	\$1,860	\$1,789
70	\$269	\$294,325	\$2,313	\$2,022	\$1,801
75	\$312	\$341,202	\$2,880	\$2,265	\$1,794
80	\$361	\$395,558	\$3,817	\$2,645	\$1,733
85	\$419	\$458,564	\$5,419	\$3,074	\$1,213
90	\$485	\$531,601	\$8,066	\$3,356	\$0*
95	\$563	\$616,255	\$8,066	\$40	\$0*
100	\$652	\$714,400	\$8,066	\$0*	\$0*

**\*This assumes Flex Credits in the Flex Account are used to pay the full Policy Premium. While this illustration may show a Net Premium equal to zero, this may not occur as actual Flex Credits may be higher or lower and will not occur exactly as illustrated. As such, premiums may be required in the years illustrated and in future years. A Net Premium equal to zero may not occur on a continual, annual basis.**

I have received a copy of this proposal and understand that this policy will remain in force as long as I pay the required premium on time. I understand the Company reserves the right to increase premiums in the future beyond what is scheduled for inflation coverage. The representative has told me Policy Premiums and Flex Credits are not guaranteed.

Applicant: \_\_\_\_\_ Date: \_\_\_\_\_  
 (Signature) (mm/dd/yyyy)

I certify that this proposal has been presented to the applicant and that I have explained that any premiums illustrated are subject to change. I have made no statements that are inconsistent with the illustration.

Producer: \_\_\_\_\_ Date: \_\_\_\_\_  
 (Signature) (mm/dd/yyyy)

Producer's Address: Sample Producer, , ,

An illustration is not intended to predict actual performance. Illustrated values are rounded and may be higher or lower than actual values. Actual Flex Credits may be higher or lower and will not occur exactly as illustrated. Policy Premiums and Flex Credits are not guaranteed. Premiums will vary based on benefits selected, underwriting risk class, age and sex. Premiums are annualized based on premium mode selected. This proposal is a hypothetical illustration that shows premiums based on the proposed selection of certain plan variables and benefits. Illustrated coverage, premium rates and underwriting risk class are subject to underwriting approval.

## NET PREMIUM COMPARISON

NAME: Mrs. Valued Client

INFLATION OPTION: 3% Compound

The table below shows the amount of annual Net Premium due at selected ages based on three hypothetical scenarios for the Flex Credit.

**No Flex Credit** - Assumes a Declared Rate equal to the Threshold Rate of 2.5% and total claims paid by the company are 65% higher than our current expectations. Under this scenario the Net Premium is equal to the Policy Premium. There are other scenarios that result in no Flex Credits or negative Flex Credits.

**Adverse** - Assumes a Declared Rate of 4.5% and total claims paid by the company are 35% higher than our current expectations. More adverse outcomes are possible.

**Current** - Assumes a Declared Rate of 6% and total claims paid by the company that are 10% higher than our current expectations. The 10% safety margin is for illustration purposes only and is added for conservatism.

Age	Daily Benefit	Policy Limit	Net Premium		
			No Flex Credit	Adverse Assumptions	Current Assumptions
60	\$200	\$219,000	\$2,492	\$2,492	\$2,492
65	\$232	\$253,887	\$2,878	\$2,735	\$2,626
70	\$269	\$294,325	\$3,444	\$3,014	\$2,688
75	\$312	\$341,202	\$4,333	\$3,416	\$2,714
80	\$361	\$395,558	\$5,782	\$3,957	\$2,536
85	\$419	\$458,564	\$8,178	\$4,595	\$1,749
90	\$485	\$531,601	\$12,061	\$4,898	\$0*
95	\$563	\$616,255	\$12,061	\$0*	\$0*
100	\$652	\$714,400	\$12,061	\$0*	\$0*

***\*This assumes Flex Credits in the Flex Account are used to pay the full Policy Premium. While this illustration may show a Net Premium equal to zero, this may not occur as actual Flex Credits may be higher or lower and will not occur exactly as illustrated. As such, premiums may be required in the years illustrated and in future years. A Net Premium equal to zero may not occur on a continual, annual basis.***

I have received a copy of this proposal and understand that this policy will remain in force as long as I pay the required premium on time. I understand the Company reserves the right to increase premiums in the future beyond what is scheduled for inflation coverage. The representative has told me Policy Premiums and Flex Credits are not guaranteed.

