

*“So, I’m the only one who sees a
conflict of interest here?”*

TESTIMONY

RICHARD LANPHER

JOHN HANCOCK LTC POLICYHOLDER – 90% 2011

FIRST VICE PRESIDENT – INVESTMENTS 25+ YEARS

CIMA – CERTIFIED INVESTMENT MANAGEMENT
ANALYST

THE WHARTON SCHOOL, UNIVERSITY OF
PENNSYLVANIA

AIFI – ACCREDITED INVESTMENT FIDUCIARY ANALYST
JOESEPH M. KATZ GRADUATE SCHOOL OF
BUSINESS, UNIVERSITY OF PITTSBURGH

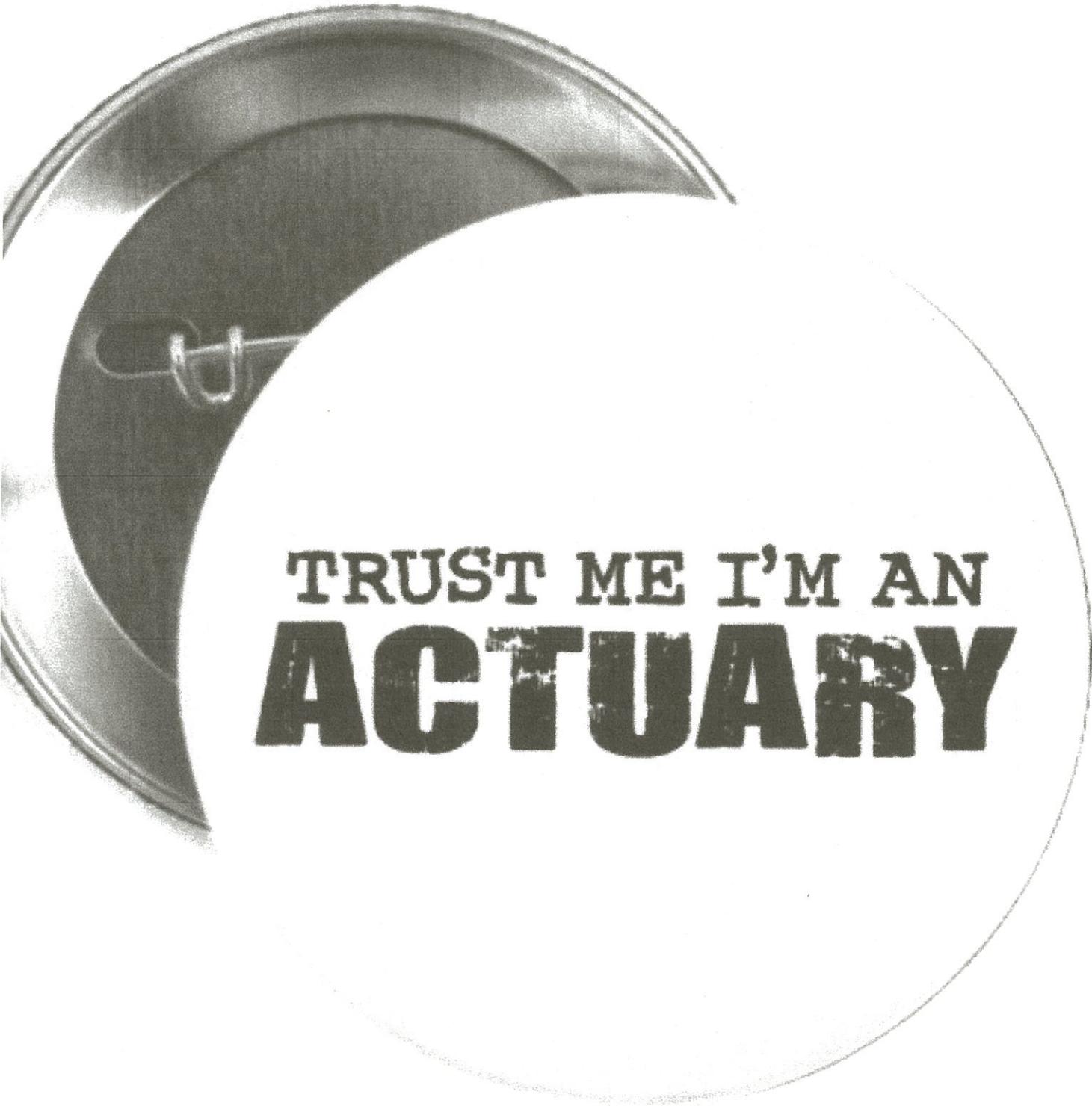
CFM - CERTIFIED FINANCIAL MANAGER – CERTIFIED
FINANCIAL MANAGER PROGRAM

AIF – ACCREDITED INVESTMENT FIDUCIARY
CENTER FOR FIDUCIARY STUDIES
JOESEPH M. KATZ GRADUATE SCHOOL OF
BUSINESS, UNIVERSITY OF PITTSBURGH

LICENSED INSURANCE PRODUCER 25+ YEARS

“NONSENSE
REMAINS
NONSENSE,
EVEN WHEN
TALKED BY WORLD-
FAMOUS
SCIENTISTS.”

JOHN LENNOX
PROFESSOR OF MATHEMATICS AT THE
UNIVERSITY OF OXFORD



TRUST ME I'M AN
ACTUARY

**A PONZI SCHEME
THAT WOULD
MAKE
BERNIE MADOFF
BLUSH**

**A BEAT UP
MINNESOTA LONG TERM CARE POLICYHOLDER**



COMMENTS FOR CONSIDERATION

ADVOCATE PROTECTION ON BEHALF OF CURRENT 200,000 MN LONG TERM CARE POLICYHOLDERS AND FUTURE MN LONG TERM CARE POLICYHOLDERS

GOALS:

- 1. CONVINCING MN DEPARTMENT, THE SOLE AUTHORITY IN MN TO DENY PREMIUM RATE INCREASES, TO DENY ALL FUTURE FILINGS FOR PREMIUM INCREASES ON ALL INFORCE LTC POLICYHOLDERS**
- 2. RESCIND PAST PREMIUM RATE APPROVALS – 2011 JOHN HANCOCK 40%- 90%**
- 3. IMPACT ANALYSIS OF 2011 JOHN HANCOCK INCREASE ON THE 8700 POLICYHOLDERS.**

TOPICS

1. PROTECTING MN POLICY HOLDERS
2. WHERE'S WALDO OR CONFLICTS OF INTEREST
3. INSURANCE COMPANIES
4. ACTUARIES
5. MN DEPARTMENT OF INSURANCE
6. MN LEGISLATION PROTECTION
7. EXPERIENCE WITH JOHN HANCOCK – 2011 &
TODAY
8. SUMMARY OF SUGGESTIONS

SERFF

**SYSYTEM FOR ELECTRONIC RATE & FORM
FILING**

**NAIC – NATIONAL ASSOCIATION OF
INSURANCE COMMISSIONERS**

28 DAY FILING TURNAROUND

<https://filingaccess.serff.com/sfa/home/MN>

Filing Summary

Filing Information

Product Name: Long-Term Care
Type Of Insurance: LTC03I Individual Long Term Care
Sub Type Of Insurance: LTC03I.001 Qualified
Filing Type: Rate
SERFF Tracking Number: MILL-129951378
Submission Date: 2/27/15
Filing Status: Closed - Approved - Rates Only

Filing Outcome

SERFF Status: Closed
Disposition Date: 03/03/2015
Disposition Status: Approved - Rates Only
State Status: Closed Approved - Rates Only
State Status Last Changed: 3/3/15

Company Information

Company Name	Company Code	Address	Telephone Number
MetLife Insurance	87726	1209 Orange Street	(860)768-0328

Attachments

Forms

None Available

Rate/Rule

Document Name
Rate Action
Attachments

Rate Tables
Revised

- [MN_LTC4_Comp_Q_Prem_15.0%_20150227.pdf](#)
- [MN_LTC4_Comp_Q_Prem_26.5%_20150227.pdf](#)

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Actuarial Memorandum for the LTC4 Tax-Qualified Comprehensive Product

February 2015

Informal Caregiver Training benefits and Supplemental benefits, which may be paid in a lump sum.

