

# Long Term Care Insurance – John Hancock

## WHO IS ELIGIBLE TO APPLY?

- All full-time faculty and staff member on US payroll working at least .80 FTE or 30 hours per week and all full-time counseling psychologists on US payroll working at least .66 FTE
- Retirees
- Spouses (issue age 18 or older) of eligible faculty and staff and retirees
- Parents and parents-in-law of eligible faculty and staff
- Grandparents and grandparents-in-law of eligible faculty and staff
- Siblings (natural, adoptive, or step) (issue age 18 or older) of eligible faculty and staff, retirees and their spouses
- Children (natural, adoptive, or step) (issue age 18 or older) of eligible faculty and staff, retirees and their spouses. Also includes spouses (issue age 18 or older) of eligible children

Eligible family members may apply whether or not the active faculty and staff member or retiree applies.

All applicants, other than eligible active faculty and staff members and their spouses, must reside in the U.S. (50 states or DC) on the date of application and on the effective date of coverage.

## WHAT ARE MY COVERAGE CHOICES?

When you apply for coverage, you will choose your Daily Maximum Benefit (DMB) from the options listed below. The DMB is the most the insurance may pay for all covered services received on any day. Each option has a corresponding Lifetime Maximum Benefit (LMB). The LMB is the total pool of money payable for covered except for the Stay at Home Benefit, which is not included as part of this pool.

\* If you are a resident of Kansas, this benefit varies slightly. (See enclosed insert or call 1-800-482-0022 for details)

\*\* This includes Adult Day Care (Washington refers to this as Adult Day Health Care) and the following services provided in your home: Home Health Care, Hospice Care and Homemaker Services, Personal Care and Respite Care that are provided by a qualified provider.

### *Nonforfeiture Benefit Option*

You may elect at enrollment to include in your coverage the Nonforfeiture Benefit will allow you to stop making premium payments for any reason and retain a reduced level of coverage if you have been continuously insured under the plan for at least three years. If you exercise this benefit, you will keep your full DMB amount, but the LMB will be reduced. Your reduced LMB will equal the greater of 30 times your DMB or the sum of premiums paid. If you exercise this benefit after a minimum of 10 years of continuous coverage, the reduced LMB would be equal to the greater of 90 times your DMB or the sum of premiums paid.

## HOW DO I BECOME ELIGIBLE FOR BENEFITS?

A licensed health care practitioner must certify that you require substantial assistance (hand on or stand by) from another person to perform at least two Activities of Daily Living (ADLs) due to loss of functional capacity, which is expected to continue for at least 90 days or that you need substantial supervision due to a cognitive impairment. You become eligible for benefits when a John Hancock

Care Coordinator verifies that you meet the benefit eligibility requirements under the policy, and you have completed the Qualification Period.

### *ADL Dependence*

The six ADLs are:

- Bathing
- Dressing
- Eating
- Maintaining continence
- Toileting
- Transferring

### *Cognitive Impairment*

Cognitive impairment is deterioration or loss of intellectual capacity that is comparable to and includes Alzheimer's Disease and similar forms of irreversible dementia. The need for substantial supervision due to severe cognitive impairment must be established by clinical evidence and standardized tests that reliably measure impairment in a person's short-term or long-term memory; orientation as to person, place, or time; or deductive or abstract reasoning, or judgement as it relates to safety awareness.

### *Qualification Period*

The Qualification Period is the period of time you must wait from the date John Hancock verifies that you meet the benefits eligibility requirements under the policy until the date benefits are payable for covered charges you incur. The Qualification Period is 90 days and needs to be met only once as long as you remain continuously insured. No expenses need to be incurred during this period of time. You must remain eligible for benefits during this period, but you don't have to receive long-term care services or be hospitalized. The policy will pay benefits for covered charges you incur after the Qualification Period is met as long as you remain eligible for benefits.

## **WHAT WILL HAPPEN IF THE COST OF LONG-TERM CARE SERVICES INCREASES IN THE FUTURE?**

You will be offered additional amounts of coverage every three years to keep up with inflation. The amount of each adjustment will reflect a benefit increase of at least 5% compounded annually for the applicable period. An inflation adjustment will not be available if you are issue age 85 or older, or if you have met the benefit eligibility requirements under the policy in the six months prior to the increase effective date or if your coverage is in reduced paid-up status. (If you are a resident of CT, DE, IN or KS, this provision varies slightly. See enclosed insert or call 1-800-482-0022 for details.)

