



Important Notice Regarding Federal Long Term Care Insurance Program Premium Rate Increase and Lapse History

Coverage under the Federal Long Term Care Insurance Program (FLTCIP) Is Guaranteed Renewable

This means FLTCIP coverage cannot be canceled based on a change in an enrollee’s health or age. As long as premiums are paid and benefits have not been exhausted, coverage will continue. However, it is important to note that premiums may increase in the future if you are among a group of enrollees whose premium is determined to be inadequate.

If it is determined that a premium increase is necessary, enrollees will be notified of the new premium amount and provided with at least one of the following options:

- ▶ you may maintain your current benefits and pay the new increased premium
- ▶ you may reduce your benefits so your premium payments are not increased
- ▶ if you meet certain age and rate increase amount minimum thresholds, you may be eligible to convert your coverage to paid-up coverage. Your new maximum lifetime benefit will be reduced to the total amount of premiums you have paid for your coverage, or 30 times your daily benefit amount, whichever is greater.

FLTCIP Rate Increase History

Since 2002, John Hancock Life & Health Insurance Company has offered long term care insurance coverage to eligible members of the Federal family. In the past 10 years, we have raised rates for the following FLTCIP inforce benefit booklet series:

Benefit Booklet Series	Years Available for Sale	Year of Increase	Percentage of Increase
FLTCIP 1.0	2002–2009	2010	A 25% maximum increase was implemented for enrollees with the Automatic Compound Inflation Option (ACIO), whose age at purchase was 69 or younger.
FLTCIP 1.0 FLTCIP 2.0	2002–2009 2009–2015	2016	An overall average increase of 83% was implemented. The increase varied based on an enrollee’s age at the time of enrollment, plan originally purchased, and plan design. <ul style="list-style-type: none"> ▶ 126% maximum increase was implemented for enrollees who originally purchased FLTCIP 1.0. ▶ 66% maximum increase was implemented for enrollees who originally purchased FLTCIP 2.0.

John Hancock's Group Long-Term Care Insurance (GLTC) Rate Increase History

In addition, John Hancock Life Insurance Company sold group long term care insurance from 1988 through 2011. Within the last 10 years we have raised rates on the following inforce group policy series:

John Hancock GLTC Policy Series	Years Policy Available for Sale	Year of Increase	Percentage of Increase
GPB-COV-0002 (single employer case)	1990	2011	5–36%
▶ 1997 plan series GPB-COV-0002 with Automatic Benefit Increase	1998–2000	2011	0–32%
▶ 1997 series GPB-COV-0002, with Future Purchase Option and a benefit period of 10 years or greater	1998–2000		0–11%
P-FACE(2002-2), et al	2002–2009	2011	0–100%
P-FACE(2004), et al	2005–2009	2011	0–24%

FLTCIP Lapse History

For the purpose of this notification, a lapse is the cancellation of coverage due to the non-payment of premiums. Lapse rates can be an important component of the pricing of long term care insurance plans. Please know that the FLTCIP has experienced a 1.26% per year average lapse rate measured from 2002 through 2015.

The Federal Long Term Care Insurance Program is sponsored by the U.S. Office of Personnel Management, insured by John Hancock Life & Health Insurance Company, and administered by Long Term Care Partners, LLC.



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