

# Custom Care II Enhanced vs. Federal Long Term Care Insurance Program (FLTCIP 2.0)



On October 1, 2009, the Federal Long Term Care Insurance Program began accepting applications for its new benefit structure, FLTCIP 2.0. Below is a side-by-side comparison of the benefits and features of the new plan (FLTCIP 2.0) compared to John Hancock's Custom Care II Enhanced.

## CUSTOM CARE II ENHANCED

## FLTCIP 2.0

Product Information		
Eligible Ages	18-84	18 and up. Individuals eligible to apply for coverage include federal and U.S. Postal Service employees and annuitants, active and retired members of the uniformed services, and their qualified relatives.
Reimbursement or Indemnity	Reimbursement	Same
Coverage Percentage	The policy will pay 100% of allowable expenses up to the Daily/Monthly Maximum. Maximum for covered care which includes: home health care (HHC), assisted living facilities (ALF), nursing facilities, and adult day care.	The policy will pay 100% of allowable expenses up to the Daily Maximum. Maximum for covered care which includes: home health care (HHC), assisted living facilities (ALF), nursing facilities, and adult day care.
Daily/Monthly Maximum	Daily: \$50-\$500 Monthly: \$1,500-\$15,000 (Rider cost is 6.4%)	Daily Benefit Amounts: \$100-\$450 DBA choices are in \$50 increments
Benefit Periods	2-Years      4 Years      6-Years      Unlimited 3-Years      5-Years      10-Years	2-Years      5-Years 3-Years      Unlimited
Elimination Period (EP)	30, 60, 90, 180 or 365 days (service days) Includes a 1=7 count for HHC	90 calendar days
0-Day HHC Elimination Period	Days of HHC count toward the facility EP. (Rider cost is 9%)	Not available
Waiver of Premium	After the EP has been satisfied (when receiving benefits)	Same
Bed-Hold Reservation	60 days of bed-hold per calendar year. Both ALF and Nursing Facility (for any reason).	Same
Assisted Living Facility		
ALF Description	100% of allowable expenses up to the Daily/Monthly Maximum	100% of allowable expenses up to the Daily Maximum
Home Health Care		
Home Health Care (HHC) Description	100% of allowable expenses up to the Daily/Monthly Maximum	100% of allowable expenses up to the Daily Maximum
Informal Home Care Provider	Providers are not required to be licensed, certified or part of a HHC agency. Providers must be trained.  Does not cover unlicensed family members or others who live with the insured.	Providers are not required to be licensed, certified or part of a HHC agency. Providers must be trained.  Informal caregivers are covered if approved by care coordinator and included in plan of care and are not living with the insured at the time the insured went into claim. Informal caregivers who are family members not living with the insured at time of claim are covered up to 500 days over the life of the policy.
Family Home Care Provider	Covered in full if they are a professional and an employee of an organization providing care.	Same

Home Health Care continued		
Stay at Home Benefit (Equipment and Home Modification Benefit)	30x the Daily Max or 1x the Monthly Max over the lifetime of the policy. A separate benefit that does not reduce the overall benefits and increases with inflation.	30x the Daily Max over the lifetime of the policy. A separate benefit that does not reduce the overall benefits and increases with inflation.
Inflation Options		
	<ul style="list-style-type: none"> <li>• CPI Compound Inflation (automatic compound); unlimited inflation increases based on the Consumer Price Index (CPI). The 30-year historical average of the CPI is 4.1%.<sup>1</sup> Includes Guaranteed Increase Option (GIO): The right to purchase an additional 10% (compounded) every third year up to age 91 if no claims in the two years prior.</li> <li>• 5% Compound</li> <li>• 5% Simple</li> <li>• GPO as default Inflation rider. Option to increase benefits every 3 years by 5%, 10%, or 15% of original benefit and offers a conversion to CPI or 5% compound at 65 with no additional underwriting required if no benefits payable in prior two years.</li> </ul>	<ul style="list-style-type: none"> <li>• 4% Compound</li> <li>• 5% Compound</li> <li>• Future Purchase Option (FPO): Increases will be based on the change in the Consumer Price Index for All Urban Consumers (Urban CPI), offered every two years. Unlimited declines. Ability to switch to the 4% or 5% Compound Inflation option, (proof of insurability required).</li> </ul>
Other Benefits/Provisions		
Care Coordination	Services to assist in determining the care and treatment plan. These services are voluntary, there is no limit, and they do not reduce the overall Lifetime Maximum.	Same
Care Advisory Services	Additional Independent Care Coordination services. Client can select Independent Care Advisor. The amount is equal to 10x the Daily benefit selected (or 1/3 of the Monthly Benefit selected) per calendar year. This does not reduce the policy limit.	As part of care coordination services, insureds and qualified relatives have access to the following services: general information, plan of care, monitoring and assessment of services and discounts.
Advantage Provider Program (APP)	Information and quality ratings on over 90,000 LTC providers. Access to an advocate, who provides claimant and family members with lists of available providers in their area. Negotiates discounts with LTC providers (up to 35%) that help extend the policy benefits.	Same
Caregiver Support Services	Provides personalized telephone and website support on caregiving questions or concerns for the insured and their family members.	Same
LifeStyle Benefits	Can increase coverage at any time, subject to the plan limits and underwriting. Price is based on a blended basis with increased coverage only at an attained age.	Same
Alternate Services Benefit (Alternate Plan of Care)	Helps to ensure that policyholder has access to emerging services that may develop over time, but are not currently identified in their policy.	Same
Return of Premium (ROP)	If death occurs prior to age 65, we will pay a benefit to the designated beneficiary equal to total premium paid less claims. Built-in benefit.  Enhanced ROP rider: Upon death, beneficiary is paid a benefit equals to total premium less claims paid, regardless of policyholder age at death.	Not available