Applicant: \_\_\_\_\_ Date: \_\_\_\_\_  
 (Signature) (mm/dd/yyyy)

I certify that this proposal has been presented to the applicant and that I have explained that any premiums illustrated are subject to change. I have made no statements that are inconsistent with the illustration.

Producer: \_\_\_\_\_ Date: \_\_\_\_\_  
 (Signature) (mm/dd/yyyy)

Producer's Address: Sample Producer, , ,

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## BASE ILLUSTRATION DETAIL

*Based on Current Assumptions*

**NAME:** Mr. Valued Client

**LTC BENEFIT AMOUNT:** \$200 Daily

**INFLATION OPTION:** 3% Compound

**BENEFIT PERIOD:** 3 Years

**ELIMINATION PERIOD:** 90 Days of Service

The table below shows the amount of annual Net Premium due and the remaining Flex Account balance at selected ages under the Current scenario, which assumes a Declared Rate of 6% and total claims paid by the company are 10% higher than our current expectations. The amount of annualized Net Premium assumes that the Flex Account is used to pay a portion of the Policy Premium each year starting in year 2 and the full Policy Premium starting in year 30. The actual Flex Account balance may be higher or lower based on a number of factors including the actual Declared Rate and actual total claims paid by the company.

Age	Daily Benefit	Policy Limit	Policy Premium	Flex Credit	Net Premium	Flex Account Balance <sup>1</sup>	Flex Account Payable upon Death or Surrender <sup>1</sup>	Return of Premium Benefit upon Death
60	\$200	\$219,000	\$1,708	\$0	\$1,708	\$0	\$0	\$1,708
61	\$206	\$225,570	\$1,751	\$1	\$1,750	\$0	\$0	\$3,458
62	\$212	\$232,337	\$1,796	\$4	\$1,793	\$0	\$0	\$5,251
63	\$219	\$239,312	\$1,845	\$52	\$1,792	\$0	\$0	\$7,043
64	\$225	\$246,495	\$1,896	\$105	\$1,791	\$0	\$0	\$8,834
65	\$232	\$253,887	\$1,953	\$164	\$1,789	\$0	\$0	\$0
66	\$239	\$261,508	\$2,014	\$226	\$1,787	\$0	\$0	\$0
67	\$246	\$269,348	\$2,080	\$289	\$1,791	\$0	\$0	\$0
68	\$253	\$277,429	\$2,151	\$358	\$1,793	\$0	\$0	\$0
69	\$261	\$285,751	\$2,228	\$432	\$1,796	\$0	\$0	\$0
70	\$269	\$294,325	\$2,313	\$512	\$1,801	\$0	\$0	\$0
71	\$277	\$303,151	\$2,406	\$604	\$1,802	\$0	\$0	\$0
72	\$285	\$312,250	\$2,507	\$705	\$1,801	\$0	\$0	\$0
73	\$294	\$321,612	\$2,619	\$819	\$1,800	\$0	\$0	\$0
74	\$303	\$331,259	\$2,743	\$946	\$1,797	\$0	\$0	\$0
75	\$312	\$341,202	\$2,880	\$1,086	\$1,794	\$0	\$0	\$0
76	\$321	\$351,440	\$3,029	\$1,243	\$1,787	\$0	\$0	\$0
77	\$331	\$361,985	\$3,196	\$1,419	\$1,777	\$0	\$0	\$0
78	\$341	\$372,848	\$3,381	\$1,616	\$1,766	\$0	\$0	\$0
79	\$351	\$384,038	\$3,588	\$1,839	\$1,749	\$0	\$0	\$0
80	\$361	\$395,558	\$3,817	\$2,085	\$1,733	\$0	\$0	\$0

<sup>1</sup>Amounts payable from the Flex Account upon death or surrender will never exceed the cumulative premiums paid.

An illustration is not intended to predict actual performance. Illustrated values are rounded and may be higher or lower than actual values. Actual Flex Credits may be higher or lower and will not occur exactly as illustrated. Policy Premiums and Flex Credits are not guaranteed. Premiums will vary based on benefits selected, underwriting risk class, age and sex. Premiums are annualized based on premium mode selected. This proposal is a hypothetical illustration that shows premiums based on the proposed selection of certain plan variables and benefits. Illustrated coverage, premium rates and underwriting risk class are subject to underwriting approval.

