

December 20, 2022

Next round of in-force rate action notifications to take place in late January

In late January, we will begin policyholder notifications on the next round of John Hancock and Fortis policies impacted by the in-force rate actions, which will have an effective date beginning with anniversaries on or after **May 1, 2023**.

2019 RATE ACTION

JOHN HANCOCK

John Hancock LTCI individual policies originally issued in **California, Louisiana, Minnesota** and **Tennessee** are impacted. We will continue the implementation of the 2019 rate increase for policyholders in **Connecticut, Minnesota** and **Texas** who received an initial “capped” or “phased-in” increase.

2016 RATE ACTION

JOHN HANCOCK

John Hancock LTCI individual policies originally issued in **California** are impacted. We will continue the implementation of the 2016 rate increase for policyholders in **Rhode Island** who received an initial “capped” or “phased-in” increase.

2013 RATE ACTION

JOHN HANCOCK

John Hancock will continue the implementation of the 2013 rate increase for policyholders in **Rhode Island** and **Wisconsin** who received an initial “capped” or “phased-in” increase.

FORTIS

We will continue the implementation of the 2013 rate increase for policyholders in **Wisconsin** who received an initial “capped” or “phased-in” increase.

COMMUNICATIONS TIMELINE

Policyholder Notification Package (at least 90-day notification)	1/23/2023
Policy Anniversary (rate increase effective date)	5/1/2023

Policyholders impacted by the rate actions will be grouped by policy anniversary month and will be notified in waves, at least 90 days in advance of their policy anniversary. Note: State policyholder drops will be spread out over several weeks to help manage service demands, but current notification packages will be available for you to view approximately 4 weeks in advance of any policyholder mailing.

Please Note: As a reminder, producer notification packages are now available online through our e-Delivery program. You can view your current notification packages by visiting www.jhsaleshub.com and registering for access to your online documents.

Implementation Information

Beginning in late January, we will be sending notifications to policyholders who are impacted by the 2019 and 2016 rate actions, while continuing to send notifications to policyholders impacted by the 2013 and 2010 rate actions. Your policyholder listing will identify the applicable rate action along with any specific details on the rate increase amounts and state implementations, such as a capped or phased-in increase.

IMPORTANT: New Options Available to Policyholders impacted by the 2019 and 2016 rate actions

For certain policies with anniversaries beginning January of 2020, John Hancock is offering two new options for policyholders to help mitigate the effects of the 2019 and 2016 premium rate increases (subject to state approval or acceptance and rate increase approval):

- **Shared Cost Option**

Eligible policyholders will have a one-time opportunity to offset the rate increase by electing a personalized shared cost option which will reduce their current daily or monthly benefit and their policy limit by their shared cost percentage and introduce a coinsurance feature where the customer will pay their shared cost percentage of their covered service expenses. John Hancock will pay the remainder of the covered service expenses, but only up to and no more than the new daily or monthly maximum benefit amount and new overall policy limit.

Electing the shared cost option will allow the policyholder to keep their premiums at their current levels while preserving more value in their policy compared to reducing their daily or monthly benefit or benefit period to keep their premiums at their current levels.

- **Paid-Up Policy Option**

Eligible policyholders will be offered the paid-up policy option which, similar to a nonforfeiture benefit, will convert their policy to a paid-up status. No further premiums will be due, and their policy limit will be modified. The new policy limit will be equal to the lesser of the current policy limit or 150% of all premiums paid into the policy since issue, minus any benefits paid.

This option may significantly reduce policy benefits.

John Hancock will continue to offer “inflation landing spots” as part of the 2019 rate action implementation (subject to state approval or acceptance and rate increase approval) to policyholders with automatic compound or simple inflation, where eligible, (not available to policies with CPI compound inflation). **Accepting the landing spot will allow them to keep their premiums and benefits at their current levels but will reduce the amount of inflation protection going forward.**

Long-term care insurance is underwritten by John Hancock Life Insurance Company (U.S.A.), Boston, MA 02116 (not licensed in New York) and in New York by John Hancock Life & Health Insurance Company, Boston, MA 02116.

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Policyholders who accepted the landing spot in connection with a prior rate action may be offered an additional landing spot.

Policyholders with CPI Compound and GPO-style inflation and those who are not eligible for an inflation landing spot will be offered other benefit reduction options to help mitigate the increase. Please see pages 5 - 7 of this communication for more information about the rate action process.

