The **Federal** Long Term Care Insurance Program 3.0

# BOOK ONE
## Program Details and Rates

The **Federal** Long Term Care Insurance Program™

This book, including the outline of coverage, is not an insurance contract, but a summary of certain information regarding the Federal Long Term Care Insurance Program (FLTCIP) coverage. Other rights are contained in the group policy that OPM has with us. If you apply for the coverage offered under the FLTCIP and your application is approved, you will automatically receive a copy of the *FLTCIP 3.0 Benefit Booklet*. It is important that you read your benefit booklet carefully! The *FLTCIP 3.0 Benefit Booklet* and the schedule of benefits will contain the governing contractual provisions that relate specifically to you. If any language or provisions here differ from the *FLTCIP 3.0 Benefit Booklet*, the benefit booklet will be the controlling document.

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The following information applies to the FLTCIP 3.0 plan.

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**Note:** Defined terms appear in **bold** at first usage. If a term is not defined within this brochure, see the "Glossary" section in *Book Two: Additional Information.*

## Questions?

Visit us at **LTCFEDS.com**
or call us at **1-800-LTC-FEDS**
(1-800-582-3337) **TTY** 1-800-843-3557.

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.

# Eligibility

Federal and U.S. Postal Service employees and annuitants, active and retired members of the uniformed services, and their qualified relatives are eligible to apply for coverage under the Federal Long Term Care Insurance Program (FLTCIP). Specifically, persons in the following groups are eligible to apply for coverage:

## Employees

- Federal employees in positions that convey eligibility for the Federal Employees Health Benefits (FEHB) Program (whether or not they are actually enrolled)
- U.S. Postal Service (USPS) employees in positions that convey eligibility for the FEHB Program (whether or not they are actually enrolled)
- Active members of the uniformed services who are on active duty or full-time National Guard duty for more than 30 days, including:
  - active members of the Selected Reserve (members of the Individual Ready Reserve are **not** eligible to apply)
- Other eligible employees:
  - Tennessee Valley Authority employees (even though they may not be eligible for FEHB coverage)
  - D.C. Government employees who were first employed by the D.C. Government before October 1, 1987
  - D.C. Courts employees
  - Commander, Navy Installations Command (CNIC) employees
  - Nonappropriated Fund (NAF) employees

## Annuitants

- Federal or USPS annuitants
- Retired members of the uniformed services who are entitled to retired or retainer pay, including:
  - retired grey reservists, even if they are not yet receiving their retired pay
- Other eligible annuitants:
  - deferred annuitants
  - separated employees with title to a deferred annuity, even if they are not yet receiving that annuity
  - Tennessee Valley Authority annuitants
  - compensationers receiving compensation from the U.S. Department of Labor
  - D.C. Government annuitants who were first employed by the D.C. Government before October 1, 1987
  - D.C. Courts annuitants
  - CNIC annuitants
  - NAF annuitants
  - Surviving spouses receiving a survivor annuity and domestic partners of deceased workforce members receiving an insurable interest annuity (visit **LTCFEDS.com/eligibility** to determine if you are eligible as a survivor)

## Qualified relatives

If you are a qualified relative as described below, you can apply even if the person you're related to does not apply, or even if the person you're related to applies but is not approved for coverage.

- Current spouses of eligible employees
- Current spouses of eligible annuitants (but not former spouses, even if they are receiving an apportionment of annuity)
- Parents, parents-in-law, and stepparents of living eligible employees (parents, parents-in-law, and stepparents of annuitants are **not** eligible)

## Qualified relatives (continued)

- Adult children (at least 18 years old, including adopted and stepchildren) of living eligible employees and annuitants
- Domestic partners* of eligible employees and annuitants (visit **LTCFEDS.com/eligibility** to determine if you are eligible as a domestic partner)

*A Declaration of Domestic Partnership form must be submitted to the employee's agency or annuitant's retirement system before you apply. Visit **LTCFEDS.com/eligibility** for details.