Age	Daily Benefit	Policy Limit	Policy Premium	Flex Credit	Net Premium	Flex Account Balance <sup>1</sup>	Flex Account Payable upon Death or Surrender <sup>1</sup>	Return of Premium Benefit upon Death
81	\$372	\$407,428	\$4,073	\$2,360	\$1,713	\$0	\$0	\$0
82	\$383	\$419,648	\$4,358	\$2,707	\$1,651	\$0	\$0	\$0
83	\$395	\$432,240	\$4,676	\$3,127	\$1,549	\$0	\$0	\$0
84	\$407	\$445,205	\$5,027	\$3,624	\$1,403	\$0	\$0	\$0
85	\$419	\$458,564	\$5,419	\$4,207	\$1,213	\$0	\$0	\$0
86	\$431	\$472,317	\$5,853	\$4,886	\$967	\$0	\$0	\$0
87	\$444	\$486,487	\$6,333	\$5,683	\$650	\$0	\$0	\$0
88	\$458	\$501,083	\$6,858	\$6,534	\$325	\$0	\$0	\$0
89	\$471	\$516,117	\$7,434	\$7,460	\$0*	\$25	\$25	\$0
90	\$485	\$531,601	\$8,066	\$8,514	\$0*	\$475	\$475	\$0
91	\$500	\$547,544	\$8,066	\$9,743	\$0*	\$2,179	\$2,179	\$0
92	\$515	\$563,969	\$8,066	\$11,068	\$0*	\$5,312	\$5,312	\$0
93	\$530	\$580,887	\$8,066	\$12,311	\$0*	\$9,876	\$9,876	\$0
94	\$546	\$598,308	\$8,066	\$13,481	\$0*	\$15,883	\$15,883	\$0
95	\$563	\$616,255	\$8,066	\$14,568	\$0*	\$23,337	\$23,337	\$0
96	\$580	\$634,739	\$8,066	\$15,719	\$0*	\$32,390	\$32,390	\$0
97	\$597	\$653,781	\$8,066	\$17,271	\$0*	\$43,538	\$43,538	\$0
98	\$615	\$673,392	\$8,066	\$18,882	\$0*	\$56,966	\$46,869	\$0
99	\$633	\$693,595	\$8,066	\$20,554	\$0*	\$72,871	\$46,869	\$0
100	\$652	\$714,400	\$8,066	\$22,247	\$0*	\$91,424	\$46,869	\$0

**\*This assumes Flex Credits in the Flex Account are used to pay the full Policy Premium. While this illustration may show a Net Premium equal to zero, this may not occur as actual Flex Credits may be higher or lower and will not occur exactly as illustrated. As such, premiums may be required in the years illustrated and in future years. A Net Premium equal to zero may not occur on a continual, annual basis.**

<sup>1</sup>Amounts payable from the Flex Account upon death or surrender will never exceed the cumulative premiums paid.

An illustration is not intended to predict actual performance. Illustrated values are rounded and may be higher or lower than actual values. Actual Flex Credits may be higher or lower and will not occur exactly as illustrated. Policy Premiums and Flex Credits are not guaranteed. Premiums will vary based on benefits selected, underwriting risk class, age and sex. Premiums are annualized based on premium mode selected. This proposal is a hypothetical illustration that shows premiums based on the proposed selection of certain plan variables and benefits. Illustrated coverage, premium rates and underwriting risk class are subject to underwriting approval.

## BASE ILLUSTRATION DETAIL

*Based on Current Assumptions*

**NAME:** Mrs. Valued Client

**LTC BENEFIT AMOUNT:** \$200 Daily

**INFLATION OPTION:** 3% Compound

**BENEFIT PERIOD:** 3 Years

**ELIMINATION PERIOD:** 90 Days of Service

The table below shows the amount of annual Net Premium due and the remaining Flex Account balance at selected ages under the Current scenario, which assumes a Declared Rate of 6% and total claims paid by the company are 10% higher than our current expectations. The amount of annualized Net Premium assumes that the Flex Account is used to pay a portion of the Policy Premium each year starting in year 2 and the full Policy Premium starting in year 30. The actual Flex Account balance may be higher or lower based on a number of factors including the actual Declared Rate and actual total claims paid by the company.

