



Guide to National Partnership Exchange Program

Table of Contents

	Page
I. Background.....	2
II. John Hancock’s “Like-for-Like” exchange program.....	3
A. States where John Hancock’s “Like-for-Like” Exchange Program is approved — Category 1.....	3
B. Category I “Like-for-Like” exchange program – Policyholder communications.....	4
C. Policyholder communications for policies issued after a state’s Partnership Program effective date but prior to John Hancock’s Partnership program launch – “Catch-up mailings”	4
D. Category I states — Key dates.....	5
III. Implementation of state-mandated Partnership exchange programs.....	6
A. Category II — Key dates.....	6
IV. Conclusion and next steps.....	7
Appendix A— DRA Partnership requirements.....	8
Appendix B — States with operational DRA Partnership programs.....	9
Appendix C — Summary of Category I “Like-for-Like” exchange program	10
Appendix D — Sample Partnership Notices and policyholder letters	
• Sample A: “Like-for-Like” Exchange Packet — Category I States.....	11
• Sample B: “Clean-Up Mailing” Partnership Eligible Packet — Category I States.....	14
• Sample C: “Clean-Up Mailing” Non-Partnership Eligible Packet — Category I States.....	16

I. Background

We are pleased to announce that our Partnership Exchange Program for long-term care (LTC) insurance will be implemented in various phases beginning the third quarter of 2009. As you know, one of the most complex issues associated with the implementation of the Deficit Reduction Act (DRA) Partnership legislation, passed February 8, 2006, has been to develop a Partnership policy exchange program that is streamlined, easy to implement and administer. The DRA did not include the grandfathering of existing policies for all insureds due to the potential near-term impact on states' Medicaid programs. Our Partnership Exchange Program balances what we believe is in the best interest of our policyholders with the myriad of compliance requirements and operational considerations.

Over the past months, we have often been asked why we, regulators, and other carriers refer to this type of program as an 'exchange' program when in most instances policies are not actually exchanged. The term 'exchange' has evolved into a 'term of art' in the world of DRA Partnership and in reality comprises a number of actions including the 'updating' of a policy to DRA Partnership status or in some instances, a true exchange where one policy is replaced with another. To be consistent with current industry terminology, we will continue to define the many facets of our program under the overall caption of 'exchange program.'

All aspects of our program are subject to state approval. To date, we have received very positive responses to our Partnership exchange program as well as a number of state approvals.

For the purpose of this guide, we have organized the states into two categories:

Category I includes states that have either established regulations to which our 'Like-for-Like' exchange program conforms, or where our exchange program is already approved.

Category II includes states that have chosen to regulate exchanges and impose specific requirements to accomplish them.

Over the coming months, additional states will implement DRA Partnership programs. We will continue to update information regarding the applicability of new states as well as any future change in state law or regulation.

We hope you find that John Hancock's DRA Partnership Exchange Program meets your clients' needs and addresses your questions.

The information contained in this guide is not applicable to the original four grandfathered Partnership states (California, Connecticut, Indiana, and New York).

II. John Hancock’s “Like-for-Like” exchange program

Unless a state implements different exchange requirements, all policies *issued* in a DRA Partnership state between February 8, 2006 (the date the DRA was signed) and the effective date of a particular state’s Partnership Program, where the policy meets all Partnership requirements, we will consider it eligible for Partnership status under our “Like-for-Like” exchange program. **Note:** There will be no change in commissions.

The following John Hancock policies are eligible for exchanges:

- Leading Edge (LTC-06)
- Custom Care II (LTC-03)
- Custom Care II Enhanced (LTC-03)
- Essential Care II (BSC-03)

Important: Exchanges will be available to individuals on claim. However, only benefits paid after a state’s effective date may qualify for asset protection should an individual later apply for Medicaid Extended Coverage.