Premiums will be waived if benefits, other than Respite Care, Care Coordination, Informal Caregiver Training or Supplemental, are being paid.

A 5% simple, a 5% compound, and a cost of living (CPI) inflation rider as well as a nonforfeiture rider are available options.

3. Renewability

This policy form is guaranteed renewable for life.

4. Applicability

This filing is applicable to in-force policies only as this policy form is no longer being sold in the market. The premium changes will apply to the base form and all riders associated with the base form.

5. Actuarial Assumptions

- a. Expected Claim Costs are the product of the reinsurer's (General Electric Capital Assurance Company, GECA) expected claim costs used at the time of the reinsurance transaction executed in 2000 between Travelers and GECA and actual-to-expected factors that reflect actual emerging experience on this policy form.

At the time the expected claim costs were developed, the reinsurer had been marketing nursing home and home health care benefit riders and policies on a direct basis for over 20 and 10 years, respectively. Using the experience on this business, both the expected incidence and severity of claims were developed for nursing home benefits.

The reinsurer's home health care benefit experience was used and validated against the 1982-1984 National Long-Term Care Surveys. The surveys studied functionally impaired elderly Medicare beneficiaries living in the community who manifested impairment in ADLs. Both the incidence rates and the length of home care usage were extracted from these surveys and the company experience mentioned above. The home care incidence rates reflect a loading for cognitive impairment as a benefit trigger. Selection factors were applied to the incidence rates in order to reflect the effects of underwriting.

It should be recognized that considerable judgment was made with respect to expected claim costs for non-institutional benefits. After using all available data, total expected claim costs were developed which represent reasonable estimates of aggregate long term experience under the applicable underwriting criteria.

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The **expected incidence rates**, lengths of stay, and amount of benefit payments were separately identified for all combinations of plan options.

Actual-to-expected adjustment factors were developed from actual emerging experience through March 2010 and are shown in the following table:

Actual-to-Expected Adjustment factors

Policy Duration	Policy Issue Year	
	1997	1998 and Later
1	157.0%	134.0%
2	157.0%	134.0%
3	157.0%	134.0%
4	157.0%	134.0%
5	181.0%	160.0%
6	181.0%	160.0%
7	181.0%	160.0%
8	187.0%	187.0%
9	187.0%	187.0%
10	187.0%	187.0%
11	187.0%	187.0%
12	187.0%	187.0%
13	187.0%	187.0%
14	182.0%	177.0%
15	182.0%	177.0%
16	182.0%	177.0%
17	170.0%	165.0%
18	165.8%	160.9%
19	161.6%	156.9%
20	157.6%	152.9%
21	153.6%	149.1%
22	149.8%	145.4%
23	146.0%	141.7%
24	142.4%	138.2%
25	138.8%	134.7%
26	135.4%	131.4%
27	132.0%	128.1%
28	128.7%	124.9%
29	125.5%	121.8%
30	122.3%	118.7%
31	120.8%	117.2%
32	119.3%	115.7%
33	117.8%	114.2%
34	116.3%	112.7%

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Policy Duration	Policy Issue Year	
	1997	1998 and Later
35	116.3%	111.2%
36	116.3%	109.7%
37	116.3%	108.2%
38 +	116.3%	106.7%

- b. Termination Rates. Historical termination rates are based on actual experience of this policy form.

Future voluntary lapse rates vary by duration as developed from actual experience through March 2010 and are shown in the following table:

Voluntary Lapse Rates

Policy Duration	Lapse Rate
1	6.00%
2	4.00%
3	2.50%
4	1.50%
5	1.30%
6	1.10%
7	0.90%
8 to 13	0.80%
14 to 19	0.95%
20 +	1.25%

In the year of rate increase implementation, an additional 2.0% of in-force policyholders is assumed to lapse, and a 2.0% reduction in premium and claims is expected due to the election of reduced benefits.

Future mortality is based on 1983 IAM with selection consistent with experience.

- c. Adverse Selection. No adverse selection is assumed in the projections.
- d. Expenses. Expenses have not been explicitly projected. It is assumed that the originally filed expense assumptions remain appropriate, except that commission will not be paid on any increase in premium, both as a result of the prior increase and this requested increase.

The above assumptions are based on actual experience of the policies in force under this policy form and general experience of the reinsurer and are deemed reasonable for this particular policy.

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6. Marketing Method

This policy form was marketed by agents as well as through various subsidiaries of Citigroup.

7. Underwriting Description

This policy form was fully underwritten with the use of various underwriting tools in addition to the application, which may have included medical records, an attending physician's statement, telephone interview and/or face-to-face assessment.

8. Premiums

Premiums are unisex, level and payable for life. The premiums vary by issue age, elimination period, benefit period, initial daily benefit, level of community-based care benefits and inflation protection option.

9. Issue Age Range

Elimination periods of 20, 60, and 100 days are available for issue ages 18 to 79. Only the 60 and 100 day elimination periods of the 2-year benefit period are available for issue ages 80 through 84.

10. Area Factors

Area factors are not used for this product.

11. Premium Modalization Rules

The following modal factors and nationwide percent distributions (based on in-force count as of 12/31/2010) are applied to the annual premium (AP):

Premium Mode	Modal Factors	Percent Distribution
Annual	1.00*AP	55.7%
Semi-Annual	0.51*AP	15.3%
Quarterly	0.26*AP	15.1%
Monthly	0.09*AP	13.9%

12. Reserves

Active life reserves have not been used in this rate increase analysis. Claim reserves as of December 31, 2010 have been discounted to the incurred date of each respective claim and included in historical incurred claims. Incurred but not reported balances as of December 31, 2010 have been allocated to a calendar year of incurred and included in historic incurred claims.

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13. Trend Assumptions

As this is not medical insurance, we have not included any explicit medical cost trends in the projections.

14. Past and Future Policy Experience

Nationwide experience for this policy form is shown in Exhibit I, including any previously implemented rate increase as described in Section 16 of this memorandum.

The company has chosen a credibility standard of 1,082 claims. Based on this parameter, Minnesota-specific experience for the above-referenced form is not considered credible.

Historical experience is shown by claim incurral year with the loss ratio for each loss year calculated by the following formula:

$$LR_j = \frac{{}^{2010}Pmt_1 * v^{1-j} + {}_jCR_{2010} * v^{2010-1+1/2} + {}_jZ \cdot v_j \cdot r_{DIV.N. 2010} * v^{2010-1+1/2}}{E}$$

LR_j = loss ratio for year j

Pmt_t = claim payments in year t on claims incurred in year j , assumed to occur mid-year

${}_jCR_{2010}$ = open claim reserve held on December 31, 2010 for claims incurred in year j

${}_jIBNR_{2010}$ = incurred but not reported reserve as of December 31, 2010 attributable to claims incurred in year j

EP_j = earned premium in year j , assumed mid-year

j = year of incurral

$v = 1 / 1.045 = 0.956938$

A future annual loss ratio is calculated, with and without interest, as anticipated incurred claims divided by earned premiums.

A lifetime loss ratio as of December 31, 2010 is calculated as the sum of accumulated past and discounted future claims divided by the sum of accumulated past and discounted future earned premium where accumulation and discounting occur at 4.5%.