Age	Daily Benefit	Policy Limit	Policy Premium	Flex Credit	Net Premium	Flex Account Balance <sup>1</sup>	Flex Account Payable upon Death or Surrender <sup>1</sup>	Return of Premium Benefit upon Death
60	\$200	\$219,000	\$2,492	\$0	\$2,492	\$0	\$0	\$2,492
61	\$206	\$225,570	\$2,559	\$1	\$2,559	\$0	\$0	\$5,051
62	\$212	\$232,337	\$2,631	\$19	\$2,611	\$0	\$0	\$7,662
63	\$219	\$239,312	\$2,707	\$90	\$2,617	\$0	\$0	\$10,279
64	\$225	\$246,495	\$2,788	\$166	\$2,623	\$0	\$0	\$12,902
65	\$232	\$253,887	\$2,878	\$251	\$2,626	\$0	\$0	\$0
66	\$239	\$261,508	\$2,973	\$341	\$2,631	\$0	\$0	\$0
67	\$246	\$269,348	\$3,077	\$433	\$2,644	\$0	\$0	\$0
68	\$253	\$277,429	\$3,191	\$533	\$2,658	\$0	\$0	\$0
69	\$261	\$285,751	\$3,312	\$641	\$2,671	\$0	\$0	\$0
70	\$269	\$294,325	\$3,444	\$756	\$2,688	\$0	\$0	\$0
71	\$277	\$303,151	\$3,589	\$890	\$2,699	\$0	\$0	\$0
72	\$285	\$312,250	\$3,750	\$1,043	\$2,707	\$0	\$0	\$0
73	\$294	\$321,612	\$3,927	\$1,215	\$2,711	\$0	\$0	\$0
74	\$303	\$331,259	\$4,119	\$1,407	\$2,713	\$0	\$0	\$0
75	\$312	\$341,202	\$4,333	\$1,619	\$2,714	\$0	\$0	\$0
76	\$321	\$351,440	\$4,567	\$1,858	\$2,709	\$0	\$0	\$0
77	\$331	\$361,985	\$4,828	\$2,134	\$2,694	\$0	\$0	\$0
78	\$341	\$372,848	\$5,112	\$2,455	\$2,657	\$0	\$0	\$0
79	\$351	\$384,038	\$5,429	\$2,827	\$2,602	\$0	\$0	\$0
80	\$361	\$395,558	\$5,782	\$3,247	\$2,536	\$0	\$0	\$0

<sup>1</sup>Amounts payable from the Flex Account upon death or surrender will never exceed the cumulative premiums paid.

An illustration is not intended to predict actual performance. Illustrated values are rounded and may be higher or lower than actual values. Actual Flex Credits may be higher or lower and will not occur exactly as illustrated. Policy Premiums and Flex Credits are not guaranteed. Premiums will vary based on benefits selected, underwriting risk class, age and sex. Premiums are annualized based on premium mode selected. This proposal is a hypothetical illustration that shows premiums based on the proposed selection of certain plan variables and benefits. Illustrated coverage, premium rates and underwriting risk class are subject to underwriting approval.