## **WHAT ADDITIONAL FEATURES ARE INCLUDED?**

### *Return of Premium at Death Benefit*

A Return of Premium at Death Benefit is included in your coverage. The Return of Premium at Death Benefit will pay to your estate, a portion of the premiums you paid less any benefits paid or payable should you die prior to age 75 while covered under the plan. The portion of the premium is based on your age at the time of death.

### ***Waiver of Premium***

Your premium payments will be waived once you complete the Qualification Period, provided you meet the benefit eligibility requirements under the policy on that date. The waiver will continue as long as you remain eligible for benefits.

### ***Portability***

If you retire or leave the University of San Francisco, your coverage may be continued at the same premium rate as that paid by active faculty and staff. You will pay premiums directly to John Hancock.

### ***Bed Reservation Benefit***

The plan will continue to pay nursing home or residential care facility benefits for up to 60 days per calendar year if you leave the facility on a short-term basis while receiving plan benefits.

### ***Benefits Unlisted***

You may ask John Hancock to pay benefits not stated in the policy. John Hancock, as its sole discretion, may approve alternatives to the current plan that are both appropriate for you and cost effective. Any benefits paid will reduce the LMB.

### ***Stay at Home Benefit***

The plan includes a Stay at Home Benefit, which can be used to pay for expenses for: Care Planning Visit, home Modifications, Emergency Medical Response System, Durable Medical Equipment, Caregiver Training, Home Safety Check, and Provider Care Check. The Stay at Home Benefit amount is the most the plan will pay for the cost of all covered services received while you are insured, and will not exceed 30 times the DMB. It is available during the Qualification Period and does not reduce your LMB. The Stay at Home benefit amount will be recalculated whenever your DMB changes due to inflation increases, benefit increases, and decreases provided you have not exhausted this benefit. Any benefits paid out will be subtracted from the recalculated amount. Except for the Care Planning Visit, you must be residing in your home to be eligible. The maximum amount payable for caregiver training will not exceed 5 times your DMB.

### ***Restoration of Benefits***

The Restoration of Benefits feature allows you to restore your LMB if you provide proof that you:

- Have not met the benefit eligibility criteria during the 24-month period up to and immediately preceding the date you request to restore your LMB,
- Have not exhausted your LMB, and
- Have been continuously insured on a premium-paying basis for at least 24 months just prior to the date you request to restore your LMB

Restoration does not apply if coverage is in reduced paid-up status.

### ***International Benefits***

This plan will pay actual charges incurred for any day of covered services, up to the International Daily Benefit Maximum, if the following conditions are met:

- You are permanently residing outside the U.S. (50 states and DC)
- You provide John Hancock with proof of benefit eligibility, including certification by a licensed health care practitioner (LHCP) of dependency in two of six ADLs due to a loss of functional capacity that is expected to last for at least 90 days or that you have a severe cognitive impairment that requires substantial supervision.
- Services are based on a plan of care prescribed by a LHCP.
- The Qualification Period has been met.
- You continue to meet the eligibility requirements under the policy.

Each level of benefits will be paid up to 75% of the DMB level that would apply in the U.S. the total of benefits payable for all charges incurred on any day will not exceed the International Daily Benefit Maximum, which is equal to 75% of the Nursing Home DMB. All documentation provided to John Hancock must be in English. The benefit will be paid directly to the insured or his or her legal representative. Benefit payment will be made in U.S. currency, based upon the exchange rate effective on the last day of the month in which covered services were received.

The Stay at Home and Respite Care Benefits are not available to insured persons residing outside the U.S. Coordination of Benefits does not apply. No benefits is payable under the policy for care received outside the U.S. (all 50 states and the District of Columbia) except as provided in the International Benefits Provision.

### **HOW DO I APPLY FOR COVERAGE?**

You apply for coverage by completing the enrollment forms included in the accompanying folder, "Enrollment information," and returning them to John Hancock.

#### ***Will I be Automatically Accepted?***

You will be automatically accepted for coverage, regardless of you current health status, if you are:

- Eligible, actively-at-work faculty or staff applying during the designated 2003 enrollment period, March 1 – March 31, 2003
- Eligible faculty or staff on leave of absence or disability during the designated 2003 enrollment period applying within 31 days of returning to work on a regular basis
- Newly hired eligible or new eligible, actively-at-work faculty or staff applying within 31 days of first becoming eligible for benefits

### **DO I NEED TO PROVIDE PROOF OF GOOD HEALTH?**

You will need to provide proof of good health if you are:

- Actively-at-work faculty or staff who applies after the designated 2003 enrollment period (other than active faculty or staff who returns to work on a regular basis from a leave of absence or disability that occurred during the designated 2003 enrollment period or newly hired eligible or newly eligible, actively-at-work faculty or staff, applying as previously described)
- A retiree, spouse, parent, parent-in-law, grandparent, grandparent-in-law, sibling or adult child applying at any time, including during the designated 2003 enrollment period