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February 2015

15. **Projected Earned Premiums and Incurred Claims**

Exhibit I contains lifetime projections of earned premium and incurred claims based on the current premiums and the filed premium rate schedule increase. Earned premiums and incurred claims for projection years 2011 through 2050 are developed from an asset share model representing actual contracts in force as of December 31, 2010. The assumptions described above for morbidity, voluntary lapse and mortality are used to project life years, earned premiums and incurred claims.

16. **History of Previous Rate Revisions**

One prior increase has been approved and implemented on this policy form and associated riders. A 20% increase was approved on July 26, 2004 and implemented on each contract's next policy anniversary beginning November 6, 2004.

The projections in Exhibit I reflect the nationwide rate increases of an average 10.1% which was implemented primarily during 2004 and 2005.

17. **Requested Rate Increase and Demonstration of Satisfaction of Loss Ratio Requirements**

The company is requesting an increase of 26.5%. The requested rate increase would be implemented as a 15.0% rate increase in 2015 followed by a 10.0% rate increase in 2016. Projected experience assuming the cumulative 26.5% increase is implemented is shown in Exhibit I. As shown in Exhibit I, the expected lifetime loss ratio with and without the requested rate increase exceeds the minimum loss ratio of 60%.

Corresponding rate tables reflecting a 15.0% rate increase are included with this memorandum in Exhibit II. Rate tables reflecting the cumulative 26.5% rate increase are included with this memorandum in Exhibit III. The actual rates implemented may vary slightly from those in Exhibits II and III due to rounding in the implementation algorithm.

18. **Minnesota Average Annual Premium (2011 Annual Premium Based on 2010 In-force)**

Before increase: \$1,737
After increase: \$2,197

19. **Proposed Effective Date**

The 15% rate increase will apply to policies on their billing anniversary date following a 60-day policyholder notification period following approval. The subsequent 10% rate increase will apply to policies 12 months after the 15% increase. No policyholder will receive more than one rate increase in a 12-month period.

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Actuarial Memorandum for the LTC4 Tax-Qualified Comprehensive Product

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22. Actuarial Certification

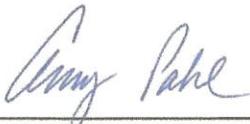
I am a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries, and I meet the Academy's qualification standards for preparing health rate filings and to render the actuarial opinion contained herein. I have been retained by GNA Corporation (Genworth), the reinsurer of this business, and MetLife Insurance Company USA to prepare this memorandum. This memorandum has been prepared for the sole purpose stated, and it may not be appropriate for other purposes.

I believe this rate filing is in compliance with the applicable laws of the State of Minnesota and with the rules of the Department. This memorandum has been prepared in conformity with all applicable Actuarial Standards of Practice, including ASOP No. 8 and 18.

I hereby certify that, to the best of my knowledge and judgment, this rate submission is in compliance with the applicable laws and regulations of the state where it is filed. In my opinion the rates are not excessive or unfairly discriminatory.

In preparing this actuarial memorandum, I relied on data provided to me by Union Fidelity Life Insurance Company, a retrocessionaire on this business, and Genworth. I did not audit this data but did review it for reasonableness. To the extent that this data is incomplete or inaccurate the contents of this memorandum may be materially affected.

I certify that I have consulted the requirements as listed on the Minnesota Department of Commerce website prior to submitting this filing and the filing is in compliance with all requirements. I have attached the appropriate Checklist if required.



Amy Pahl, FSA, MAAA
Principal and Consulting Actuary, Milliman, Inc.

Date: February 27, 2015

Filing Summary

Filing Information

Product Name: Long-Term Care Insurance
Type Of Insurance: LTC03I Individual Long Term Care
Sub Type Of Insurance: LTC03I.001 Qualified
Filing Type: Rate
SERFF Tracking Number: MULF-126849020
Submission Date: 10/19/10
Filing Status: Closed - Approved - Rates Only

Filing Outcome

SERFF Status: Closed
Disposition Date: 03/08/2011
Disposition Status: Approved - Rates Only
State Status: Closed **Approved**
State Status Last Changed: 3/8/11

Company Information

Company Name	Company Code	Address	Telephone Number
John Hancock Life	65838	200 Berkeley Street	(617)572-6000

Policy Series	Approval Date	Years Sold	Average Increase
LTC-MN-91	9/30/1992, 10/7/2008	1992-1997	30.6
LTC-96 MN 9/96	12/31/1996	1996-1998	59.6
LTC-96 MN 7/97	1/28/1998, 10/7/2008	1998-2003	41.6
LTC-2000 MN 4/00	2/15/2001, 10/7/2008	2001-2002	41.6
LTC-02 MN	9/17/2002	2002-2004	71.1
BSC-02 MN	9/17/2002	2002-2004	71.1
LTC-03 MN	10/16/2003	2004-2009	21.5
BSC-03 MN	10/16/2003	2004-2007	21.5
LTC-03 MN (2007)	10/4/2007	2007-2009	14.4

John Hancock Life Insurance Company (U.S.A.)

John Hancock Place
Post Office Box 111 B-6-6
Boston, Massachusetts 02117
1-888-877-6075
Direct: (617) 572-0281
Email: jwitham@jhancock.com

Joanne Witham
Director
LTC Contracts and Legislative Services

October 19, 2010

Honorable Glenn Wilson
Department of Commerce
85 7th Place East, Suite 500
St. Paul, Minnesota 55101-2198

Re: **John Hancock Life Insurance Company (U.S.A.)**
Company NAIC # 65838; FEIN #: 01-0233346
Individual Long-Term Care Insurance Rate Revision Submission
Revised Actuarial Memo's (See Policy Form List Below)

Dear Commissioner:

We have just completed our most extensive claims study to date and unfortunately we have concluded that, in order to ensure our ability to meet the needs of our policyholders in the long term, we need to request an inforce rate increase on the policy forms.

Our study found that many more insureds are expected to claim than what we assumed in the pricing of these policy forms, reinforcing the value of the product to policyholders, but creating a pricing issue.

Our morbidity study was conducted internally and peer reviewed internally as well as by an independent third party. We are attaching data from the morbidity study as a supporting document for this filing; this information is considered proprietary and confidential.

We are requesting acceptance of a premium rate increase on the policy series listed below and are enclosing the actuarial memos and rates for your review and approval.

Policy Series	Approval Date	Years Sold	Average Increase
LTC-MN-91	9/30/1992, 10/7/2008	1992-1997	30.6
LTC-96 MN 9/96	12/31/1996	1996-1998	59.6
LTC-96 MN 7/97	1/28/1998, 10/7/2008	1998-2003	41.6
LTC-2000 MN 4/00	2/15/2001, 10/7/2008	2001-2002	41.6
LTC-02 MN	9/17/2002	2002-2004	71.1
BSC-02 MN	9/17/2002	2002-2004	71.1
LTC-03 MN	10/16/2003	2004-2009	21.5
BSC-03 MN	10/16/2003	2004-2007	21.5
LTC-03 MN (2007)	10/4/2007	2007-2009	14.4

The proposed premium rates will be effective on the next policy anniversary date, following a 60-day policyholder notification period, which will be made as soon as practicable following State approval. We will also offer the affected insureds some alternative options to reduce their benefits in order to possibly maintain their current premium level.

Policyholder Options

We are fully aware that a premium increase may be difficult for our policyholders; therefore we will provide all policyholders with an array of options which will help them mitigate the impact of any increase. Most important, for those policyholders who elected compound or simple inflation, we will provide them with the ability to **completely avoid the increase** by reducing their inflation coverage from 5 percent compound or simple inflation to a lower percentage inflation coverage which will vary by policy series. Our policyholders will be able to keep all accrued inflation increase amounts to date and the lower inflation index will apply on a prospective basis only. **We will be filing these endorsements separately.**

In addition, policyholders will be able to reduce their benefit period, adjust their daily/monthly benefit amount, or extend their elimination period. They will also be able to drop riders from their coverage.