JOHN HANCOCK AND FORTIS* POLICIES IMPACTED

State & Company	Impacted Policy Series**	2019 Approval & Implementation Details
California John Hancock (Partnership)	Custom/Essential Care Custom/Essential Care II	<ul style="list-style-type: none"> • Increase approved in full and will be phased in evenly over 3 years for all Custom/Essential Care II policies • Increase capped and phased in evenly over 3 years for all Custom/Essential Care policies: <ul style="list-style-type: none"> ○ 40% cap for issue ages 79 and younger ○ 31.2% cap for issue ages 80 and older • Landing spots will be offered to eligible policyholders • Shared Cost Option will not be available • California Partnership¹
Louisiana John Hancock	Advantage Gold Custom/Essential Care Custom/Essential Care II Custom Care II (2007) Custom Care II Enhanced (2008 & 2010) Leading Edge	<ul style="list-style-type: none"> • Increase capped for all policies: <ul style="list-style-type: none"> ○ 20% cap for all Advantage and Gold policies ○ 15% cap for all Custom/Essential Care, Custom/Essential Care II and Custom Care II (2007) policies ○ 10% cap for all Custom Care II Enhanced (2008) and Leading Edge policies ○ 5% cap for all Custom Care II Enhanced (2010) policies • Landing spots will not be available • Shared Cost Option will not be available • DRA Partnership state²
Minnesota John Hancock	Custom/Essential Care	<ul style="list-style-type: none"> • Increase capped for all policies and will be phased in over 2 years (15% max per year) • Landing spots will not be available • Shared Cost Option will not be available • DRA Partnership state²
Tennessee John Hancock	Custom Care III	<ul style="list-style-type: none"> • Increase approved in full for all policies • Landing spots will not be available • Shared Cost Option will not be available • DRA Partnership state²

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State & Company	Impacted Policy Series**	2019 Approval & Implementation Details (Continued)
Connecticut John Hancock (Partnership & Non-Partnership)	Advantage Gold Custom Care	<ul style="list-style-type: none"> Phase 3 (Final) of 2019 rate increase Landing spots will not be available Shared Cost Option will not be available Connecticut Partnership³
Minnesota John Hancock	Custom/Essential Care II	<ul style="list-style-type: none"> Phase 2 (Final) of 2019 rate increase Landing spots will not be available Shared Cost Option will not be available DRA Partnership state²
Texas John Hancock	Leading Edge	<ul style="list-style-type: none"> Phase 2 (Final) of 2019 rate increase Landing spots will not be available Shared Cost Option will not be available
State & Company	Impacted Policy Series**	2016 Approval & Implementation Details
California John Hancock (Partnership)	Gold	<ul style="list-style-type: none"> Increase capped at 40% and phased in evenly over 3 years for all policies Landing spots will be offered to eligible policyholders Shared Cost Option will not be available California Partnership¹
State & Company	Impacted Policy Series**	2013/2016 Approval & Implementation Details
Rhode Island John Hancock	Custom/Essential Care II Custom Care II (2007)	<ul style="list-style-type: none"> Phase 2 (Final) of 2013/2016 rate increase Landing spots will not be available Shared Cost Option will not be available
State & Company	Impacted Policy Series**	2013 Approval & Implementation Details
Wisconsin John Hancock	Gold Time 4060's & 4070's	<ul style="list-style-type: none"> Phase 5 (Final) of 2013 rate increase for all Gold policies Phase 4 (of 8) of 2013 rate increase for all 4000 series policies Landing spots will not be available Shared Cost Option will not be available
Wisconsin Fortis	Union 6060's, 6070's & 7060's	<ul style="list-style-type: none"> Phase 4 (of 8) of 2013 rate increase for all 6000 series policies Phase 4 (Final) of 2013 rate increase for all 7000 series policies Landing spots will not be available Shared Cost Option will not be available

* Long-Term Care insurance policies are insured and administered by John Hancock Life Insurance Company (U.S.A.) (Not licensed in New York). Long-term care insurance policies issued under the name of Union Security Insurance Company and Union Security Life Insurance Company of New York are administered by John Hancock Life Insurance Company (U.S.A.).
**There may be certain products under the listed policy series not currently impacted, details will be provided in your policyholder listing.

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¹California Partnership – California Traditional Partnership rules require Partnership policies to maintain no less than a 3% automatic annual inflation rate as well as a minimum daily/monthly benefit amount set by the state each year. More details will be provided in the policyholder notification package.

²DRA Partnership state – LA, MN, TN – As there are no landing spots, there is no landing spot impact to policyholders

³Connecticut Partnership – Connecticut Partnership rules require minimum benefit levels for certain policyholders. More details will be provided in the policyholder notification package.

Producer Notification Package

As a reminder, producer notification packages are no longer mailed. Notification packages are available exclusively online, through John Hancock's e-Delivery program. View your current notification packages by visiting www.jhsaleshub.com and registering for access to your online documents.

