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Long term care insurance is underwritten by John Hancock Life Insurance Company, Boston, Massachusetts 02117.

New Look. New Voice. New Potential.



> Selling long term care insurance.

Why it's time for a new approach.

Baby boomers are heading toward retirement age in growing numbers. At the same time, medical advances are extending life expectancy. This means the demand for long term care services is likely to grow exponentially. And with costs for these services rising by almost 5% per year, long term care insurance (LTCI) will increasingly be seen as a key component of any comprehensive financial plan.

As a leader in LTCI, John Hancock recognizes the importance of raising consumer awareness and increasing the level of understanding about the realities of long term care. We also want people to understand how LTCI can help them protect their wealth, preserve their independence, and provide the quality of life they want for themselves and their families.

In order to gain a deeper understanding of the public's perception and understanding of LTCI, we conducted extensive research, surveying both producers and consumers. The findings compelled us to take a more personal, educational, and needs-based approach in our new marketing materials. And they do just that. They support the sale of John Hancock's flagship LTCI products, Custom Care II and Essential Care II, as well as convey clear and powerful messages about the importance and benefits of LTCI. We think that our new look and new voice offer new potential to reach out to clients and ultimately increase your LTCI sales.

Key messages that connect with consumers.

Our underlying message centers on independence.

>	Independence is about people having the power to make choices for them and their families — including planning for and protecting their retirement.
>	Independence means financial support and caregiving resources that help reduce the burden on family/friends/caregivers.
>	Independence means the opportunity to make choices about where to receive care.

Supporting the overall theme of independence, we have identified four key messages that help consumers understand the ways in which LTCI is relevant to their lives.

Key Message #1: “Protect Your Retirement”

Consumer Insight:

Consumers have big plans for retirement. People expect to travel, pursue hobbies, and spend time with family and friends. They also want to remain independent as long as possible, and have choices when they need care.

Sales Approach:

In order to accomplish their retirement goals, clients must be able to protect their assets from the high costs of long term care. Often people focus solely on the accumulation of assets for retirement, but protecting assets is just as important as accumulating assets, and LTCI can help provide that protection.

Let clients know:

>	That their retirement savings will be more secure by incorporating LTCI into their financial plans.
>	That LTC can be expensive and can wipe out a lifetime of savings.
>	Most other types of insurance, such as health and long term disability, or government programs, do not cover LTC costs.

Key Message #2: “Quality time for you and your family”

Consumer Insight:

While most consumers expect that their families and friends would be able to provide some level of support, they do not want to become a financial or emotional burden.

Sales Approach:

Present the reality: distance, work, and other responsibilities sometimes make it difficult for family and friends to help as much as they might like.

Let clients know:

>	LTCI allows people to receive care in the environment they prefer, relieving both the financial burden and the stress that caregiving can create.
>	The type of professional care that LTCI covers helps ensure that time spent with family and friends can be quality time, not caregiving time.

Key Message #3: “More than financial support — care planning expertise, advice, and resources”

Consumer Insight:

Needing care can be a stressful and difficult process for both the person involved, as well as his or her family. It's not easy to know what to do or where to turn.

Sales Approach:

When people need care, they and their families do not have to go it alone.

Let clients know:

>	John Hancock’s LTCI policies provide more than financial support. They provide excellent care planning services and helpful advice when people need it most.
>	John Hancock LTCI policyholders have access to a number of benefits including an experienced staff; an independent care coordinator who can help develop a plan of care and provide the family with caregiving resources; and a care advocate that will help with quality ratings, reports, and discounts on care providers through the Advantage Provider Program.

Key Message #4: LTC Insurance — “Important at any age”

Consumer Insight:

When it comes to thinking about long term care, many consumers are in denial. They think it’s something they may never need — or at least won’t need for a very long time. Many people also assume that LTC insurance is not affordable.

Sales Approach:

The need for long term care can occur at any age. If it happens when you’re young, your family’s financial security could be at risk. In addition, LTCI coverage is more affordable than many people think.

Let clients know:

- > The risk of needing long term care can arise at any age. In fact, some estimates say that 40% of people receiving long term care are ages 18-64.¹ And, an accident or illness can happen at any time.
- > The breakdown of actual costs of care by day, month, and year. This helps them to understand the differences between cost of policy and actual LTC services costs.
- > LTCI is actually more affordable than many people think, since premiums are based on age and health status.