We will also be **submitting separately** new Personal Worksheets LTC-PWK 4/11 and LTC-PWKDM 4/11 which includes the appropriate disclosure regarding this increase. No change will be made to this form other than state specific information that is requested by your Department or another state insurance Department.

Where the NAIC contingent nonforfeiture benefit or the nonforfeiture benefit (if purchased) is triggered, customers will be offered paid-up coverage in accordance with the applicable provision. We are allowing contingent nonforfeiture if the rate increase trigger is met for all affected policyholders, even if it was not otherwise required in your State.

This submission is being filed in all states, the District of Columbia and Puerto Rico.

The following items are included in this submission:

- the submission letter.
- all actuarial material.
- a \$125.00 filing fee.
- all required certifications.

Please do not hesitate to contact us regarding this submission. We will be happy to meet with the Department either in person or via conference call at a time of your convenience.

Thank you for your time and consideration in this matter.

Sincerely,

Joanne Witham
Director

Subject: RE: JOHN HANCOCK LONG TERM CARE RATE REVISION SUBMISSION IN MINNESOTA

Date: Thursday, February 27, 2014 at 5:54:41 PM Central Standard Time

From: Philips, Julia (COMM) <julia.philips@state.mn.us>

To: Rick Lanpher <RKL007@Comcast.net>

Dear Mr. Lanpher,

Thank you for your inquiry. I will answer your questions as well as I can. Feel free to follow up if you have clarifying questions.

1. Under Minnesota Statutes, section 60A.08, subdivision 15, all rate filings are non-public until they are effective. Unfortunately, I am not able to communicate whether or not a filing has been made until after it is approved, if it is approved. The information can be released by John Hancock, if they decide to do so. Some companies inform their sales agents when a rate filing is made.
2. I believe that this change is under consideration by the Commissioner of Commerce. I will follow up and see if there is a target date.
3. Under state law, the review of insurance rates is under the sole authority of the Commissioner of Commerce.
4. See the answer to 3 above.
5. Minnesota Statutes, section 62S.265, imposes several technical requirements on any increase in long-term care insurance rates. The review process involves making sure that the company has complied with those requirements. The filing must be prepared by a qualified actuary who is a member of the Society of Actuaries. It is then reviewed for technical correctness by a qualified actuary, namely me. In addition, Minnesota Statutes, section 62A.02, requires that the rates be "reasonable." This determination involves judgment more than technical skill, and is usually made by the Deputy Commissioner for Insurance.
6. Making a rate increase public before approval would require a change in state law.
7. Under Minnesota Statutes, section 62A.023, notice must be sent at least 30 days in advance of the effective date of a rate increase. Increasing this requirement would require a change in the law.
8. The standards for a rate increase are set out in section 62S.265, and do not allow the Commerce department to deny a rate increase on the basis that it was not filed earlier.
9. I have attached a document from the web site of the California Department of Insurance, giving the history of John Hancock rate increases in all 50 states for the past nine years. California requires the carriers to send this information to the Department, and the Department publishes it. For information from other companies, you can go to the web site at <http://www.insurance.ca.gov/0100-consumers/0060-information-guides/0050-health/ltc-rate-history-guide/> and select a different company.

Julia T. Philips, FSA, MAAA

Life and Health Actuary

Minnesota Department of Commerce

PLEASE NOTE:

New Phone Number 651-539-1752

Your Long-Term Care Insurance Policy



We at John Hancock are pleased to provide You with this Policy and the important benefits that it provides.

THIRTY DAY FREE LOOK. If You are not completely satisfied with this Policy for any reason, You may return it within 30 days from the date it was delivered to You. To return the Policy, mail or deliver the Policy to Our LTC Administrative Office. We will then refund any premium paid, and the Policy will be treated as if it had never been issued.

PLEASE READ THIS POLICY CAREFULLY. This Policy is a legal contract between You and Us. We will provide the benefits stated in this Policy subject to the provisions, exceptions and limitations stated on this and the following pages. We have issued this Policy in consideration of the application and payment of the First Premium on or before the date this Policy is delivered to You.

CAUTION. The issuance of this long-term care insurance Policy is based upon Your responses to the questions on Your application. A copy of Your application is attached. If Your answers are not complete, true, and correctly recorded, We have the right to deny benefits or rescind Your Policy subject to the Time Limit on Certain Defenses provision. The best time to clear up any questions is now, before a claim arises! To contact Us at Our LTC Administrative Office, write to: John Hancock Life Insurance Company, 333 West Everett Street, P.O. Box 2986, Milwaukee, WI 53203 or call Us at 1-800-377-7311.

NOTICE TO BUYER. This Policy may not cover all of the costs associated with long-term care You incur during the period of coverage. You are advised to review all Policy limitations carefully. THIS IS NOT A MEDICARE SUPPLEMENT POLICY.

GUARANTEED RENEWABLE FOR LIFE OR UNTIL THE POLICY LIMIT IS REACHED – LIMITED RIGHT TO INCREASE PREMIUMS. As long as You pay the required premium, You have the right to continue this Policy for as long as You live or until the Policy Limit is reached. We cannot cancel the Policy unless You do not make the required premium payments on a timely basis. To continue this Policy, You must make sure that You pay the premiums when they are due. We reserve the right to increase Your premium as of any premium due date; however, any changes in premium rates must apply to all similar policies issued in Your state on this Policy form. This means We cannot single You out for an increase because of any change in Your age or health. In addition, We cannot change the provisions of this Policy without Your consent.

FEDERAL INCOME TAX TREATMENT OF THIS POLICY. Long-term care insurance was granted favorable federal income tax treatment in the Health Insurance Portability and Accountability Act of 1996. Policies meeting certain criteria outlined in this Act are eligible for this treatment. To the best of Our knowledge, We have designed this Policy to meet the requirements of this law. This Policy is intended to be a qualified long-term care contract under Section 7702B(b) of the Internal Revenue Code. If, in the future, it is determined that this Policy does not meet these requirements, We will make every reasonable effort to amend the Policy if We are required to do so in order to gain such favorable federal income tax treatment. We will offer You an opportunity to receive these amendments.

Signed for the Company at Boston, Massachusetts:

Secretary

President

LONG-TERM CARE INSURANCE POLICY

The benefit schedule and the amount of Your First Premium are shown in the Policy Schedule.

Insured: [REDACTED] **Effective Date of Coverage:** January 26, 2004
Policy Number: [REDACTED] **First Annual Premium:** \$2,208.96
Policy Form: LTC-02 MN
Policy Title: Long-Term Care Insurance Policy

POLICY SCHEDULE

This Policy Schedule provides You with specific information about the benefits You selected and how much We will pay.

Coverage Limits:

Elimination Period: 90 Dates of Service
Benefit Period: Lifetime
Policy Limit*: Unlimited
Long-Term Care Benefit Amount*: \$8041.00 per month

[REDACTED]

*Subject to increases due to inflation coverage, if any.

Compound Inflation Coverage

Base Policy Premium: \$1,872.00 Annual Premium

Optional Benefits Selected and Included in this Policy:

Survivor & Waiver of Premium Benefit \$168.48 Annual Premium
Waiver of Home Health Care Elimination Period \$168.48 Annual Premium

Total Policy Annual Premium including Optional Benefits: \$2,208.96 Annual Premium

Total Premium Payment Options (includes all optional benefits):

	Annual	Semi-Annual	Quarterly	Monthly
First Year Premium:	\$2,208.96	\$1,148.66	\$596.42	\$198.81
Total Yearly Cost for First Year Premium:	\$2,208.96	\$2,297.32	\$2,385.68	\$2,385.72

If You would like additional information about the costs of our periodic payment, please contact Us at 1-800-377-7311.