Notification packages will be available to view before the impacted policyholders are notified. The package provides details regarding each of your affected clients and the options available to help them to reduce or avoid the premium increase. Each policyholder listing will include policyholders who will be impacted in the next wave of mailings. **Note:** If you do not receive a policyholder listing for any given month, it simply means that you do not have any affected clients for that month.

Once policyholders receive their package, they are encouraged to contact one of our customer service representatives at **888-654-6582** or visit the John Hancock Rate Action Information Center at www.jhinfocenter.com. Our customer service representatives will be able to answer questions and help policyholders make decisions that best meet their personal needs. Producer-related questions can also be directed to **888-654-6582**.

Policyholder Notification Packages

Policyholders who are impacted by the rate action will be notified at least 90 days in advance of their upcoming policy anniversary. The notification package will include:

- Letter about the rate action
- Options Package
- Frequently Asked Questions
- Coverage Change Request Form

Note regarding policyholders on claim: If your client is on claim or has had recent claim activity, they will receive a letter notifying them of the rate action but will not be impacted at this time. A sample of this letter can be found on www.jhsaleshub.com.

General Information

Rate Increase

- The specific percentage increase for an individual policyholder is based on policy series, original issue age, benefit period, daily/monthly benefit and inflation option, as well as issue state.
- For the 2019, 2016 and 2013 rate actions, increases will apply to policyholders of all issue ages. For the 2010 rate action, rate increases will **not** apply to policyholders with an original issue age 80 and older, unless otherwise noted in the impacted policy section above.

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- Policyholders on claim or with recent claim activity will be notified of the rate action; however, they will **not** be impacted until they are no longer on claim. Once off claim, they will receive specific information regarding the rate action, including a personalized option, and will be given the same 90-day notification.

Personalized Options (subject to state approval or acceptance and rate increase approval)

- **Shared Cost Option:** Eligible policyholders will be offered a shared cost option - a personalized percentage which, if elected, will reduce the policyholder's current daily or monthly benefit and overall policy limit by the offered percentage and introduce a coinsurance feature where the customer will pay their shared cost percentage of their covered service expenses. John Hancock will pay the remainder of the covered service expenses, but only up to and no more than the new daily or monthly maximum benefit amount and new overall policy limit. The shared cost option will be offered to policyholders with automatic and GPO style inflations and will be offered in conjunction with inflation landing spots or other personalized options (daily or monthly benefit and benefit period reductions), where eligible.

- **Inflation rate reduction:** Policyholders with automatic compound or simple inflation may be offered an "inflation landing spot." * A landing spot is a reduction in the inflation percentage amount for future inflation increases applied to the benefit amount and policy limit. Accepting the landing spot allows the policyholder to keep their premium at its current level and allows them to preserve the increase in benefits already accrued to date. The landing spot is not available in most states in which the rate increase is capped for policyholders with automatic inflation.

*Some Advantage policies, when implemented, have limited (maximum of 20 years) 5% inflation; for these policies, a landing spot is not applicable. Landing spots are also not available to policies with CPI compound inflation, or to policyholders who elect to switch their inflation coverage after issue to automatic inflation at a fixed amount (where allowed by product/state).

- **Contingent Nonforfeiture Benefit** may be an available option to policyholders. The availability of this option is based on the policyholder's issue age and cumulative premium rate increases since policy issue. This option, if elected or if the policy lapses within 120 days of the premium increase date, will convert the policy to a paid-up status, where no additional premium will be required. The paid-up policy limit amount will be the sum of all premiums paid, minus claims paid. No future inflation adjustments will apply, and all optional riders will terminate. **This option may significantly reduce policy benefits.** Other paid-up options may be available and may also significantly reduce policy benefits.
- Other personalized options will be shown in the notification package to those policyholders not being offered an inflation landing spot. The options shown will be a reduction of either their daily/monthly benefit or their benefit period (or some combination thereof) that results in keeping their premiums as close to their current premiums as possible. These personalized options are based on the policyholder's current level of coverage, as well as state/product minimum required benefit amounts. **Policyholders may have additional options to reduce benefits and may call John Hancock for more details or to obtain a quote.** **Note:** There may be some situations that prohibit personalized options from being illustrated in the package. For those situations, policyholders will be encouraged to call John Hancock for their options.

Notes

- Inflation landing spots and shared cost percentages may not be modified, as they have been filed with the state at a set rate.
- Policyholders will be given at least 90 days' notice of their rate increase, but if they are going to make a change to their policy, we recommend that they decide 30 days before their anniversary date, which will allow us time to process the change before their bill with the higher premium goes out.