# The Federal Long Term Care Insurance Program

Long term care insurance may be a smart way to protect your income and assets and remain financially independent should you need **long term care** services at home, in a **nursing home** or an **assisted living facility**, or in other settings. In general, traditional health insurance plans—including TRICARE For Life or Medicare—do not pay for the chronic, ongoing assistance with daily living that is most often associated with long term care. And long term care services can be very expensive. These are the current national averages for long term care services[1]:

- $24 an hour for a home health aide
- $72 a day for care in an adult day care center
- $4,725 a month for care in an assisted living facility
- $254 a day for a semiprivate room in a nursing home
- $289 a day for a private room in a nursing home

**Home care**—which most people prefer—is generally more affordable than nursing home care but still can be expensive. When averaged nationally, the cost of a six-hour visit by a home health aide is $144 per day. That's $37,440 per year for a home health aide visiting five days a week.

### Is buying long term care insurance a smart financial move?

For many, it is, especially when you consider that 70% of people turning age 65 can expect to use some form of long term care during their lives.[2] This does not mean you should assume you're too young to need the protection that long term care insurance provides if you're under age 65. Unexpected injury or illness, which can occur at any age, can also cause the need for long term care. That's why the U.S. Office of Personnel Management (OPM) sponsors the Federal Long Term Care Insurance Program (FLTCIP). It's important to see what may make this federally sponsored program the right choice for you.

## Sponsorship, strength, and stability

### Sponsored by the U.S. Office of Personnel Management

The Long-Term Care Security Act (P.L. 106-265) authorizes OPM to sponsor a long term care insurance program designed exclusively for members of the federal family. OPM also regulates and manages the FLTCIP and plays an important role in ensuring that the FLTCIP remains up-to-date and competitive.

### Supported by the strength and stability of John Hancock Life & Health Insurance Company

OPM selected John Hancock Life & Health Insurance Company (John Hancock) to provide insurance for the FLTCIP's third 7-year contract term, beginning May 1, 2016. John Hancock provides the stability you need from an insurer and consistently earns high ratings for financial strength. Please visit **LTCFEDS.com/about** for the most recent financial ratings. Long Term Care Partners (LTCP), LLC, administers the program on behalf of and is owned by John Hancock.

1. John Hancock Life & Health Insurance Company, "John Hancock 2018 Cost of Care Survey," conducted by Long Term Care Group, Inc., December 2019.
2. U.S. Department of Health and Human Services, National Clearinghouse for Long-Term Care Information, longtermcare.acl.gov/the-basics (accessed February 2020).

# The Federal Long Term Care Insurance Program

## Benefits designed to meet your needs

### You can choose your care setting

OPM has worked closely with John Hancock to ensure this insurance coverage offers the kind of benefits and features that are valuable to members of the federal family today and in the future. You'll find that with this program, you can choose to receive care at home, in an assisted living facility, in a nursing home, or in other settings.

## Comprehensive features and services

### Home, assisted living, and nursing home care

The FLTCIP provides comprehensive coverage, regardless of whether you receive care at home, in an assisted living facility, in a nursing home, or in an inpatient **hospice care** environment. Additionally, the FLTCIP covers care provided in the home by friends, **family members**, and other unlicensed caregivers. Informal caregivers cannot be your spouse or domestic partner or live in your home at the time you become eligible for benefits. When **informal care** is provided by your family members, it's covered for up to 500 days.

Up to 100% of your daily benefit amount is available for:

- home care provided by a nurse, home health aide, therapist, or other authorized provider (including a friend or family member authorized to act as an informal caregiver)
- care provided in the **community**, such as **adult day care**
- care, room and board, and other services provided in a facility setting, including assisted living and nursing home facilities

### Stay-at-home benefit

The ability to receive long term care at home can be an important factor in maintaining quality of life. If you are eligible for benefits, the FLTCIP offers numerous options that support care in a home environment.

The stay-at-home benefit amount is a separate pool of money and is limited to 30 times your **daily benefit amount** in your lifetime. The stay-at-home benefit can be used at any time while you are meeting the benefit eligibility requirements, including during the waiting period.