A. States where John Hancock’s “Like-for-Like” Exchange Program is approved — Category 1

For a Category I state, the state has:

- established regulations to which our “Like-for-Like” exchange program already conforms, or
- has already approved our exchange program

The states that have approved our Partnership “Like-for-Like” exchange program are listed below. As we hear back from additional states, this guide will be updated and you will be notified via LTC Newslink.

Alabama	Maine	New Jersey	South Dakota
Arkansas	Maryland	North Dakota	Tennessee
Colorado	Minnesota	Oregon	Wisconsin
Georgia	Nebraska	Rhode Island	Wyoming
Idaho	Nevada	South Carolina	

Note: Approvals are still pending in Virginia.

B. Category I “Like-for-Like” exchange program – Policyholder communications

For qualifying policies issued in a DRA Partnership state between February 8, 2006, and the effective date of a particular state’s Partnership program, we will mail all eligible policyholders a Partnership exchange packet that includes:

- a cover letter outlining the benefits of the Partnership program
- a policy endorsement
- a state required Partnership status notice

We will endorse all eligible policies with a state-specific endorsement form (LTC-PRT/UPG 6/08). We will add a new ‘Issue Date’ or in some states a ‘Partnership Exchange Date’ category to each policy that qualifies in order to be compliant with the DRA and state requirement that a Partnership policy be “issued” on or after the effective date of the state’s Partnership program. By using this process, the Partnership status update of each policy is automatic, and done in a manner that does not require any action on the part of the policyholder. The policyholder will be instructed that s/he does not need to do anything other than place these documents with his/her original policy.

NOTE: There will be no change in the policyholder’s premium, benefits, or any time-related credits earned under the policy. There will be no change in commissions as there is no change in premium.

See Appendix D, for a sample of the eligible policyholder letter, Partnership Notice and Endorsement. The forms and language in this packet will vary by state.

For policyholders who **do not** meet the requirements of a Partnership policy and would like to update their benefits to achieve Partnership status, they would need to replace their existing policy for a new one with benefits meeting Partnership requirements (i.e., new application, new underwriting, new policy at current age).

C. Policyholder communications for policies issued after a state’s Partnership Program effective date but prior to John Hancock’s Partnership program launch – “Catch-up mailings”

- For any policy that **meets** the Partnership requirements and was issued after the state’s effective date but prior to the launch of John Hancock’s program, we will:
 - i. Confirm that all residency and state of issue requirements have also been met
 - ii. Mail a Partnership Notice that informs the policyholder that his/her policy is intended to qualify as a Partnership Policy under his/her state’s Long-Term Care Partnership program, as of the policy’s effective date. See Sample B for a generic Partnership “catch-up mailing” packet.
- For any policy that **does not meet** the requirements of a Partnership policy issued during this time frame, John Hancock will:
 - i. Mail the policyholder a non-Partnership Disclosure Notice that informs the policyholder that his/her policy does not qualify for Partnership status. If the policyholder wishes to change his/her policy to meet Partnership requirements, he/she will need to replace their existing policy.

See Appendix D, for a sample of the non-eligible policyholder letter and Non-Partnership Notice. The forms and language in this packet will vary by state.

D. Category I states — Key dates

Below are details pertaining to the implementation of our “Like-for-Like” exchange program. We intend to begin our policyholder mailing in Q3 2009.

State	JH Exchange Program approved	Look-back date	State effective date	JH Partnership Program Launch
Alabama	yes	2/8/06	3/1/09	4/1/09
Arkansas	yes	2/8/06	7/1/08	10/27/08
Arizona	no	2/8/06	7/1/08	TBD
Colorado	yes	2/8/06	1/1/08	10/27/08
Georgia	yes	2/8/06	1/1/07	4/1/09
Idaho	yes	2/8/06	11/1/06	9/24/07
Louisiana	no	2/8/06	10/1/09	TBD
Maine	no	2/8/06	7/1/09	TBD
Maryland	no	2/8/06	1/1/09	TBD
Minnesota	yes	10/16/03	7/1/06	10/27/08
Montana	no	2/8/06	7/1/09	TBD
Nebraska	yes	2/8/06	7/1/06	3/10/08
Nevada	no	2/8/06	1/1/07	TBD
New Jersey	yes	2/8/06	7/1/08	10/27/08
North Dakota	yes	10/15/03	1/1/07	3/10/08
Oregon	yes	2/8/06	1/1/08	10/27/08
Rhode Island	yes	2/8/06	7/1/08	4/1/09
South Carolina	yes	2/8/06	1/1/09	2/8/10
South Dakota	yes	2/8/06	7/1/07	3/10/08
Tennessee	yes	2/8/06	10/1/08	2/8/10
Virginia	no	2/8/06	9/1/07	12/10/07
Wisconsin	yes	2/8/06	1/1/09	4/1/09
Wyoming	yes	2/8/06	7/1/09	10/26/09