1. Average annual rate of inflation over the past 30 years ending December 21, 2008, using the Consumer Price Index for All Urban Consumers, Bureau of Labor Statistics.

Other Benefits/Provisions continued		
Double Coverage for Accident Benefit	Reimburses up to 2x the benefit amount if care/services received are due to an accident prior to age 65. Benefits paid in excess of the Benefit Amount will not be deducted from the policy limit. Built-in benefit. Subject to underwriting approval and not available with the Unlimited Benefit Period.	Not available
International Coverage	1-year up to 100% of Daily/Monthly Maximum	80% of Daily Benefit (10-Year limit if Unlimited plan is selected), with the balance of unpaid benefits available upon return to the U.S.
Contingent Nonforfeiture	In the event of a substantial premium increase, the client has the option to pay the increased premium with no change to benefits, reduce their benefits, or convert the policy to a paid-up status with reduced benefits.	Same
Optional Benefits		
SharedCare	<p>Enables spouses/partners to share policy benefits. In the event one person exhausts the total benefit of his/her policy.</p> <p>If the insured's benefits are exhausted by a partner, the insured has the option to purchase a policy with a 2-year benefit with no underwriting, if no claims were made during two years up to age 91.</p> <p>If one spouse/partner dies, the surviving spouse/partner retains all remaining benefits, the SharedCare premium ceases, and the premium is further reduced to the survivor's portion of the prior policy premium.</p> <p>Rider cost: 2-year (26%); 3-year (16%); 4-year (11%); 5-year (10%); 6-year (8%); 10-year (5%)</p>	Not available
FamilyCare II	<p>Multigenerational LTCI Benefit for 2-4 family members. Only one Elimination period needs to be satisfied. Premiums waived when any of the policyholders are on claim.</p> <p>CPI Compound, 5% Compound and 5% Simple inflation options available</p> <p>Guaranteed Purchase Option (GPO) and the Guaranteed Increase Option (GIO) are not available.</p>	Not available
Survivorship Benefit	10-year with claim restriction that includes Joint Waiver (Rider cost is 9%)	Not available
Additional Cash Benefit	<p>A separate cash HHC benefit that does not reduce the overall benefits and increases with inflation.</p> <p>Daily: 4.5x the Daily Benefit per month</p> <p>Monthly: 15% of the Monthly Benefit per month (Rider cost is 10%)</p>	Not available
Restoration of Benefits	Full policy limit can be restored once, if insured receives benefits then recovers and doesn't need care or treatment for 180 days. (Rider cost is 4%)	Not available
Nonforfeiture	If insured stops paying premiums after the first three years, their past premiums will still be available to pay for services. (Rider cost is 6%)	Not available

**CUSTOM CARE II ENHANCED**

**FLTCIP 2.0**

<b>Discounts</b>		
Partner Discount: 2 applying/ 2 approved	30%	Not available
Partner Discount: 2 applying/ 1 approved	15%	Not available
Partner Discount: 1 applying	15%	Not available
MultiLife Discount	5%	Not available
Other Discounts	Valued Client: 5% (also extended to family members) Family: 5% Loyalty Credit: 5%	Not available
<b>UW Classes</b>		
Preferred Class	15% discount	Not available
Substandard Classes	Class I (125% of Select) Class II (150% of Select)	Not available
Underwriting	Full underwriting is offered through the standard application process.	New and newly eligible federal employees (including postal and uniformed services) and their spouses can apply with abbreviated underwriting within 60 days after their hire/eligibility date.  New spouses of active federal employees (including postal and uniformed services) can apply with abbreviated underwriting within 60 days after their wedding date.  All other eligible individuals apply with full underwriting.
<b>Premium Payments</b>		
Premium Modes & Factors	Semi-annual (.52), Quarterly (.27), Monthly (.09)	Monthly, Bi-weekly  Employee/annuitant premiums, as well as premiums for enrolled family members, can be deducted from pay/annuity.
Limited Pay	10-Pay Paid-up at age 65	Not available

Information is current and accurate to the best of our knowledge as of 10/09. Benefits and premium rates may vary by state.

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Long-term care insurance is underwritten by John Hancock Life Insurance Company, Boston, MA 02117 and in New York as John Hancock Life & Health Insurance Company, Boston, MA 02117.