Except for care planning visits, you must be living at home in order to be eligible for the stay-at-home benefit. It can pay benefits for:

- **care planning visits**—a professional assists you in developing a plan to meet your long term care needs, including identifying helpful community resources.
- **caregiver training**—pays training expenses for a family member or other informal caregiver to learn about how to care for you while you reside at home. The maximum amount payable in your lifetime for caregiver training is seven times your daily benefit amount. The caregiver training benefit is included in the stay-at-home benefit amount.
- **durable medical equipment**—provided to assist you to safely perform the normal **activities of daily living**—includes wheelchairs, walkers, crutches, and hospital-style beds.
- **emergency medical response system**—a communication system can be installed in your home that can be used to call for assistance in a medical emergency (not a home security system).
- **home modifications**—improvements that can help you better manage long term care in a home setting, such as adding handgrips in a bathtub or installing wheelchair ramps.
- **home safety checks**—a professional evaluates your home environment in areas such as the need for safety bars in the bathroom, how furniture is arranged, doorway and hallway widths, and appliance and cabinet heights.

Benefits paid under the stay-at-home benefit will not reduce your **maximum lifetime benefit**.

### Generous informal caregiver provisions

The FLTCIP covers approved care provided at home by informal caregivers such as friends, family members, and other unlicensed caregivers. When informal care is provided by non-family members, it's covered for the **benefit period** you've selected (two years, three years, or five years). When informal care is provided by family members, it's covered for up to 500 days of care in your lifetime. Informal caregivers cannot live with you at the time you become eligible for benefits, but they can live in your home after you become eligible for benefits. (Note: Services provided by the enrollee's spouse or domestic partner are not covered under the FLTCIP.)

### Convenience of payroll and annuity/pension deductions

The FLTCIP offers the convenience of payroll and annuity/pension deductions of premiums to employees and annuitants, for themselves and their qualified relatives. These automatic premium deductions can ensure that your premiums will be paid on time. (This service is available to most enrollees.)

### Guaranteed renewable

Your insurance coverage is **guaranteed renewable**. It can never be canceled by the FLTCIP carrier as long as you pay your premiums. It cannot be canceled due to your age or a change in your health. However, coverage will end on the date you exhaust your maximum lifetime benefit.

## Additional covered services and benefits

### Alternate plan of care

In certain circumstances, our care coordinators can authorize customized benefits for services that are not specifically covered under the FLTCIP. For example, under an **alternate plan of care**, we will consider a facility that is not normally covered under the program if it meets your needs. The flexibility of an alternate plan of care allows the program to provide you with benefits for cost-effective care and the services you want and need.



### Bed reservations

If you are in an assisted living facility, a nursing home, or a hospice facility and need to leave that facility for any reason (e.g., you need to be hospitalized), the bed reservations feature in your coverage will pay up to 100% of the daily benefit amount for up to 60 days per calendar year to hold your space.

### International benefits

Because this program was designed exclusively for the federal family, it features international benefits that pay for covered services you may require outside the United States. When you receive such services, the FLTCIP pays benefits up to the amounts shown on your schedule of benefits for those covered services. Any benefit paid will reduce your maximum lifetime benefit. You will be reimbursed in U.S. currency.

### No war exclusion

Unlike coverage under some other long term care insurance plans, coverage under the FLTCIP does not have a war exclusion. As a result, benefits may be payable for conditions due to war or acts of war, declared or undeclared, or service in the armed forces or auxiliary units. There is also no catastrophic event limitation.

### Portability

Once you have coverage, it's **portable**. You can keep it as long as you continue to pay the required **premiums** and have not exhausted your maximum lifetime benefit, even if you are no longer a member of an eligible group (for example, if you leave government employment).

### Premium stabilization feature

The premium stabilization feature is an adjustable amount that is calculated as a percentage of premiums paid under the FLTCIP 3.0 group policy. This feature is designed to reduce the potential need for future premium increases. Under certain conditions, this amount may be used to offset your future premium payments or provide a refund of premium death benefit.