## **HOW DO I PROVIDE PROOF OF GOOD HEALTH?**

You provide proof of good health by completing the entire application, including the Statement of Health. Before you complete the entire application, you may want to know if you have a condition that will automatically prohibit you from obtaining coverage. For this reason, a Health Question section is included at the beginning of the application. If you answer “yes” to any of the questions in that section, you are advised not to complete the rest of the application. If you answer “no” to all of the questions, you should proceed with completing the entire application. The Health Question Section does not apply to residents of certain states. No physical examination is required to apply for coverage. However, John Hancock may request a statement from your doctor. The underwriting evaluation may also include a personal interview administered by a trained clinician. The statement from your doctor is obtained and the interview is conducted at John Hancock’s expense.

## **WHEN WILL MY COVERAGE BECOME EFFECTIVE?**

Your effective date of coverage will be May 1, 2003 or the first of the month after your application is approved, whichever is later. If you are an eligible faculty or staff member who is not actively at work on the date your coverage would otherwise have become effective, your coverage will not become effective until the first of the month following your return to work on a regular basis. If you are an eligible person other than an eligible faculty or staff member and you are disabled on the date your coverage would otherwise have become effective, your coverage will not become effective until the first of the month following the date you are no longer disabled, provided you are still eligible.

## **HOW DO I CALCULATE MY PREMIUM RATE?**

In the Enrollment Information folder, you will find rate sheets each including the four available DMB choices. Once you have made your coverage choice, look at the premium for your issue age. Your issue age is your age on the later of: May 1, 2003 (plan effective date), or the date your application is received by John Hancock. Premiums will not be increased because of age, illness, or use of benefits. Premiums will be adjusted only if they are changed for an entire group or class.

## **HOW WILL I PAY MY PREMIUMS?**

Active faculty and staff and their spouses will have their premium payments deducted from the paycheck of the active faculty or staff. All other participants will have the option of paying premiums directly to John Hancock or through automatic withdrawal from a bank account.

## **WHOM CAN I CALL IF I HAVE QUESTIONS?**

You may call the John Hancock Customer Service Center at 1-800-482-0022. Long-term Care Service Consultants are available Monday through Friday, between 8:30 a.m. and 6:30 p.m. ET. The toll-free number for the hearing impaired is 1-800-255-1808. If you are calling from outside the United States, the number is (617) 886 – 8713. You can also send us an e-mail at [gltc@jhancock.com](mailto:gltc@jhancock.com) or visit our Long-term Care website at <http://longtermcare.jhancock.com/longtermcare/usfca> (username: usfca; password: mybenefit)

## **ARE THERE ANY EXCLUSIONS UNDER THE PLAN?**

John Hancock will not pay benefits for charges incurred by the insured for conditions resulting from the following:

- Your intentionally self-inflicted injury.
- War, whether declared or not, or any act of war, or service in any armed forces or auxiliary units.
- Your commission of or attempt to commit a felony;
- Your engaging in an illegal occupation; or
- Your participating in an insurrection or riot.
- Care, services or treatment required as a result of detoxification or rehabilitation for alcohol or drug addiction; or
- Charges normally not made in the absence of insurance; or
- Care, treatment or charges provided by a member of your immediate family, or by a person who ordinarily resides in our home.
- Care, services or supplies furnished by or covered as a benefit under a program of any government or its subdivisions or agencies, except as required by law and except:
  1. A program established by the Federal government for its civilian employees;
  2. Medicare; and
  3. Medicaid (This means any state medical assistance program under Title XIX of the Social Security Act as amended from time to time); or
- Any service or supply to the extent that charges for it are reimbursable under Medicare, or would be so reimbursable but for the application of a deductible or coinsurance or co-payment amount under Medicare. This exclusion will not apply in those instances where Medicare is determined to be secondary pay or under applicable law.

No benefit is payable under the policy for care received outside the United States (50 states and the District of Columbia) except as described in international Benefits.

These exclusions may not apply in all states and may vary depending on the state in which you live. The Certificate of Insurance you receive once you are approved for coverage will outline the exact exclusions for your state. If you move to another state, the state guidelines where the Certificate of Insurance was originally delivered to you will apply.

Long-term care providers must meet the qualifications specified in the Certificate of Insurance that will be issued to you when you become approved for coverage, and services and supplies must be provided in accordance with a plan of care prescribed by a licensed health care practitioner.