Example in Alabama:

Policies eligible for a ‘Like-for-Like’ exchange — For policies that meet the required inflation requirements and were issued on or after February 8, 2006 (look-back date) through February 28, 2009 (the day before the state’s Partnership program effective date), we will endorse the policyholder’s policy and mail them a Partnership Notice.

Policies not eligible for a ‘Like-for-Like’ exchange — For policies that **do not** meet the required inflation requirements issued on or after February 8, 2006 through February 28, 2009, no notification will be provided.

Policyholder Mailings — For policies issued on or after March 1, 2009 (the state’s effective date) and April 1, 2009 (the date we launch our Partnership program), we will do whichever policyholder “catch-up” mailing is necessary.

*See Appendix D, for samples of the policyholder letters and Partnership Notices.
The forms and language in this packet will vary by state.*

III. Implementation of state-mandated Partnership exchange programs

A number of states (Category II) have chosen to mandate a Partnership exchange offer to an eligible policyholder whose coverage **does not** currently meet DRA Partnership requirements because a non-compliant DRA inflation option was elected. The listing of Category II states is found below.

Category II states require carriers to offer certain policyholders who purchased a similar policy that **does not** meet Partnership requirements the opportunity to replace their policy with one that does. For this category of policyholders, we will need to fully replace their existing policy with a new policy and provide each affected policyholder a premium credit for past premiums paid. Once we have determined the specific details of our Category II program, we will let you know.

It is important to note, that subject to state approval in a Category II states we intend to implement the same “Like-for-Like” exchange program as described earlier for eligible policyholders who have policies that meet DRA Partnership requirements and were issued between the look-back period and the state’s Partnership program effective date. Even though our Category II program in certain states may be delayed, all eligible policyholders will eventually be granted Partnership status.

A. Category II — Key dates

While we are still in the process of developing a program for Category II states that meets all applicable requirements, details regarding the specific look-back periods for each state is available below.

State	Look-back date*	Effective date of Partnership Program	JH Partnership Program Launch
Florida	3/1/03	1/1/07	10/29/07
Iowa	2/1/03	1/1/10	TBD
Kansas ***	2/8/06	4/1/07	3/10/08
Kentucky	1/16/03	7/14/08	TBD
Missouri	2/8/06	8/28/07	TBD
New Hampshire	2/8/06	4/1/07	TBD
Ohio	8/12/02	9/1/07	TBD
Oklahoma	2/8/06	7/1/08	TBD
Pennsylvania	2/8/06	7/1/07	TBD
Texas	2/8/06	3/1/08	10/26/09

*Applies to policies issued on and after the specified date.

*** Kansas was previously a Category I state, however, effective 7/1/09 it became a Category II state.

IV. Conclusion and next steps

Over the coming months, additional states will implement DRA Partnership programs. We will continue to provide updates in this guide and in LTC Newslink regarding new Partnership states and state-specific exchange programs as the various phases of our program are launched and new states implement their Partnership programs.

Keep in mind that we will first launch a states Partnership program and then implement an exchange program, once the program and associated forms have been filed and approved by the state's Insurance Department. Forms and in some instances processes will vary for each state.

As the implementation of DRA Partnership continues to evolve, we may need to modify our exchange program, in which case we would inform you of any changes to our program via LTC Newslink and in this guide.

