

Is Your Clients' Nest Egg At Risk?

How LTC insurance can protect your client's retirement savings

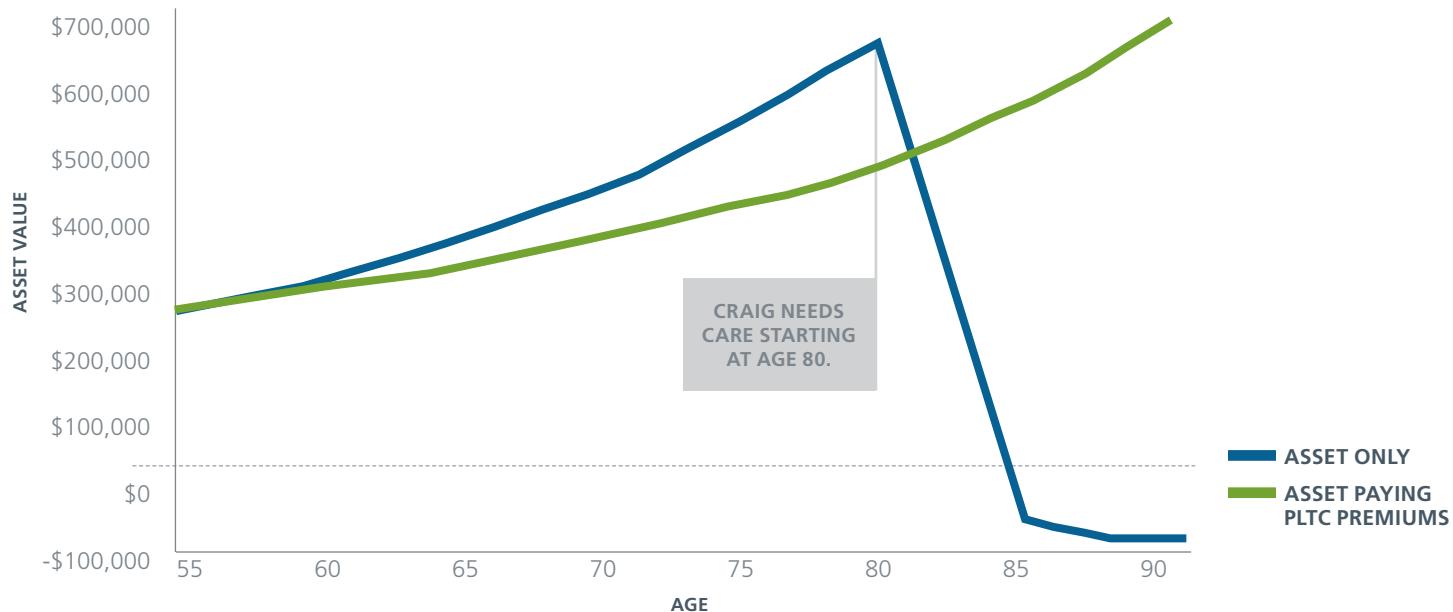
CONSIDER THIS: Gwen and Craig are 55 years old and planning for retirement. They understand they may need long term care services and do not want to burden their children. They think self-insuring a long term care event is more prudent than purchasing a long-term care insurance policy.

However, if they withdraw a portion of their nest egg to cover the Performance LTC (PLTC) premium, they will be protecting themselves from the risk and depleting future savings.

Let's take a look at self-insuring vs. purchasing LTC insurance

Asset: \$250,000; Assuming a 4% return and a claim for Craig at age 80 lasting 5 years

55 YEAR OLD COUPLE, SELECT RATES, \$6000 MONTHLY BENEFIT FOR EACH, 5 YEAR BENEFIT PERIOD, 3% COMPOUND INFLATION, 90 DAY ELIMINATION PERIOD, INITIAL PREMIUM \$4,633, INITIAL POOL OF MONEY \$720,000



Consider the result of both scenarios:

At age 80, Craig goes on claim and it lasts 5 years.

	Self Insure (no LTC Insurance)	Performance LTC PLUS Asset
Asset Value at Age 80	\$656,078 \$250,000 asset, growing at a 4% return	\$470,832 Asset is being used to pay PLTC premium
Total Combined PLTC Premiums Paid	\$0	\$123,752
Total PLTC Benefit at Age 80*	\$0	\$1,507,522
LTC Benefit & Asset	\$656,078	\$1,978,354

* Total benefit is the combined policy limits for both Gwen and Craig at age 80.

At age 85 after 5 years of Craig being on claim his LTC Benefits are exhausted:

	Self Insure (no LTC Insurance)	Performance LTC PLUS Asset
Asset Value at age 85	(\$76,339) The total cost of Craig's claim has caused the asset to deplete. What impact will this have on Gwen?	\$507,984**
Total Combined PLTC Premiums Paid	\$0	\$140,810
Total PLTC Benefit at Age 85	\$0	\$873,815 (Gwen's policy)
LTC Benefit & Asset	(\$76,339)	\$1,419,488

** Incorporates out of pocket costs during 90-day elimination period.

It's a **wise decision** that Craig and Gwen used a portion of their asset to purchase Performance LTC:

- There is continued access to their nest egg should they need it to support their lifestyle or leave an inheritance to their children
- There was coverage for Craig for an LTC event totaling over \$800,000
- Gwen still has 5 years of benefits on her Performance LTC policy

Contact your John Hancock representative to learn more about Performance LTC.

This example is hypothetical and is not intended to predict actual performance. A policy illustration was used to provide PLTC policy values. That illustration assumed Flex Credits were applied toward PLTC Premiums Paid. However, policy premiums and Flex Credits are not guaranteed and the amount of out of pocket Premiums Paid could be higher.

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