Additional conditions and requirements apply and are detailed in the *FLTCIP 3.0 Benefit Booklet*. The premium stabilization feature is also summarized in the outline of coverage.

### Respite care

This benefit provides you with temporary care if your caregiver (such as a family member) needs to take some time off. Respite care is covered up to 30 times the daily benefit amount per calendar year, and there is no waiting period requirement. It includes respite care:

- in a nursing home, an assisted living facility, or a hospice facility
- by a formal or informal caregiver at home
- at an adult day care center

### Third-party review of claims

If we deny your appeal of benefits eligibility or of a claims decision due to our evaluation of your medical condition or functional capacity, you may request an independent third-party review. A third party, mutually agreed to by OPM and John Hancock, will review our evaluation of your medical condition or functional capacity and will provide a final and binding determination within 60 days after we receive your request for appeal.

### Waiver of premium

Once you have completed your waiting period, you do not pay premiums while you are receiving benefits.

## Access to knowledgeable program representatives

### Program consultants can assist you at every step

The FLTCIP has extremely knowledgeable program consultants who can help you every step of the way. Whether you're requesting information, reviewing benefits, or completing an application, these highly trained employees (who do not work on commission) can help you decide on a plan that will best meet your individual needs. One popular service requested of the program consultants is a personalized rate quote. Using the rate quote, program consultants can demonstrate the wide range of benefits you can apply for and the costs associated with each. Our program consultants take pride in providing the highest level of quality service to the federal family and adhere to the strictest service levels set forth by OPM. Should you have any questions, we are available to assist you. You may call us at **1-800-LTC-FEDS** (1-800-582-3337) **TTY** 1-800-843-3557.

### Care coordinators understand your individual care needs

If you're approved for coverage and enroll, you'll have unlimited access to the FLTCIP's care coordinators. They are registered nurses who have worked extensively in the field of long term care. You can contact them to ask any questions you may have about long term care (even if you are not receiving benefits). If you initiate a claim and are approved for benefits, we'll assign a team of care coordinators to work with you and your family members to develop a **plan of care** that meets your individual care needs.

Our care coordinators can also:

- provide information and assistance regarding your long term care options
- help you find care providers in your area
- share the results of state survey reports about service availability, quality, costs, and licensing
- provide access to discounts for services, when available, in your area
- monitor the care you are receiving
- assist with changing your plan of care as your needs change

Unlike most long term care insurance plans, the FLTCIP also provides certain **care coordination** services to qualified relatives of enrollees at no cost. This can be invaluable in helping reduce the stress that may develop when a relative needs long term care. For more details, see the "Benefits Provided by the FLTCIP" section of the FLTCIP 3.0 Outline of Coverage, which begins on page 17.

# Key features

Because there is no one-size-fits-all when it comes to long term care insurance, the FLTCIP allows you to choose among options in three areas:

- daily benefit amount
- benefit period
- inflation protection options

If you have any questions about your options, please visit us at **LTCFEDS.com** or call us at **1-800-LTC-FEDS** (1-800-582-3337) **TTY** 1-800-843-3557.

## Daily benefit amount

This is the maximum amount your insurance will pay in any single day. The FLTCIP offers eight daily benefit amounts (DBAs) from $100 to $450 in $50 increments.

### Which DBA is right for me?

If you want your DBA to approximately match the 2018 national average daily cost of nursing home care, you may want to choose a $250 DBA. If you are able to pay a portion of the cost of care out of your own pocket (for example, from your savings) or if you live in an area where the cost of care is lower than the national average, you may want to choose a lower DBA. On the other hand, you may want to choose a higher DBA if you live in an area where the cost of care is higher than the national average. It's important to keep in mind that services can be more costly in metropolitan areas. To find the average daily cost of care in your area (for home care, assisted living facilities, and nursing home care), you can visit us at **LTCFEDS.com/costofcare** or call us at **1-800-LTC-FEDS** (1-800-582-3337) **TTY** 1-800-843-3557.