For additional information about state-specific Partnership programs, including the latest news, training requirements, marketing materials, please visit www.jhltc.com.

Important

- **Rules and parameters are subject to change, and will vary according to state requirements. Please refer to state-specific communications that will be distributed at a later date for when each phase of Partnership exchange program is launched.**
- **The information contained in this Guide is not applicable to the original four grandfathered Partnership programs in CA, CT, IN, or NY.**

Appendix A — DRA Partnership requirements

To qualify for Partnership status:

- a policy must be tax-qualified;
- a policy must have the appropriate inflation option for the age of the buyer at time of purchase; and
- the individual must be a resident of the Partnership state at the time the policy is issued.

To meet the inflation requirements of the DRA relating to allowable inflation requirements, the following inflation options are intended to be Partnership compliant under these forms by age tier. **State variations will apply.**

	for issue ages under 61	for issue ages 61-75	for issue ages 76 and older
Custom Care II Enhanced (LTC-03)	<ul style="list-style-type: none"> • annual automatic 5% compound inflation • annual automatic 5% compound inflation (policy limit inflates at 3%) • annual automatic CPI compound inflation** 	<ul style="list-style-type: none"> • annual automatic 5% compound inflation • annual automatic 5% compound inflation (policy limit inflates at 3%) • annual automatic CPI compound inflation** • 5% simple inflation 	<ul style="list-style-type: none"> • annual automatic 5% compound inflation • annual automatic 5% compound inflation (policy limit inflates at 3%) • annual automatic CPI compound inflation • 5% simple inflation • guaranteed purchase option • none
Custom Care (LTC-03)	<ul style="list-style-type: none"> • annual automatic 5% compound inflation • annual automatic 5% compound inflation (policy limit inflates at 3%) 	<ul style="list-style-type: none"> • annual automatic 5% compound inflation • annual automatic 5% compound inflation (policy limit inflates at 3%) • 5% simple inflation 	<ul style="list-style-type: none"> • annual automatic 5% compound inflation • annual automatic 5% compound inflation (policy limit inflates at 3%) • 5% simple inflation • guaranteed purchase option • none
Leading Edge (LTC-06)	<ul style="list-style-type: none"> • annual automatic CPI compound inflation** • annual automatic 5% compound inflation 	<ul style="list-style-type: none"> • annual automatic CPI compound inflation** • annual automatic 5% compound inflation 	<ul style="list-style-type: none"> • annual automatic CPI compound inflation • annual automatic 5% compound inflation • guaranteed purchase option • none
Essential Care II (BSC-03)	<ul style="list-style-type: none"> • annual automatic 5% compound inflation 	<ul style="list-style-type: none"> • annual automatic 5% compound inflation • 5% simple inflation 	<ul style="list-style-type: none"> • annual automatic 5% compound inflation • 5% simple inflation • guaranteed purchase option • none

** Kentucky does not allow John Hancock's CPI inflation option to qualify for ages 61 and younger.

Until the Centers for Medicare & Medicaid Services or a state expressly indicates to the contrary, it is our continued position that the guarantee purchase option (GPO) does not satisfy DRA Partnership inflation requirements for individuals 75 and younger. GPO is only an acceptable option for individuals 76 and older.

Appendix B — States with operational DRA Partnership programs

As of November 2009, the 28 states with an operational DRA Partnership program and their respective effective dates are listed in the chart below.