Age	Daily Benefit	Policy Limit	Policy Premium	Flex Credit	Net Premium	Flex Account Balance <sup>1</sup>	Flex Account Payable upon Death or Surrender <sup>1</sup>	Return of Premium Benefit upon Death
81	\$372	\$407,428	\$6,170	\$3,712	\$2,457	\$0	\$0	\$0
82	\$383	\$419,648	\$6,602	\$4,238	\$2,364	\$0	\$0	\$0
83	\$395	\$432,240	\$7,077	\$4,857	\$2,220	\$0	\$0	\$0
84	\$407	\$445,205	\$7,601	\$5,581	\$2,020	\$0	\$0	\$0
85	\$419	\$458,564	\$8,178	\$6,429	\$1,749	\$0	\$0	\$0
86	\$431	\$472,317	\$8,816	\$7,432	\$1,384	\$0	\$0	\$0
87	\$444	\$486,487	\$9,521	\$8,626	\$895	\$0	\$0	\$0
88	\$458	\$501,083	\$10,293	\$9,924	\$368	\$0	\$0	\$0
89	\$471	\$516,117	\$11,137	\$11,347	\$0*	\$210	\$210	\$0
90	\$485	\$531,601	\$12,061	\$12,953	\$0*	\$1,115	\$1,115	\$0
91	\$500	\$547,544	\$12,061	\$14,759	\$0*	\$3,879	\$3,879	\$0
92	\$515	\$563,969	\$12,061	\$16,752	\$0*	\$8,803	\$8,803	\$0
93	\$530	\$580,887	\$12,061	\$18,681	\$0*	\$15,951	\$15,951	\$0
94	\$546	\$598,308	\$12,061	\$20,490	\$0*	\$25,337	\$25,337	\$0
95	\$563	\$616,255	\$12,061	\$22,025	\$0*	\$36,821	\$36,821	\$0
96	\$580	\$634,739	\$12,061	\$23,358	\$0*	\$50,328	\$50,328	\$0
97	\$597	\$653,781	\$12,061	\$25,623	\$0*	\$66,909	\$66,909	\$0
98	\$615	\$673,392	\$12,061	\$28,004	\$0*	\$86,867	\$69,020	\$0
99	\$633	\$693,595	\$12,061	\$30,443	\$0*	\$110,461	\$69,020	\$0
100	\$652	\$714,400	\$12,061	\$32,983	\$0*	\$138,011	\$69,020	\$0

**\*This assumes Flex Credits in the Flex Account are used to pay the full Policy Premium. While this illustration may show a Net Premium equal to zero, this may not occur as actual Flex Credits may be higher or lower and will not occur exactly as illustrated. As such, premiums may be required in the years illustrated and in future years. A Net Premium equal to zero may not occur on a continual, annual basis.**

<sup>1</sup>Amounts payable from the Flex Account upon death or surrender will never exceed the cumulative premiums paid.

An illustration is not intended to predict actual performance. Illustrated values are rounded and may be higher or lower than actual values. Actual Flex Credits may be higher or lower and will not occur exactly as illustrated. Policy Premiums and Flex Credits are not guaranteed. Premiums will vary based on benefits selected, underwriting risk class, age and sex. Premiums are annualized based on premium mode selected. This proposal is a hypothetical illustration that shows premiums based on the proposed selection of certain plan variables and benefits. Illustrated coverage, premium rates and underwriting risk class are subject to underwriting approval.

## POLICY OPTION SPREADSHEET

NAME: Mr. Valued Client

AGE: 60

LTC BENEFIT AMOUNT: \$200 Daily

The below table shows a comparison of First Year Premiums for different inflation options and benefit selections.

First Year Premium Comparison						
Inflation Option	Elimination Period	Benefit Period				
		2 Years	3 Years	4 Years	5 Years	6 Years
3% Compound <sup>1</sup>	30 Days Of Service	\$1,596	\$2,050	\$2,302	\$2,503	\$3,074
	60 Days Of Service	\$1,463	\$1,879	\$2,110	\$2,295	\$2,818
	90 Days Of Service	\$1,330	\$1,708	\$1,918	\$2,086	\$2,562
	180 Days Of Service	\$1,197	\$1,537	\$1,726	\$1,877	\$2,306
	365 Days Of Service	\$958	\$1,230	\$1,381	\$1,502	\$1,845
5% Compound	30 Days Of Service	\$4,654	\$6,418	\$7,392	\$7,846	\$8,366
	60 Days Of Service	\$4,266	\$5,883	\$6,776	\$7,192	\$7,669
	90 Days Of Service	\$3,878	\$5,348	\$6,160	\$6,538	\$6,972
	180 Days Of Service	\$3,490	\$4,813	\$5,544	\$5,884	\$6,275
	365 Days Of Service	\$2,792	\$3,851	\$4,435	\$4,707	\$5,020

<sup>1</sup>If you elected the 3% compound inflation option for your policy, the premium will increase on each policy anniversary through your attained age 90. Premium increases will be automatic and will continue as long as no benefit increase has been declined.

Please note that the more often you pay, the higher your premium amount will be per year.

This proposal is a hypothetical illustration that shows premiums based on the proposed selection of certain plan variables and benefits. Illustrated coverage, premium rates and underwriting risk class are subject to underwriting approval.

## POLICY OPTION SPREADSHEET

NAME: Mrs. Valued Client

AGE: 60

LTC BENEFIT AMOUNT: \$200 Daily

The below table shows a comparison of First Year Premiums for different inflation options and benefit selections.