## Benefit period

This is the length of time benefits will be paid if you receive benefits each and every day equal to your full DBA. You can choose from a two-year, three-year, or five-year **benefit period**.

If you receive services that cost less than your DBA or you don't receive services every day, your benefits will last longer than your benefit period.

The benefit period is used together with the DBA to calculate the maximum lifetime benefit.

### Which benefit period is right for me?

When deciding which benefit period is right for you, it's important to think about your budget, as well as your potential needs. If you want to keep your premium costs low and are willing to pay out of pocket for some of your care, the two-year benefit period will provide you with a basic level of protection. If you've considered that future advances in medical care could mean longer life expectancy, and the possibility of needing care for many years, you may prefer a longer benefit period, if it's something you can comfortably afford.

### What is a maximum lifetime benefit?

The maximum lifetime benefit (MLB) is the maximum amount your coverage can pay. To calculate your MLB, multiply your DBA by your benefit period (in days).

FLTCIP benefit periods: two years (730 days), three years (1,095 days), or five years (1,825 days).

Example: The following is the MLB calculation for an enrollee with a DBA of $150 and a three-year benefit period:

**$150 x 1,095 days (3 years) = $164,250 MLB**

## Inflation protection options

To help make sure that your benefits keep pace with inflation and the rising costs of care, the FLTCIP offers two types of **inflation protection**: the **automatic compound inflation option** and the **future purchase option**.

For complete information on inflation protection options, see the "Relationship of Cost of Care and Benefits" section in the FLTCIP 3.0 Outline of Coverage, which begins on page 25.

### Automatic compound inflation option

With this option, your DBA and remaining portion of your MLB will automatically increase by 3% compounded every year. The increases under this option are made even if you are eligible for benefits, without regard to your age, claim status, claim history, or the length of time your coverage has been in effect. Your premium does not increase annually as a result of this annual increase in benefits. However, premiums are not guaranteed.*

With long term care costs continuing to rise almost every year, you may want to consider the automatic compound inflation option (ACIO). The initial premiums are higher than the future purchase option because you are prefunding automatic future benefit increases that are designed to help keep pace with inflation.

For additional information about changes in premiums, please see the FLTCIP 3.0 Outline of Coverage, "When We May Increase Premiums" subsection, page 18, and "When Your Premium May Change" section, page 31.

### Future purchase option

With this option, you are given the opportunity to increase your DBA and MLB every two years with a corresponding increase in your premium. Premiums are not guaranteed.* You may decline the increase a maximum of three times before you stop receiving offers. The increase in your benefits is based on the U.S. Department of Labor's Consumer Price Index for All Urban Consumers (CPI-U).

The amount of the increase to your DBA and the corresponding increase in your premium will be sent in a notice to you every two years prior to the increase effective date. The increase will automatically take effect unless you tell us at that time you do not want the increase. Your coverage must be in effect for at least 12 months in order for you to receive your first increase under this option.

As your benefits increase, your future purchase option (FPO) premium also increases and may eventually become greater than the ACIO premium. You may want to consider if you can afford increased premiums for future increases to your benefits. If you do not plan to accept future increases, you may want to consider how you will pay for any long term care that exceeds the amount your insurance will cover.

You can change to the ACIO at any time if you provide evidence of insurability (meaning you will be required to provide, at your expense, evidence of good health that is satisfactory to us).

For additional information about changes in premiums, please see the FLTCIP 3.0 Outline of Coverage, "When We May Increase Premiums" subsection, page 18, and "When Your Premium May Change" section, page 31.



* Premiums are not guaranteed. Your premium will not change because you get older or your health changes or for any other reason related solely to you. However, your premiums may increase if you are among a group of enrollees whose premium is determined to be inadequate. While the group policy is in effect, OPM must approve the change.