State	Partnership Program Effective Date & Status	John Hancock Partnership Product Launch Date
Alabama	3/1/09	4/1/09
Arizona	7/10/08.	TBD
Arkansas	7/1/08	10/27/08
Colorado	1/1/08	10/27/08
Florida	1/1/07	10/29/07
Georgia	1/1/07	4/1/09
Idaho	11/1/06	12/5/06
Iowa	1/1/10	TBD
Kansas	4/1/07	3/10/08
Kentucky	7/14/08.	TBD
Louisiana	10/1/09	TBD
Maine	7/1/09	TBD
Maryland	1/1/09	TBD
Minnesota	7/1/06	10/27/08
Missouri	8/28/07	TBD
Montana	7/1/09	TBD
Nebraska	7/1/06	3/10/08
New Jersey	7/1/08	10/27/08
Nevada	1/1/07 Awaiting additional guidance or regulation from DOI.	TBD
New Hampshire	4/1/07.	TBD
North Dakota	1/1/07	3/10/08
Ohio	9/1/07	TBD
Oklahoma	7/14/08	TBD
Oregon	1/1/08	10/27/08
Pennsylvania	7/1/07	TBD
Rhode Island	7/1/08	4/1/09
South Carolina	1/1/09	2/8/10
South Dakota	7/1/07	3/10/08
Tennessee	10/1/08	2/8/10
Texas	3/1/08.	10/26/09
Virginia	9/1/07	12/10/07
Wisconsin	1/1/09	4/1/09
Wyoming	7/1/09	10/26/09

*As of March 2010, John Hancock has launched its participation in these states.

Appendix C — Summary of Category I “Like-for-like” exchange program

	Policy was issued prior to 2/8/06:	Policy was issued between 2/8/06 and State Partnership Effective Date:	Policy was issued after State Partnership effective date but before John Hancock’s Partnership launch date:
If insured purchased an age-appropriate level of inflation protection:	Status quo (policyholder will not receive notice of non-Partnership or the exchange opportunity)	John Hancock will mail a Partnership exchange packet to policyholder.	John Hancock will mail a Partnership Notice to policyholder.
If insured did not purchase an age-appropriate level of inflation protection:	Status quo (policyholder will not receive notice of non-Partnership or the exchange opportunity)	Status quo (policyholder will not receive notice of non-Partnership or the exchange opportunity)	Policyholder will receive a Non-Partnership Disclosure Notice. They will not be offered information or the opportunity to exchange.

John Hancock Life Insurance Company

Policyholder Services
John Hancock Long-Term Care
1 John Hancock Way, Suite 1700
Boston, Massachusetts 02117-1700



Insert date

«INDIVIDUAL_FIRST» «INDIVIDUAL_LAST»
«Insured_Addr_Line_1»
«Insured_City_», «Insured_State» «Insured_Zip»

Ref: Policy # «POLICY_NUMBER»

Dear «INDIVIDUAL_FIRST» «INDIVIDUAL_LAST»,

When you purchased your long-term care insurance policy from John Hancock Life Insurance Company, you made an excellent decision — to protect your independence and your savings from the high cost of long-term care services.

On <insert date>, the state of <insert state> introduced a Long-Term Care Partnership Program. Under this Program, <State> residents who purchase long-term care insurance policies may be able to protect a portion of their assets that they would have otherwise needed to spend down prior to qualifying for Medicaid coverage (if Medicaid assistance were ever needed). To qualify for participation in the Partnership Program, a policyholder must be a resident of <State> at time of the purchase of his/her policy and also must select the appropriate inflation coverage option based upon federal and state requirements.

Our records indicate that your policy is eligible for participation in the Partnership program and meets current federal or state requirements for Partnership policies in <insert state>. No action is required on your behalf.

Enclosed is a Partnership Disclosure Notice that documents the Partnership status of your policy. As a reminder, in the event you were to apply for Medicaid, you must meet all of <insert state>'s Medicaid eligibility criteria in effect at the time you apply. In addition, new requirements and/or restrictions may be implemented by federal or state law in the future which may impact the Partnership program.

We recommend that you keep this document with your long-term care insurance policy records.

Thank you for choosing John Hancock for your insurance needs.