First Year Premium Comparison						
Inflation Option	Elimination Period	Benefit Period				
		2 Years	3 Years	4 Years	5 Years	6 Years
3% Compound <sup>1</sup>	30 Days Of Service	\$2,234	\$2,990	\$3,494	\$3,898	\$4,855
	60 Days Of Service	\$2,048	\$2,741	\$3,203	\$3,573	\$4,451
	90 Days Of Service	\$1,862	\$2,492	\$2,912	\$3,248	\$4,046
	180 Days Of Service	\$1,676	\$2,243	\$2,621	\$2,923	\$3,641
	365 Days Of Service	\$1,341	\$1,794	\$2,097	\$2,339	\$2,913
5% Compound	30 Days Of Service	\$6,686	\$9,811	\$11,491	\$12,818	\$13,877
	60 Days Of Service	\$6,129	\$8,994	\$10,534	\$11,750	\$12,720
	90 Days Of Service	\$5,572	\$8,176	\$9,576	\$10,682	\$11,564
	180 Days Of Service	\$5,015	\$7,358	\$8,618	\$9,614	\$10,408
	365 Days Of Service	\$4,012	\$5,887	\$6,895	\$7,691	\$8,326

<sup>1</sup>If you elected the 3% compound inflation option for your policy, the premium will increase on each policy anniversary through your attained age 90. Premium increases will be automatic and will continue as long as no benefit increase has been declined.

Please note that the more often you pay, the higher your premium amount will be per year.

This proposal is a hypothetical illustration that shows premiums based on the proposed selection of certain plan variables and benefits. Illustrated coverage, premium rates and underwriting risk class are subject to underwriting approval.



## INFLATION COMPARISON

*Based on Current Assumptions*

NAME: Mr. Valued Client

BENEFIT PERIOD: 3 Years

LTC BENEFIT AMOUNT: \$200 Daily

ELIMINATION PERIOD: 90 Days of Service

The table below shows a comparison of the LTC Benefit Amount and the amount of annual Net Premium due at selected ages for the different inflation options under the Current scenario, which assumes a Declared Rate of 6% and total claims paid by the company are 10% higher than our current expectations.

Age	3% Compound			5% Compound		
	Daily Benefit	Policy Premium	Net Premium	Daily Benefit	Policy Premium	Net Premium
60	\$200	\$1,708	\$1,708	\$200	\$5,348	\$5,348
65	\$232	\$1,953	\$1,789	\$255	\$5,348	\$5,056
70	\$269	\$2,313	\$1,801	\$326	\$5,348	\$4,365
75	\$312	\$2,880	\$1,794	\$416	\$5,348	\$3,328
80	\$361	\$3,817	\$1,733	\$531	\$5,348	\$1,634
85	\$419	\$5,419	\$1,213	\$677	\$5,348	\$0*
90	\$485	\$8,066	\$0*	\$864	\$5,348	\$0*
95	\$563	\$8,066	\$0*	\$1,103	\$5,348	\$0*
100	\$652	\$8,066	\$0*	\$1,408	\$5,348	\$0*

***\*This assumes Flex Credits in the Flex Account are used to pay the full Policy Premium. While this illustration may show a Net Premium equal to zero, this may not occur as actual Flex Credits may be higher or lower and will not occur exactly as illustrated. As such, premiums may be required in the years illustrated and in future years. A Net Premium equal to zero may not occur on a continual, annual basis.***

An illustration is not intended to predict actual performance. Illustrated values are rounded and may be higher or lower than actual values. Actual Flex Credits may be higher or lower and will not occur exactly as illustrated. Policy Premiums and Flex Credits are not guaranteed. Premiums will vary based on benefits selected, underwriting risk class, age and sex. Premiums are annualized based on premium mode selected. This proposal is a hypothetical illustration that shows premiums based on the proposed selection of certain plan variables and benefits. Illustrated coverage, premium rates and underwriting risk class are subject to underwriting approval.

## INFLATION COMPARISON

*Based on Current Assumptions*

NAME: Mrs. Valued Client

BENEFIT PERIOD: 3 Years

LTC BENEFIT AMOUNT: \$200 Daily

ELIMINATION PERIOD: 90 Days of Service

The table below shows a comparison of the LTC Benefit Amount and the amount of annual Net Premium due at selected ages for the different inflation options under the Current scenario, which assumes a Declared Rate of 6% and total claims paid by the company are 10% higher than our current expectations.