# Prepackaged plans

The FLTCIP offers four prepackaged plans that you can choose from. For the plan you select, you will need to choose an inflation protection option. Premiums for the prepackaged plans are listed on pages 12 to 15. If you prefer other plan designs, you can create a customized plan.

| | |
|---|---|
| **Plan A**<br>Consider this plan if you want protection but are looking for a lower-cost option, if you will be living in an area where long term care costs are low, or if you plan to pay out of pocket for some of the costs of long term care in the future, if needed. | ▶ Daily benefit amount: **$150**<br>▶ Benefit period: 2 years<br>▶ Maximum lifetime benefit: $109,500<br>▶ Waiting period: 90 calendar days<br>▶ Inflation protection options:<br>☐ 3% automatic compound inflation option<br>☐ future purchase option |
| **Plan B**<br>Consider this plan if you want protection for at least three years, which corresponds to the current average length of stay in a nursing home, or if you will be living in an area where long term care costs are low. | ▶ Daily benefit amount: **$150**<br>▶ Benefit period: 3 years<br>▶ Maximum lifetime benefit: $164,250<br>▶ Waiting period: 90 calendar days<br>▶ Inflation protection options:<br>☐ 3% automatic compound inflation option<br>☐ future purchase option |
| **Plan C**<br>Consider this plan if you want protection for at least three years, which corresponds to the current average length of stay in a nursing home, or if you will be living in an area where long term care costs are around the national average. | ▶ Daily benefit amount: **$200**<br>▶ Benefit period: 3 years<br>▶ Maximum lifetime benefit: $219,000<br>▶ Waiting period: 90 calendar days<br>▶ Inflation protection options:<br>☐ 3% automatic compound inflation option<br>☐ future purchase option |
| **Plan D**<br>Consider this plan if you will be living in an area where long term care costs are around the national average but you want protection for a longer period of time. | ▶ Daily benefit amount: **$200**<br>▶ Benefit period: 5 years<br>▶ Maximum lifetime benefit: $365,000<br>▶ Waiting period: 90 calendar days<br>▶ Inflation protection options:<br>☐ 3% automatic compound inflation option<br>☐ future purchase option |

# Customized plans

If you choose to customize a plan, you can pick the options that best suit your needs. You must make a choice for each of the three key features, noted below. To find the premiums for your customized plan, visit **LTCFEDS.com/tools** to use the Premium Calculator or call us at **1-800-LTC-FEDS** (1-800-582-3337) **TTY** 1-800-843-3557.

**1. Daily benefit amount:**

- $100
- $150
- $200
- $250
- $300
- $350
- $400
- $450

**2. Benefit period:**

- 2 years
- 3 years
- 5 years

**3. Inflation protection option:**

- 3% automatic compound inflation option
- future purchase option

# Options for paying premiums

The FLTCIP offers three convenient options for paying your premiums:

### 1. Payroll or annuity/pension deduction

If you choose this option, premiums will be deducted from your pay or annuity/pension (or the pay or annuity/pension of the person you specify on your application). This option is available to most enrollees. If you are paid biweekly and choose this option, your premiums will be deducted biweekly. If you are paid monthly (or receive a monthly annuity), your premiums will be deducted each month.

### 2. Automatic bank withdrawal

If you choose this option, premiums will be deducted automatically on the third business day of every month from the checking or savings account you specify.

### 3. Direct bill

If you choose this option, you will receive a monthly bill at your designated mailing address the month before your premium is due.

# Premiums

Premiums are based on your age and the premium rates in effect at the time we receive your application. The following monthly and biweekly premium charts provide premiums for the FLTCIP's prepackaged plans and are **valid for 30 calendar days**.

If you do not apply within 30 calendar days, are customizing a plan, or are older than age 80, visit **LTCFEDS.com/tools** or call us at **1-800-LTC-FEDS** (1-800-582-3337) **TTY** 1-800-843-3557 to calculate your premium.

Premiums are not guaranteed. Your premium will not change because you get older or your health changes or for any other reason related solely to you. However, your premiums may increase if you are among a group of enrollees whose premium is determined to be inadequate. While the group policy is in effect, OPM must approve the change.