Enclosures: LTC-PRT XX XX/XX
LTC-PRT/UPG XX XX/XX

CC: «AGENT_BUSINESS_NAME»

Long-term care insurance is underwritten by John Hancock Life Insurance Company, Boston, MA 02117
LTC-6801 3/09



JOHN HANCOCK LIFE INSURANCE COMPANY

Administrative Office: 333 West Everett Street, P.O. Box 2986, Milwaukee, WI 53203

Partnership Disclosure Notice

**Important Notice Regarding Your Policy's Long-Term Care Insurance
Partnership Status**

This disclosure notice is issued in conjunction with your long-term care policy:

Some long-term care insurance policies sold in <insert state> qualify for the <insert state> Long-Term Care Insurance Partnership Program. Insurance companies voluntarily agree to participate in the Partnership Program by offering long-term care insurance coverage that meets certain State and Federal requirements. Long-term care insurance policies that qualify as Partnership Policies may be entitled to special treatment, and in particular an "Asset Disregard," under <insert state>'s Medicaid program.

Asset Disregard means that an amount of the policyholder's assets equal to the amount of long-term care insurance benefits received under a qualified Partnership Policy will be disregarded for the purpose of determining the insured's eligibility for Medicaid. This generally allows a person to keep assets equal to the insurance benefits received under a qualified Partnership Policy without affecting the person's eligibility for Medicaid. All other Medicaid eligibility criteria will apply and special rules may apply to persons whose home equity exceeds \$[500,000]. Asset Disregard is **not** available under a long-term care insurance policy that is not a Partnership Policy. **The purchase of a Partnership Policy does not automatically qualify you for Medicaid.**

Partnership Policy Status. Your long-term care insurance policy is intended to qualify as a Partnership Policy under the <insert state> Long-Term Care Partnership Program as of your Policy's effective date.

What Could Disqualify Your Policy as a Partnership Policy. If you make any changes to your policy, such changes could affect whether your policy continues to be a Partnership Policy. **Before you make any changes, you should consult with John Hancock to determine the effect of a proposed change.** In addition, if you move to a State that does not maintain a Partnership Program or does not recognize your policy as a Partnership Policy, you would not receive beneficial treatment of your policy under the Medicaid program of that State. The information contained in this Notice is based on current State and Federal laws. These laws may be subject to change. Any change in law could reduce or eliminate the beneficial treatment of your policy under <insert state>'s Medicaid program.

If you request a change to your policy that will result in the loss of Partnership status, we will provide you with an explanation in writing of how such action impacts you. You shall also be advised how to retain Partnership status if possible. If your policy subsequently loses Partnership status, we shall explain to you in writing the reason for the loss of status.

Additional Information. If you have questions regarding your insurance policy please contact John Hancock at [333 West Everett Street, P.O. Box 2986, Milwaukee, WI 53203, call us at 1-800-377-7311 or visit us at www.johnhancocklongtermcare.com.] If you have questions regarding current laws governing Medicaid eligibility, you should contact the <insert state> Medicaid Agency.

This form and all benefit statements received should be kept with your policy.



JOHN HANCOCK LIFE INSURANCE COMPANY

ENDORSEMENT

This Endorsement is part of Your Individual Long-Term Care Insurance Policy. It is subject to all the provisions of the Policy unless otherwise provided below.

It is hereby understood and agreed that the following provision is added to Your Policy, effective <insert Partnership Program effective date>:

Issue Date: <insert Partnership Program effective date>

This provision does not affect the Effective Date of Coverage shown on Your Policy Schedule, or any other term, condition, agreement, or limitation of the Policy.

Signed for the Company at Boston, Massachusetts:

Secretary

John Hancock Life Insurance Company

Policyholder Services
John Hancock Long-Term Care
1 John Hancock Way, Suite 1700
Boston, Massachusetts 02117-1700



Insert date

«INDIVIDUAL_FIRST» «INDIVIDUAL_LAST»
«Insured_Addr_Line_1»
«Insured_City_», «Insured_State» «Insured_Zip»

Ref: Policy # «POLICY_NUMBER»

Dear «INDIVIDUAL_FIRST» «INDIVIDUAL_LAST»,

When you purchased your long-term care insurance policy from John Hancock Life Insurance Company, you made an excellent decision — to protect your independence and your savings from the high cost of long-term care services.

