



Applying for the Long-Term Care Rider?

Tips for Positioning Your Case

One benefit of purchasing a John Hancock permanent life insurance policy with the Long-Term Care (LTC) rider is that only one underwriting process is needed for your clients to get two types of coverage. All applications are received, reviewed and approved by John Hancock life insurance underwriters, and when assessing the proposed insured for the LTC rider, they apply the same rigor to arrive at the best possible offer as they do for the life insurance policy.



Life insurance with the LTC rider:
1 underwriting process for
2 types of coverage

The important thing to keep in mind, of course, is that the underwriter's perspective encompasses both mortality and morbidity risk for these policies. In Dr. Segel's "It's a Different Perspective" article, evaluations for the LTC rider must focus on impairments that could impact the proposed insured's functional capacity, cognition, and mobility in determining the appropriate risk class, while for the life policy the focus is on life expectancy or mortality risk.

Knowing what to look for — and what to avoid

Field underwriting is always important, but even more when the LTC rider is involved. Take advantage of our pre-screen tool — "Is Your Client Eligible for the LTC Rider?" — available in the "Overview" section of our Field Underwriting Guide on jhsalesnet.com.





This flyer provides a checklist that will assist you in identifying impairments that may lead to an adverse decision. In addition, our Quick Quote service provides an opportunity to obtain insight about your case's potential underwriting outcome before submitting an application.

If you have any questions about the differences between mortality and morbidity risk in a particular client, it is often helpful to talk to the underwriter before you submit an application.

Communication is key

Knowing that the underwriter's focus will be on morbidity risk when determining the risk class for the LTC rider, a cover letter can help explain or elaborate on any areas of the medical history or health status that are likely to raise questions. For example:

- If the client has arthritis, is he/she also active and a normal weight?
- If there is a history of falls, is there an explanation you can share?
- Has there been a change in driving status that should be explained?
- Cognition is important, so point out if the proposed insured is employed and/or active socially.
- If the applicant has impairments that might raise questions, point out if he/she can handle all Activities of Daily Living (ADLs).

Make sure you also include the *Application Supplement for the LTC rider* (NB5108). It contains important information about the proposed insured that will help the underwriter assess the individual's morbidity risk.



Meet Mark

Let's look at a typical case that will demonstrate the importance of communicating all details in the application.

Mark, Age 52, Software Developer for Large IT Firm, Seeking \$1.5M Accumulation IUL Policy with the LTC Rider



- 5'10", 195 lbs., Non Smoker
- Known history of rheumatoid arthritis since 2001
- Takes Methotrexate® (MTX) and Enbrel®
- History of right total hip replacement in 2010
- History of low back pain in 2012, PT for two weeks
- Goes to the gym three times a week
- APS — joints involved include hips, right knee and hands
- Last Office Visit (LOV) 11/13 with no complaints of pain, exam findings normal without active synovitis, no joint deformities
- No flare up of symptoms in last two years

Underwriting Assessment

Though this client has a condition that could potentially affect ADLs, several factors work in his favor, including:

- Favorable build
- Medications: taken consistently and working effectively
- Activity
- No flare up of symptoms recently
- No use of narcotics

The underwriter weighs this with the fact that the rheumatoid arthritis has affected joints and one hip has been replaced.

DECISION?
STANDARD
FOR LTC RIDER

WHAT IF THERE IS A CHANGE IN HISTORY?

- LOV 11/13 with exam findings consistent with significant rheumatoid arthritis flare up involving his left hand, morning stiffness lasting about two hours, has not been able to go to the gym for the last couple of weeks due to his knees
- Given short course of tapering steroids and offered PT if no improvement
- Further clarification from field: client indicates not taking Prednisone® any longer and did not go to PT; he is back to the gym two or three times a week

Underwriting Assessment

The same favorable factors work to this client's benefit, i.e. build, good response to medication and activity. However, the client has had a flare up of symptoms within past two years, which raises a red flag with the underwriter with respect to morbidity risk.

DECISION?
150% FOR
LTC RIDER

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Insurance policies and/or associated riders and features may not be available in all states.

The Long-Term Care (LTC) rider is an accelerated death benefit rider and may not be considered long-term care insurance in some states. There are additional costs associated with this rider. The Maximum Monthly Benefit Amount is \$50,000. When the death benefit is accelerated for long-term care expenses it is reduced dollar for dollar, and the cash value is reduced proportionately. Please go to www.jhsalesnet.com to verify state availability.

Insurance products are issued by: John Hancock Life Insurance Company (U.S.A.), Boston, MA 02117 (not licensed in New York) and John Hancock Life Insurance Company of New York, Valhalla, NY 10595.

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