Early notification to Our Claims Department will facilitate a timely review of Your claim. Please let Us know immediately or in advance, whenever possible, when You need care or services covered by this Policy. Please call Us at 1-800-377-7311.

This Policy is issued with 20% Partners Discount.
This Policy is issued with Select Premium Rates.

Charges Not Covered

We will not pay for any of the following: Physician's charges; hospital and laboratory charges; prescription or non-prescription medication; medical supplies; durable medical equipment (except as described in the Stay at Home Benefit); transportation; items and services furnished at Your request for beautification, comfort, convenience or entertainment; and charges for care or services which are inconsistent with Your Plan of Care.

HOW YOUR LONG-TERM CARE BENEFITS ARE PAID

Long-Term Care Benefit

We will pay the actual charges incurred by You for Long-Term Care Services up to the Long-Term Care Benefit Amount as shown in the Policy Schedule if You are eligible for the payment of benefits under this Policy.

Long-Term Care Services mean the following covered care or services:

- confinement in a Nursing Home or Assisted Living Facility for room, board and care services (such care services being Nursing Care, Custodial Care and Hospice Care);
- Home Health Care, Hospice Care, Respite Care; or
- attendance at an Adult Day Care Center providing Adult Day Care.

In addition, if Your stay in a Nursing Home or Assisted Living Facility is interrupted for any reason and a benefit is payable under this Policy, We will continue to pay the actual charges for up to 60-days in any calendar year in order to reserve Your bed during Your absence.

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

Stay at Home Benefit

The Stay at Home Benefit can be used to pay for a variety of Your long-term care expenses while You are living in Your Home that are not otherwise covered under the Policy. Stay at Home Services include:

1. Home Modifications;
2. Emergency Medical Response Systems;
3. Durable Medical Equipment;
4. Caregiver Training;
5. Home Safety Check; and
6. Provider Care Check.

We will pay actual charges incurred for Stay at Home Services up to the Stay At Home Lifetime Benefit Amount so long as all of the following conditions are met:

- the care or services are consistent with Your care needs and are provided pursuant to a Plan of Care approved by a Licensed Health Care Practitioner; and
- You are eligible for the payment of benefits under this Policy.

PART 6 - GENERAL PROVISIONS

This part explains some of the important provisions that affect Your rights and Our rights under this Policy.

Entire Contract and Changes

This Policy is a legal binding contract between You and Us. This entire contract is made up of:

- the Policy;
- the application; and
- any riders, amendments and endorsements.

No change to this Policy will be valid until approved by Our President or Secretary. To be valid, such approval must also be endorsed on or attached to this Policy. No agent may change this Policy or waive any of its provisions. If We change Our address or Our toll-free telephone number, We will notify You.

Time Limit on Certain Defenses/Misrepresentation

If this Policy has been in effect for less than six months We may rescind it or deny an otherwise valid claim if the application contained a misrepresentation that is material to the acceptance of Your application.

If this Policy has been in effect for at least six months but less than two years, We may rescind it or deny an otherwise valid claim if the application contained a misrepresentation that:

- was material to the acceptance of Your application; and
- pertains to the condition for which the claim is made.

After this Policy has been in effect for two years, it is incontestable except for relevant facts relating to Your health that You knowingly and intentionally misrepresented or failed to disclose.

In the event this Policy is rescinded after We have paid benefits, We may not recover the payments already made.

Conformity with State Laws

Any part of this Policy which is in conflict with the laws of the state in which You reside on the Effective Date of Coverage is amended to conform to the minimum requirements of such laws.

DECLARATORY ACTION -

26

1. PAY PREM - ENTITLED TO BENEF.
2. ENTIRE CONTRACT - MN RATES
DIFFERENT STATE
3. WAIVER OF PREM BENEFIT CLAIM / 10YR

John Hancock Life Insurance Company (U.S.A.)
(Not licensed in New York)

John Hancock

Jim O'Brien
Vice President, LTC Operations & IT
Long-Term Care Insurance
P.O. Box 111, R-02, Suite 1700
Boston, Massachusetts 02117-0111

**29 BUSINESS
DAYS**

November 14, 2011



**ACTION NEEDED
BY DECEMBER 27, 2011**

Notice of long-term care insurance premium adjustment. Action may be required. John Hancock Life Insurance Company (U.S.A.)

Dear **Richard [Redacted]**,

We are writing to notify you about an increase to your long-term care (LTC) insurance premiums.

At John Hancock, our commitment is to ensure LTC insurance benefits will be there for our policyholders when they need them most. To uphold this responsibility, we continuously monitor the experience of our inforce LTC insurance policies. After the most recent detailed analysis of our business, we have determined there is a need to increase premiums on certain policy series to reflect the **future claims expected** on these policies, and yours is one of those policies affected.

Effect of increase on your premium

Based on your current benefit selections, your premiums will increase from \$2,492.16 to \$4,735.10, annually. This change represents a 90% increase in your premium. This new premium will be effective for premiums due on or after January 26, 2012. Please note this letter is not a bill.

Options to avoid or minimize the premium increase

We sincerely regret having to take this action, and understand some policyholders may not be willing or able to pay the higher premium. Therefore, at this time, we are offering you an option to avoid the premium increase completely by reducing your future annual inflation rate and keeping all other benefits the same. Please refer to the enclosed "Options Package" for more information on this as well as alternative options available to you.

About the premium increase

It is important to know that this premium rate increase has been submitted to and accepted by the Minnesota Insurance Department. No individual has been singled out for an increase, nor is the increase due to a policyholder's advancing age or changing health. Our decision to increase premiums on certain policies is solely related to the future claims anticipated on these policies and not to the recent recession, interest rate environment, or any other investment-related reason. Please note that the pricing of our long-term care insurance policies is the sole responsibility of John Hancock, not your insurance agent. As a reminder, premium rates are not guaranteed, and could be increased again in the future.

Continued on next page

Importance of LTC insurance coverage

We believe in the importance of LTC insurance and strongly encourage you to maintain your policy and not give up the valuable protection that it provides. We remain committed to delivering on our promise to provide the most comprehensive coverage, support and service, when and where you need care.

For questions and assistance

If you have additional questions, please visit www.jhinfocenter.com or contact one of our customer service representatives at 877-606-7754. Our dedicated team is available to help you make a decision that best meets your personal needs.

Sincerely,



Jim O'Brien
Vice President, LTC Operations & IT

Enclosures:

Options Package

Frequently Asked Questions

Coverage Change Request Form

Options Package: for Richard Lanpher
Policy # 5162524
John Hancock Life Insurance Company (U.S.A.)



I. Summary of your current individual LTC insurance benefits

Monthly Benefit ¹	[REDACTED]
Benefit Period.....	Lifetime
Elimination Period.....	90 days
Inflation Option.....	5% Compound Inflation
Optional Riders.....	Spousal Survivorship & Waiver of Premium, Waiver of Home Care Elim Period
Current Premium (prior to increase).....	\$2,492.16, annually

Your premium increase

Due to the premium rate increase and based on your current benefit selections as shown above, your premiums will increase from \$2,492.16 to \$4,735.10, annually and will be effective for premiums due on or after January 26, 2012.

If you wish to keep your current coverage, you do not need to take any action other than pay the increased premium.

- If you have authorized payment via monthly electronic funds transfer through John Hancock, we will deduct the new premium from your bank account effective January 26, 2012.
- If your payment is via a third-party account or online banking, please contact your representative or bank prior to January 26, 2012 to update the payment amount.

Your options

The following pages provide options for you to avoid or minimize the premium increase by adjusting your current benefits. As you evaluate what is best for you, we also encourage you to consider the current and projected cost of care in your area, as well as how much of that amount you are willing and able to pay from your own savings. For current cost of care information specific to your area, please visit www.jhinfocenter.com and click "Cost of Care".