On <insert date>, the state of <insert state> introduced a Long-Term Care Partnership Program. Under this Program, <State> residents who purchase long-term care insurance policies may be able to protect a portion of their assets that they would have otherwise needed to spend down prior to qualifying for Medicaid coverage (if Medicaid assistance were ever needed). To qualify for participation in the Partnership Program, a policyholder must be a resident of <State> at time of the purchase of his/her policy and also must select the appropriate inflation coverage option based upon federal and state requirements.

Our records indicate that your policy is eligible for participation in the Partnership program and meets current federal or state requirements for Partnership policies in <insert state>. No action is required on your behalf.

Enclosed is a Partnership Disclosure Notice that documents the Partnership status of your policy. As a reminder, in the event you were to apply for Medicaid, you must meet all of <insert state>'s Medicaid eligibility criteria in effect at the time you apply. In addition, new requirements and/or restrictions may be implemented by federal or state law in the future which may impact the Partnership program.

We recommend that you keep this document with your long-term care insurance policy records.

Enclosure: LTC-PRT XX XX/XX

CC: «AGENT_BUSINESS_NAME»



JOHN HANCOCK LIFE INSURANCE COMPANY

Administrative Office: 333 West Everett Street, P.O. Box 2986, Milwaukee, WI 53203

Partnership Disclosure Notice

**Important Notice Regarding Your Policy's Long-Term Care Insurance
Partnership Status**

This disclosure notice is issued in conjunction with your long-term care policy:

Some long-term care insurance policies sold in <insert state> qualify for the <insert state> Long-Term Care Insurance Partnership Program. Insurance companies voluntarily agree to participate in the Partnership Program by offering long-term care insurance coverage that meets certain State and Federal requirements. Long-term care insurance policies that qualify as Partnership Policies may be entitled to special treatment, and in particular an “Asset Disregard,” under <insert state>’s Medicaid program.

Asset Disregard means that an amount of the policyholder’s assets equal to the amount of long-term care insurance benefits received under a qualified Partnership Policy will be disregarded for the purpose of determining the insured’s eligibility for Medicaid. This generally allows a person to keep assets equal to the insurance benefits received under a qualified Partnership Policy without affecting the person’s eligibility for Medicaid. All other Medicaid eligibility criteria will apply and special rules may apply to persons whose home equity exceeds \$[500,000]. Asset Disregard is **not** available under a long-term care insurance policy that is not a Partnership Policy. **The purchase of a Partnership Policy does not automatically qualify you for Medicaid.**

Partnership Policy Status. Your long-term care insurance policy is intended to qualify as a Partnership Policy under the <insert state> Long-Term Care Partnership Program as of your Policy’s effective date.

What Could Disqualify Your Policy as a Partnership Policy. If you make any changes to your policy, such changes could affect whether your policy continues to be a Partnership Policy. **Before you make any changes, you should consult with John Hancock to determine the effect of a proposed change.** In addition, if you move to a State that does not maintain a Partnership Program or does not recognize your policy as a Partnership Policy, you would not receive beneficial treatment of your policy under the Medicaid program of that State. The information contained in this Notice is based on current State and Federal laws. These laws may be subject to change. Any change in law could reduce or eliminate the beneficial treatment of your policy under <insert state>’s Medicaid program.

If you request a change to your policy that will result in the loss of Partnership status, we will provide you with an explanation in writing of how such action impacts you. You shall also be advised how to retain Partnership status if possible. If your policy subsequently loses Partnership status, we shall explain to you in writing the reason for the loss of status.

Additional Information. If you have questions regarding your insurance policy please contact John Hancock at [333 West Everett Street, P.O. Box 2986, Milwaukee, WI 53203, call us at 1-800-377-7311 or visit us at www.johnhancocklongtermcare.com.] If you have questions regarding current laws governing Medicaid eligibility, you should contact the <insert state> Medicaid Agency.

This form and all benefit statements received should be kept with your policy.