Talking points for target markets.

Through our research, we also learned that different messages resonate with particular markets. We have provided you with details about targeting these demographics and the messages to focus on when meeting with your client.

Women (Ages 40–64)

Women in this age group are an important target audience for LTC insurance.

Here’s why:

71% of caregivers are women.²

Because of their roles as caregivers, women see LTC situations firsthand and are more likely to appreciate the need for LTCI.

About 72% of nursing home residents are women.³

Women tend to outlive men by several years, and therefore face a 50% greater likelihood than men of entering a nursing home after age 65.⁴

Focus on messages about LTCI that are important to women:

- > Not overburdening family with costs and caregiving responsibilities, which women understand as they are often primary caregivers.
- > Preserving their independence.
- > Maintaining their family’s quality of life — whether they are the caregiver or recipient.
- > Staying home as long as possible (with home care).

1. America’s Health Insurance Plans, “Guide to Long-Term Care Insurance,” 2004.

2. Wisser Special Report, “The Effects of Caregiving,” 2004.

3. AARP Public Policy Institute, July 2002.

4. America’s Health Insurance Plans, “Guide to Long-Term Care Insurance,” 2004.

Boomers (Ages 40–64)

Baby boomers are likely to have a huge impact on the demand for long term care services because of their sheer number. And with increased life expectancy, more of them can expect to live to an advanced age, when the need for care is most likely.

Rising cost of LTC:

On average, one year in a nursing home or 24-hour home care costs \$66,000 today.⁵ In some states, such as New York, it costs as much as \$115,340.⁶ With costs increasing at 4%⁷ per year, care could cost \$150,000 to \$250,000 in 20 or 30 years.

Focus on messages about LTCI that are important to baby boomers:

- > The importance of having LTC insurance as part of a complete financial plan.
- > Long term care can happen at any age due to illness, accident, or disability.
- > The benefits of buying LTCI when you're younger:
 - more affordable coverage
 - greater chance of getting a preferred health status
- > They may be experiencing caregiving responsibilities with a family member now.

Seniors (Ages 65+)

Seniors are the group who are most likely to be considering the need for long term care insurance.

That's because:

At least 6.4 million people age 65 or older need long term care.⁸

The probability of losses in functioning increases with age, dramatically so for the population age 65 and older.⁹

Focus on messages about LTCI that are important to seniors:

- > Seniors are more likely than anyone to know a family member or friend with LTC needs. Seeing people in LTC situations is one of the key factors in spurring interest in LTC insurance.
- > How LTCI helps to protect retirement assets and estates from depletion.
- > How LTCI maintains independence and a family's well-being.
- > Quality of life for people with LTC needs depends on their ability to obtain care in the environment and manner they prefer.¹⁰
- > How LTCI can help you avoid being a burden on your spouse and/or children, so the time spent with them is quality time.

5. Congressional Budget Office, "Financing Long-Term Care for the Elderly," April 2004.

6. New York State Partnership for Long Term Care, 2003.

7. Based on a rate of inflation of 4.25% for nursing home costs according to the Bureau of Labor Statistics Consumer Price Index. Fitch IBCA, Duff & Phelps, "Long-Term Care: An Industry in Transition," January 18, 2002.

8. United Seniors Health Council, "Planning for Long-Term Care," 2002.

9. Congressional Budget Office, "Financing Long-Term Care for the Elderly," April 2004.

10. Georgetown University Long-Term Care Financing Project, May 2003.

Marketing materials for every stage of your sales process.

The following is a list of our new LTC insurance marketing materials. For complete descriptions and ordering information, please refer to your producer website or Collateral Guide (LTC-3732).

Prospecting

We are pleased to introduce a new Reply Mail Program that provides you with affordable ways to prospect.