For questions and assistance

If you have questions or need further assistance, please visit www.jhinfocenter.com or contact one of our customer service representatives at 877-606-7754, Monday through Friday from 8:00 a.m. - 6:30 p.m. Eastern Time. Our dedicated team is available to help you make a decision that best meets your personal needs.

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¹ Benefits calculated as of January 26, 2012.

Options Package for Richard Lanpher
 Policy # 5162524
 John Hancock Life Insurance Company (U.S.A.)



II. Your Personalized Option to Reduce Coverage and Lower Premiums

Avoid the premium increase by reducing your future annual inflation rate

You will be able to avoid this premium increase completely by reducing your future annual inflation rate from 5% Compound to 2.7% Compound on your next policy anniversary of January 26, 2012.

The reduced inflation percentage will only be applied to future inflation increases that will occur after the effective date of this change. All other existing benefits and previous inflation increases that have already been applied to your policy through the effective date of the inflation reduction will be maintained. Before selecting this option, please review the information below.

ACTION NEEDED BY DECEMBER 27, 2011: Select the Personalized Option on the enclosed Coverage Change Request Form and return it to the address or fax number provided if you wish to choose this option. Please note - your Personalized Option to reduce your future annual inflation and avoid the premium increase is a one-time offer. Variations of this Personalized Option are not available.

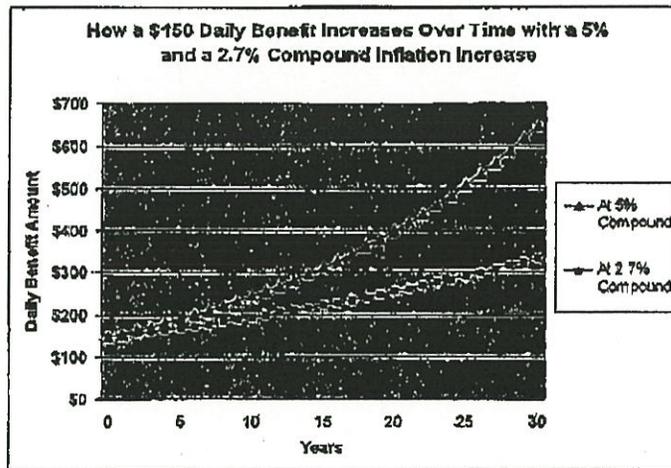
Trends in the cost of care

To help you with your inflation coverage decision, we thought it might be useful to provide you with the latest trends in the cost of care. The chart below shows the national average annual increase over the past nine years for the cost of care in various care settings.*

Long-term care setting	9-Year Average Annual Increase
Nursing Home: Private room	3.5%
Nursing Home: Semi-private room	3.2%
Assisted Living Facility	3.4%
Home Health Care Aide	1.3%
Adult Day Care	2.2%

Sample of the effect on benefits over time by reducing future inflation rate

The following is an example of how a \$150 daily benefit amount increases over the next 30 years at 5% and 2.7% annually compounding rates.



>>>

*The 9-year average annual increases are based on a comparison of data gathered from providers across the country for John Hancock's 2002, 2005, 2008 and 2011 Cost of Care Surveys.

Long-term care insurance is underwritten by John Hancock Life Insurance Company (U.S.A.), Boston, MA 02117.
 JHLTC-1209 1/11

Options Package for Richard Lanpher
Policy # 5162524
John Hancock Life Insurance Company (U.S.A.)

III. Your Alternative Options to Reduce Coverage and Lower Premiums

Reduce other current benefits

To help mitigate the premium increase, you may be eligible to reduce your benefits. For example, you may be eligible to:

- Reduce your current monthly benefit*
- Reduce your benefit period*
- Increase your elimination period
- Drop an optional rider

* This reduction will also result in a corresponding decrease in your Total Policy Limit.

Please note - in certain instances the ability to reduce your benefits may not be available due to state-regulated minimum benefit requirements or the available plan options.

- 
- ◆ **ACTION NEEDED BY DECEMBER 27, 2011:** If you are interested in learning more about any of your options, we recommend you contact one of our customer service representatives at 877-606-7754 to review the options in detail and the impact it will have on your premium.

FREQUENTLY ASKED QUESTIONS

John Hancock Life Insurance Company (U.S.A.)

**1. Why do you need to raise premium rates — can you explain further?**

Accurate forecasting and projecting of future claims experience on LTC insurance policies is complex in its detail and application. Many factors are considered at the time that pricing is established, such as the frequency and severity of particular medical conditions, the expected lifespan of policyholders, the length of time policies are expected to remain in force, and the cost of care, to name a few. As claims are paid, these factors can change over time.

Unfortunately, the most recent detailed review of our pricing assumptions confirms that the expected claims over the life of your policy series are significantly higher today than they were expected to be when the premiums were originally determined.

2. What is the policy provision that allows you to raise my premiums?

The provision that allows for an increase in premiums can be found on the front page of your policy. Your policy indicates that, while your insurance company cannot change coverage or refuse to renew coverage for reasons other than nonpayment of premiums, the company is allowed to change or increase premiums so long as the increase applies to an entire class of policies. We are required to file premium increases on policy series, along with actuarial justification, with the department of insurance in the state where the policy was purchased.

3. Have I been singled out for this rate increase because of my age or health?

No. No individual has been singled out for an increase, nor is the increase due to a policyholder's advancing age or changing health. Also, your state has not been singled out, as all states are included in our rate increase process.

4. If I no longer live in the state where I purchased my policy, does the increase still apply?

Yes. All LTC insurance policies are regulated by the original state in which they were written at the time of the purchase of the policy. That means that the state where you were residing when you purchased your policy continues to be the applicable state, even if you are now residing elsewhere.

5. Is the premium rate increase due to the prevailing economic environment?

No. We are increasing premium rates solely due to our claims experience, which indicates higher-than-expected claims on your policy series in the future. State regulation does not permit in force premium rate increases that are for the purpose of bolstering the insurer's financial position.

6. Is there an alternative to paying higher premiums?

Yes. We are offering several benefit reduction alternatives and, in most cases, at least one option that will enable you to keep your premiums at or close to the same level as what you are paying today. The enclosed 'Options Package' outlines your options. To further review these options, please contact one of our customer service representatives.

7. What is the purpose of the enclosed Coverage Change Request Form?

The enclosed Coverage Change Request Form need only be completed and returned to John Hancock should you decide you want to adjust your benefits or cancel your policy. Otherwise, no action is necessary on your part, as the premium rate increase will take place automatically on the policy anniversary date specified in your letter.

COVERAGE CHANGE REQUEST FORM

Individual LTC Insurance Policy for **Richard Lanpher**
Policy # **5162524**
John Hancock Life Insurance Company (U.S.A.)



	MAIL	FAX
Step 1: Select an option (check the appropriate box) Step 2: Review the Agreement and Acknowledgement Step 3: Sign and date this form Step 4: Return this form by the date provided below	John Hancock LTC Coverage Election P.O. Box 111, R-02, Ste 1700 Boston, MA 02117-0111	John Hancock LTC Coverage Election 877-606-7771

Your Personalized Option - Avoid the premium increase by reducing your future annual inflation rate
Your future inflation rate will be reduced from 5% Compound to 2.7% Compound on your upcoming policy anniversary of January 26, 2012. **This will result in no premium increase.**

Alternative Options

One or more of the following can be selected. Please call for more information if you are interested in any of these options. In some instances, certain changes are subject to state and/or Partnership regulatory benefit minimum requirements.