John Hancock Life Insurance Company

Policyholder Services
John Hancock Long-Term Care
1 John Hancock Way, Suite 1700
Boston, Massachusetts 02117-1700



Insert date

«INDIVIDUAL_FIRST» «INDIVIDUAL_LAST»
«Insured_Addr_Line_1»
«Insured_City_», «Insured_State» «Insured_Zip»

Ref: Policy # «POLICY_NUMBER»

Dear «INDIVIDUAL_FIRST» «INDIVIDUAL_LAST»,

When you purchased your long-term care insurance policy from John Hancock Life Insurance Company, you made an excellent decision — to protect your independence and your savings from the high cost of long-term care services.

As a responsible carrier, we want to make you aware that on <insert date>, the state of <insert state> introduced a Long-Term Care Partnership Program. Under this program, <State> residents who purchase long-term care insurance policies may be able to protect a portion of their assets that they would have otherwise needed to spend down prior to qualifying for Medicaid coverage (if Medicaid assistance were ever needed). To qualify for participation in the Partnership Program, a policyholder must be a resident of <State> at time of the purchase of his/her policy and also must select the appropriate inflation coverage option based upon federal and state requirements.

Our records indicate that your policy is not eligible for participation in the Partnership program, as the inflation option selected does not meet federal or state inflation coverage requirements for Partnership policies in <insert state>. Enclosed is a Non-Partnership Disclosure Notice that documents the status of your policy in this respect. We recommend that you keep this notice with your long-term care insurance policy records.

While your policy does not meet the requirements of your state's Partnership Program, please be assured that it continues to provide you with the protection you need in the event you require long-term care. For more information about the Long-Term Care Partnership Program, please contact your insurance representative.

Thank you for choosing John Hancock for your insurance needs.

Enclosure: LTC-NPRT XX XX/XX

CC: «AGENT_BUSINESS_NAME»

Long-term care insurance is underwritten by John Hancock Life Insurance Company, Boston, MA 02117
LTC-6800 3/09



JOHN HANCOCK LIFE INSURANCE COMPANY

Important Notice Regarding the Status of Your Long-Term Care Insurance Policy under the <insert state> Long-Term Care Insurance Partnership Program

The long-term care insurance policy issued to you does **NOT** meet the requirements for a Qualified Partnership Long-Term Care Insurance Policy under the <insert state> Long-Term Care Insurance Partnership Program.

(Please keep this Notice with Your Long-Term Care Insurance Records)

Your state has implemented a Qualified Long-Term Care Insurance Partnership Program. The goal of this Program is to encourage consumers to plan for and meet their future long-term care needs by purchasing a Qualified Partnership Long-Term Care Insurance Policy and keeping it in effect. Residents who have a Qualified Partnership Long-Term Care Insurance Policy may be able to protect a portion of their assets that they would otherwise need to spend down prior to qualifying for Medicaid coverage if assistance under the Medicaid program is ever needed. Specifically, the total amount of Medicaid asset protection afforded under a Partnership Policy is equal to the sum of all benefits paid under the Partnership Policy when the individual seeks to apply for Medicaid. There are additional Medicaid eligibility requirements that continue to apply for individuals seeking Medicaid assistance, such as those related to income and home equity.

Policies must comply with Partnership Program requirements if they are to be considered qualified as a Qualified Partnership Long-Term Care Insurance Policy.

The long-term care insurance policy issued to you does NOT meet the requirements for a Qualified Partnership Long-Term Care Insurance Policy. As a result, you will not be afforded the Medicaid asset protection that may be available to a purchaser of a Qualified Partnership Long-Term Care Insurance Policy. If you have any concerns about this, you may want to consult with your attorney, accountant, or financial advisor.

Additional information For questions regarding your coverage, please contact: John Hancock at [333 West Everett Street, P.O. Box 2986, Milwaukee, WI 53203, call us at 1-800-377-7311 or visit us at www.johnhancocklongtermcare.com. For questions regarding the Partnership program, please contact: <insert state> Medicaid Agency.]