Age	3% Compound			5% Compound		
	Daily Benefit	Policy Premium	Net Premium	Daily Benefit	Policy Premium	Net Premium
60	\$200	\$2,492	\$2,492	\$200	\$8,176	\$8,176
65	\$232	\$2,878	\$2,626	\$255	\$8,176	\$7,651
70	\$269	\$3,444	\$2,688	\$326	\$8,176	\$6,570
75	\$312	\$4,333	\$2,714	\$416	\$8,176	\$4,955
80	\$361	\$5,782	\$2,536	\$531	\$8,176	\$2,196
85	\$419	\$8,178	\$1,749	\$677	\$8,176	\$0*
90	\$485	\$12,061	\$0*	\$864	\$8,176	\$0*
95	\$563	\$12,061	\$0*	\$1,103	\$8,176	\$0*
100	\$652	\$12,061	\$0*	\$1,408	\$8,176	\$0*

***\*This assumes Flex Credits in the Flex Account are used to pay the full Policy Premium. While this illustration may show a Net Premium equal to zero, this may not occur as actual Flex Credits may be higher or lower and will not occur exactly as illustrated. As such, premiums may be required in the years illustrated and in future years. A Net Premium equal to zero may not occur on a continual, annual basis.***

An illustration is not intended to predict actual performance. Illustrated values are rounded and may be higher or lower than actual values. Actual Flex Credits may be higher or lower and will not occur exactly as illustrated. Policy Premiums and Flex Credits are not guaranteed. Premiums will vary based on benefits selected, underwriting risk class, age and sex. Premiums are annualized based on premium mode selected. This proposal is a hypothetical illustration that shows premiums based on the proposed selection of certain plan variables and benefits. Illustrated coverage, premium rates and underwriting risk class are subject to underwriting approval.

## LIMITATIONS

- Benefits will not be paid until your Elimination Period has been satisfied, except for Care Advisory Services, or as provided under the Flex Account Benefit, or if Waiver of Home Health Care Elimination Period applies.
- Benefits will not be paid under the policy unless a current certification is provided, which relates to your condition within the past twelve months.
- Benefits will not be paid in excess of the Policy Limit, except for Care Advisory Services and as provided under the Flex Account Benefit.
- We will only pay benefits for services specified in the Plan of Care. We will determine services under the Plan of Care for which benefits are payable and the amount of such benefits.

## EXCEPTIONS

This Policy does not pay benefits for care, treatment or charges:

- due to intentionally self-inflicted injury.
- due to attempted suicide (while sane or insane).
- required as a result of alcoholism or drug addiction (unless drug addiction was a result of the administration of drugs as part of treatment by a physician).
- due to war (declared or undeclared) or any act of war, or service in any of the armed forces or auxiliary units.
- due to participation in a felony, riot or insurrection.
- normally not provided or made in the absence of insurance.
- provided by a member of your immediate family, unless:
  - the family member is one of the following professionals - a duly licensed registered nurse, licensed vocational nurse, licensed practical nurse, physical therapist, occupational therapist, speech therapist, respiratory therapist, licensed social worker, or registered dietician; and
  - the family member is a regular employee of a nursing home, assisted living facility, home health agency, or adult day care center which is providing the services; and
  - the organization receives the payment for the services; and
  - the family member receives no compensation other than the normal compensation for employees in his or her job category.
- provided outside the fifty United States and the District of Columbia, except as described in the International Coverage Benefit section of the Policy.

This illustration is a general description of coverage and is not an insurance contract. Refer to the Outline of Coverage provided by your agent for an explanation of features and options.

Only the long-term care insurance policy contains governing contractual provisions and describes coverage under the policy, exclusions and limitations, what you must do to keep your policy in-force, and what would cause your policy to be discontinued. You may request a sample policy to review such provisions.

Please contact the licensed agent or John Hancock for more information, costs, and complete details on coverage.

This is an insurance solicitation. An insurance agent may contact you.

Long-term Care Insurance is underwritten by John Hancock Life Insurance Company (U.S.A.), Boston, MA 02117.