	<p>Reply Mail Program Guidelines (LTC-3027) Provides you with instructions and information on how to order materials.</p>
	<p>Direct Mail Letters (LTC-DM3782, LTC-DM3783, LTC-DM3784) Targeted to boomers, seniors, and women, respectively, these letters are designed to create interest in the need for LTCI. Each offers a complimentary copy of the “Shopper’s Guide to Long-Term Care Insurance,” published by the National Association of Insurance Commissioners, as an incentive to reply.</p>
	<p>Business Reply Mailer (LTC-3786) Targeted to the boomer market, this mailer provides a quick introduction to the need for long term care and offers a complimentary copy of the “Shopper’s Guide to Long-Term Care Insurance,” published by the National Association of Insurance Commissioners, as an incentive to reply.</p>
	<p>Postcard Mailer (LTC-3785) A condensed version of the previous piece, with a telephone call to action.</p>
	<p>Seminar Marketing: Producer Seminar Guide (LTC-3853), Flyer (LTC-3851), Invitation (LTC-3852), Ad (JHAD705), Product Presentation (LTC-2751), Needs Presentation (LTC-3750) Seminars are an excellent way to get the LTCI message out to a large audience at one time. These materials are designed to promote your seminar and raise awareness about the issues of long term care.</p>

	<p>Print Advertising (JHAD701, JHAD702, JHAD704) Capture the attention of your target audience with print ads targeted to boomers, seniors, and women, respectively. These can be customized with your contact information, and are designed for use in local newspapers and magazines.</p>
<p>client to provide</p>	<p>Radio Advertising (JHAD709, JHAD710, JHAD711) These radio scripts establish the need for LTCI with boomers, seniors, and women.</p>

Establishing the LTCI Need with Consumers

Our market research found that, in addition to a general lack of awareness regarding LTCI, there is also confusion among those with some knowledge of LTCI regarding coverage and affordability. By taking a needs-based approach, these educational materials provide you with an opportunity to discuss the importance of LTCI and establish a rapport with your client/prospect up front.

	<p>Consumer Overview Brochure (LTC-3700) This four-color presentation tool is designed to be used in one-on-one meetings. Drawing on the four key messages, this piece presents the case for LTCI in a manner that is simple, straightforward, and powerful. It will help you educate consumers about why it is so important to plan for LTC, and demonstrate the value of having a policy in place when someone needs care.</p>
	<p>Target Market Brochures (LTC-3301, LTC-3302, LTC-3303) These new, mini needs brochures focus on the key markets for LTCI: boomers, seniors, and women, and they address the specific needs pertinent to each demographic. These can be used as a presentation piece or in your prospecting efforts (designed to fit in a #10 envelope).</p>

Presenting John Hancock's Product Portfolio

Once you've established the need for LTC insurance, it's time to show your client the product options available to them.

Our newly designed product brochures are based on producer feedback. They describe product information in clear, consumer-friendly language that compliments the sales discussion.

	<p>Custom Care, Custom Care Partnership, Custom Care II, and Custom Care II Partnership (LTC-3701) Describes the benefits and features of our competitive LTCI products.</p>
	<p>Essential Care and Essential Care II (LTC-3702) Describes the benefits and features of our competitive LTCI products.</p>
	<p>Family Care and Family Care II Benefit (LTC-3703) This brochure will be available at a later date. In the meantime, please use the current brochure (LTC-2703).</p>

For complete details on John Hancock's competitive LTCI products, please review the LTC Producer Guide (LTC-2722).

Selling LTCI by Selling the Brand Clients Know and Trust

Our research showed that LTCI buyers want an insurance company they can trust, one who is financially strong and stable, and one that will be there for them when they need care. Reassure them and increase your ability to make the sale by showing that John Hancock is one of the strongest carriers in the LTCI industry, as noted by the major financial services rating agencies.

	<p>Competitive Advantage Brochure (LTC-2181) This updated consumer mailer now has a new look and offers a high-level view of our Custom Care II product benefits as well as information on John Hancock's financial strength and stability, as noted by the major rating agencies.</p>
	<p>Claims Experience Brochure (LTC-3068) This brand new piece describes the LTCI claims experience with John Hancock and highlights the benefits and services available to policyholders and their families at the time of the claim.</p>
	<p>Advantage Provider Program Brochure (LTC-3069) This brochure describes the benefits of CareScout's discount provider services, as well as the information and reports they can receive on providers.</p>

Our Commitment — Your Potential

John Hancock has the experience, strength, stability, and products to meet consumers' LTCI needs. And we are strongly committed to the LTCI market. Part of our commitment means providing our valued distributors with innovative solutions, practical tools, insightful information, and powerful messaging to help you connect with your customers in the most effective way possible. By helping customers see LTCI as a way to maintain independence, preserve assets, and live life the way they and their families choose, you'll be positioning yourself for success in a market of growing opportunity.

For complete details about these materials, including state versions, please review the Collateral Guide (LTC-3732), or check your producer website.

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