- Reduce your **Monthly Benefit** from **\$8,865** to \$ _____ *
- Reduce your **Benefit Period** from **Lifetime** to _____ *
- Increase your **Elimination Period** from **90 days** to _____
- Remove the following optional rider(s) from your policy: _____
- Cancel your policy. This change will be effective immediately.**

* This reduction will also result in a corresponding decrease in your Total Policy Limit.

Agreement and Acknowledgement

I understand that my benefits and/or premium for those benefits will change based upon the option(s) I select.

I understand that premium rates are not guaranteed and may be increased again in the future if I am among the group of policyholders whose premiums are determined to be inadequate.

If I select an option(s) to change my coverage, I understand that, within 30 days of the date this change becomes effective, I may cancel the change in my coverage and return to my original coverage at the increased premium level.

I understand the policy change(s) I selected above. By signing below, I agree that any change(s) other than cancelling my policy, will be effective on my next policy anniversary provided this form is received by John Hancock by that date.

Signature _____

Date _____

Please return this form using the enclosed postage paid return envelope by: **December 27, 2011**

Long-term care insurance is underwritten by John Hancock Life Insurance Company (U.S.A.), Boston, MA 02117.
JHLTC-1208 1/11



COVERAGE CHANGE REQUEST FORM
Individual Life Insurance Policy

Step 1: Review and select an option (please choose only one option)

Quoted Options	Daily/Monthly Benefit	Benefit Period	Elimination Period	Inflation Option	Optional Riders	Premium (annually)
Coverage as of 1/26/2012	\$8,865.00 Monthly Benefit	Lifetime	90 days	5% Compound	Spousal Survivorship & Waiver of Premium, Waiver of Home Care Elim Period	\$4,197.02
<input type="checkbox"/> Option 1	\$8,065.00 Monthly Benefit	Lifetime	90 days	5% Compound	Spousal Survivorship & Waiver of Premium, Waiver of Home Care Elim Period	\$3,818.60
<input type="checkbox"/> Option 2	\$7,565.00 Monthly Benefit	Lifetime	90 days	5% Compound	Spousal Survivorship & Waiver of Premium, Waiver of Home Care Elim Period	\$3,582.16
<input type="checkbox"/> Option 3	\$7,065.00 Monthly Benefit	Lifetime	90 days	5% Compound	Spousal Survivorship & Waiver of Premium, Waiver of Home Care Elim Period	\$3,345.03
<input type="checkbox"/> Option 4	\$6,565.00 Monthly Benefit	Lifetime	90 days	5% Compound	Spousal Survivorship & Waiver of Premium, Waiver of Home Care Elim Period	\$3,108.59
<input type="checkbox"/> Option 5	\$6,065.00 Monthly Benefit	Lifetime	90 days	5% Compound	Spousal Survivorship & Waiver of Premium, Waiver of Home Care Elim Period	\$2,872.17

Step 2: Review Agreement and Acknowledgement

As the policyholder (or legal personal representative), I hereby authorize the change selected above. I understand that my benefits and/or premium for those benefits will change based upon the option I select. I understand that premium rates are not guaranteed and may be increased again in the future if I am among the group of insureds whose premiums are determined to be inadequate.

Step 3: Sign and Date

Signature _____ Date _____

Step 4: Return completed and signed form using the enclosed postage-paid envelope.

#1 REDUCE MONTHLY BENEFITS
IN \$ 500.⁰⁰ AMOUNTS

34

3

Step 1: Review and select an option (please choose only one option)

Quoted Options	Daily/Monthly Benefit	Benefit Period	Elimination Period	Inflation Option	Optional Riders	Premium (annually)
Coverage as of 1/26/2012	\$8,865.00 Monthly Benefit	Lifetime	90 days	5% Compound	Spousal Survivorship & Waiver of Premium, Waiver of Home Care Elim Period	\$4,197.02
<input type="checkbox"/> Option 1	\$8,865.00 Monthly Benefit	10 years	180 days	5% Compound	Spousal Survivorship & Waiver of Premium, Waiver of Home Care Elim Period	\$3,583.61
<input type="checkbox"/> Option 2	\$8,865.00 Monthly Benefit	6 years	180 days	5% Compound	Spousal Survivorship & Waiver of Premium, Waiver of Home Care Elim Period	\$3,196.20
<input type="checkbox"/> Option 3	\$8,865.00 Monthly Benefit	10 years	365 days	5% Compound	Spousal Survivorship & Waiver of Premium, Waiver of Home Care Elim Period	\$3,185.43
<input type="checkbox"/> Option 4	\$8,865.00 Monthly Benefit	6 years	365 days	5% Compound	Spousal Survivorship & Waiver of Premium, Waiver of Home Care Elim Period	\$2,841.06

Step 2: Review Agreement and Acknowledgment

As the policyholder (or legal personal representative), I hereby authorize the change selected above. I understand that my benefits and/or premium for those benefits will change based upon the option I select. I understand that premium rates are not guaranteed and may be increased again in the future if I am among the group of insureds whose premiums are determined to be inadequate.

Step 3: Sign and Date

Signature _____ Date _____

Step 4: Return completed and signed form using the enclosed postage-paid envelope.

2 REDUCE BENEFIT PERIOD
 LIFETIME
 10 YR
 6 YR

3 INCREASE ELIMINATION PERIOD
 90
 180
 365

35

4

COVERAGE CHANGE REQUEST FORM

Individual Life Insurance Policy for:

Step 1: Review and select an option (please choose only one option)

Quoted Options	Daily/Monthly Benefit	Benefit Period	Elimination Period	Inflation Option	Optional Riders	Premium (annually)
Coverage as of 1/26/2012	\$8,865.00 Monthly Benefit	Lifetime	90 days	5% Compound	Spousal Survivorship & Waiver of Premium, Waiver of Home Care Elim Period	\$4,197.02
<input type="checkbox"/> Option 1	\$8,865.00 Monthly Benefit	10 years	90 days	5% Compound	Spousal Survivorship & Waiver of Premium, Waiver of Home Care Elim Period	\$3,981.79
<input type="checkbox"/> Option 2	\$8,865.00 Monthly Benefit	6 years	90 days	5% Compound	Spousal Survivorship & Waiver of Premium, Waiver of Home Care Elim Period	\$3,551.33
<input type="checkbox"/> Option 3	\$8,865.00 Monthly Benefit	5 years	90 days	5% Compound	Spousal Survivorship & Waiver of Premium, Waiver of Home Care Elim Period	\$3,336.10
<input type="checkbox"/> Option 4	\$8,865.00 Monthly Benefit	4 years	90 days	5% Compound	Spousal Survivorship & Waiver of Premium, Waiver of Home Care Elim Period	\$3,013.25
<input type="checkbox"/> Option 5	\$8,865.00 Monthly Benefit	3 years	90 days	5% Compound	Spousal Survivorship & Waiver of Premium, Waiver of Home Care Elim Period	\$2,582.78

Step 2: Review Agreement and Acknowledgement

As the policyholder (or legal personal representative), I hereby authorize the change selected above. I understand that my benefits and/or premium for those benefits will change based upon the option I select. I understand that premium rates are not guaranteed and may be increased again in the future if I am among the group of insureds whose premiums are determined to be inadequate.

Step 3: Sign and Date

Signature _____

Date _____

Step 4: Return completed and signed form using the enclosed postage-paid envelope.

#2 REMOVE BENEFIT PERIOD FROM LIFE TIME TO.

10 YR
5 YR
3 YR

36

5

COVERAGE CHANGE REQUEST FORM
Individual LIC Insurance Policy for:

Step 1: Review and select an option (please choose only one option)

Quoted Options	Daily/Monthly Benefit	Benefit Period	Elimination Period	Inflation Option	Optional Riders	Premium (annually)
Coverage as of 1/26/2012	\$8,865.00 Monthly Benefit	Lifetime	90 days	5% Compound	Spousal Survivorship & Waiver of Premium, Waiver of Home Care Elim Period	\$4,197.02
<input type="checkbox"/> Option 1	\$8,865.00 Monthly Benefit	Lifetime	180 days	5% Compound	Spousal Survivorship & Waiver of Premium, Waiver of Home Care Elim Period	\$3,777.32
<input type="checkbox"/> Option 2	\$8,865.00 Monthly Benefit	Lifetime	365 days	5% Compound	Spousal Survivorship & Waiver of Premium, Waiver of Home Care Elim Period	\$3,357.62

Step 2: Review Agreement and Acknowledgment

As the policyholder (or legal personal representative), I hereby authorize the change selected above. I understand that my benefits and/or premium for those benefits will change based upon the option I select. I understand that premium rates are not guaranteed and may be increased again in the future if I am among the group of insureds whose premiums are determined to be inadequate.

Step 3: Sign and Date

Signature _____ Date _____

Step 4: Return completed and signed form using the enclosed postage-paid envelope.

3 INCREASE ELIMINATION PERIOD
90 DAYS
180 DAYS
365 DAYS

6

Step 1: Review and select an option (please choose only one option)

Quoted Options	Daily/Monthly Benefit	Benefit Period	Elimination Period	Inflation Option	Optional Riders	Premium (annually)
Coverage as of 1/26/2012	\$8,865.00 Monthly Benefit	Lifetime	90 days	5% Compound	Spousal Survivorship & Waiver of Premium, Waiver of Home Care Elim Period	\$4,197.02
<input type="checkbox"/> Option 1	\$8,865.00 Monthly Benefit	Lifetime	90 days	5% Compound	Waiver of Home Care Elim Period	\$3,876.91
<input type="checkbox"/> Option 2	\$8,865.00 Monthly Benefit	Lifetime	90 days	5% Compound	Spousal Survivorship & Waiver of Premium	\$3,876.91
<input type="checkbox"/> Option 3	\$8,865.00 Monthly Benefit	Lifetime	90 days	5% Compound		\$3,556.80

Step 2: Review Agreement and Acknowledgement

As the policyholder (or legal personal representative), I hereby authorize the change selected above. I understand that my benefits and/or premium for those benefits will change based upon the option I select. I understand that premium rates are not guaranteed and may be increased again in the future if I am among the group of insureds whose premiums are determined to be inadequate.

Step 3: Sign and Date

Signature _____ Date _____

Step 4: Return completed and signed form using the enclosed postage-paid envelope.

#4 REMOVE OPTIONAL RIDERS
 OPT #1 REMOVE SPOUSAL SURVIVORSHIP + WAIVER OF PLEW
 OPT #2 REMOVE WAIVER OF HOME CARE ELIMINATION PERIOD
 OPT #3 NO RIDERS

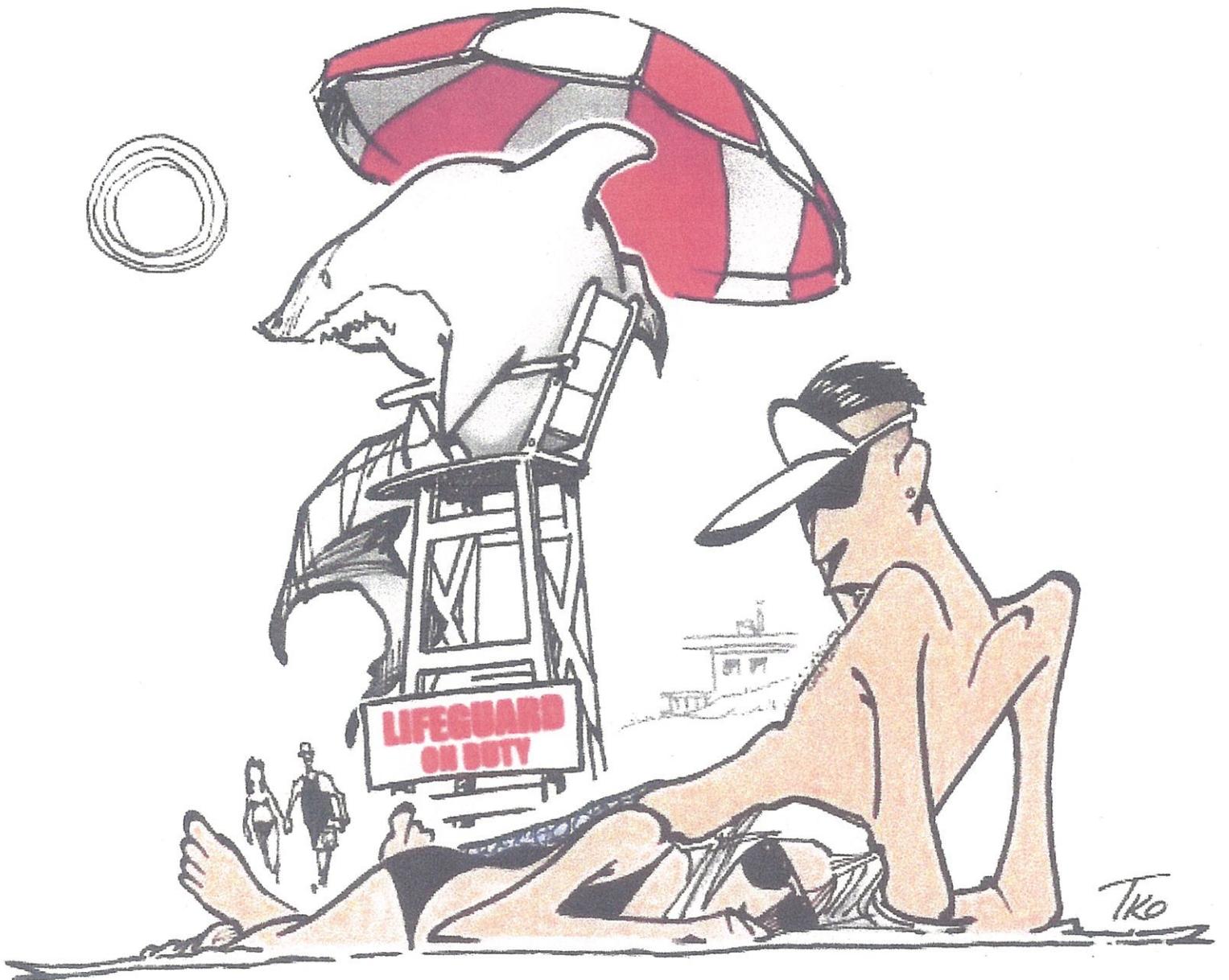
38

GOALS:

- 1. CONVINCING MN DEPARTMENT, THE SOLE AUTHORITY IN MN TO DENY PREMIUM RATE INCREASES, TO DENY ALL FUTURE FILINGS FOR PREMIUM INCREASES ON ALL INFORCE LTC POLICYHOLDERS**
- 2. RESCIND PAST PREMIUM RATE APPROVALS – 2011 JOHN HANCOCK 40%- 90%**
- 3. IMPACT ANALYSIS OF 2011 JOHN HANCOCK INCREASE ON THE 8700 POLICYHOLDERS.**

IN CONCLUSION

1. PROTECTING MN POLICY HOLDERS - DENIAL
2. WHERE'S WALDO OR CONFLICTS OF INTEREST
3. INSURANCE COMPANY ACCOUNTABILITY
4. ACTUARIES
5. MN DEPARTMENT OF INSURANCE
6. MN LEGISLATION PROTECTION
7. EXPERIENCE WITH JOHN HANCOCK – 2011 &
TODAY
8. DENIAL, DENIAL & DENIAL



*“So, I’m the only one who sees a
conflict of interest here?”*