## Monthly premiums

*BP = benefit period, DBA = daily benefit amount

| Age | Plan A 2-year BP*, $150 DBA* | | Plan B 3-year BP, $150 DBA | | Plan C 3-year BP, $200 DBA | | Plan D 5-year BP, $200 DBA | |
|---|---|---|---|---|---|---|---|---|
| | FPO | 3% ACIO | FPO | 3% ACIO | FPO | 3% ACIO | FPO | 3% ACIO |
| 18-30 | $19.79 | $43.28 | $24.80 | $60.94 | $33.06 | $81.26 | $43.15 | $114.27 |
| 31 | $20.40 | $44.49 | $25.74 | $62.69 | $34.32 | $83.58 | $45.07 | $118.09 |
| 32 | $21.02 | $45.73 | $26.71 | $64.48 | $35.62 | $85.97 | $47.08 | $122.04 |
| 33 | $21.66 | $47.00 | $27.73 | $66.32 | $36.97 | $88.43 | $49.17 | $126.12 |
| 34 | $22.32 | $48.31 | $28.78 | $68.22 | $38.37 | $90.96 | $51.36 | $130.34 |
| 35 | $23.00 | $49.65 | $29.87 | $70.17 | $39.83 | $93.56 | $53.65 | $134.69 |
| 36 | $23.70 | $51.04 | $31.00 | $72.18 | $41.34 | $96.24 | $56.04 | $139.20 |
| 37 | $24.43 | $52.46 | $32.18 | $74.24 | $42.91 | $98.99 | $58.53 | $143.85 |
| 38 | $25.17 | $53.92 | $33.40 | $76.37 | $44.53 | $101.82 | $61.14 | $148.66 |
| 39 | $25.94 | $55.42 | $34.67 | $78.55 | $46.22 | $104.73 | $63.86 | $153.63 |
| 40 | $26.73 | $56.96 | $35.98 | $80.80 | $47.98 | $107.73 | $66.70 | $158.77 |
| 41 | $27.74 | $58.23 | $37.53 | $83.08 | $50.04 | $110.77 | $69.81 | $163.36 |
| 42 | $28.78 | $59.52 | $39.14 | $85.43 | $52.19 | $113.90 | $73.07 | $168.08 |
| 43 | $29.87 | $60.84 | $40.82 | $87.84 | $54.43 | $117.12 | $76.48 | $172.94 |
| 44 | $31.00 | $62.19 | $42.58 | $90.32 | $56.77 | $120.43 | $80.04 | $177.94 |
| 45 | $32.16 | $63.57 | $44.41 | $92.87 | $59.21 | $123.83 | $83.77 | $183.08 |
| 46 | $33.86 | $66.21 | $46.98 | $96.69 | $62.64 | $128.92 | $88.98 | $190.59 |
| 47 | $35.66 | $68.97 | $49.70 | $100.66 | $66.27 | $134.21 | $94.51 | $198.41 |
| 48 | $37.54 | $71.83 | $52.58 | $104.80 | $70.11 | $139.73 | $100.38 | $206.54 |
| 49 | $39.53 | $74.82 | $55.63 | $109.10 | $74.18 | $145.47 | $106.62 | $215.01 |
| 50 | $41.62 | $77.93 | $58.86 | $113.59 | $78.47 | $151.45 | $113.25 | $223.83 |
| 51 | $44.72 | $82.77 | $63.45 | $120.38 | $84.61 | $160.50 | $122.41 | $236.89 |
| 52 | $48.06 | $87.91 | $68.41 | $127.57 | $91.21 | $170.10 | $132.32 | $250.71 |
| 53 | $51.65 | $93.37 | $73.76 | $135.20 | $98.34 | $180.27 | $143.03 | $265.33 |
| 54 | $55.51 | $99.17 | $79.52 | $143.28 | $106.02 | $191.04 | $154.60 | $280.81 |
| 55 | $59.66 | $105.33 | $85.73 | $151.85 | $114.31 | $202.46 | $167.11 | $297.19 |

# Premiums

## Monthly premiums

*BP = benefit period, DBA = daily benefit amount

| Age | Plan A 2-year BP*, $150 DBA* | | Plan B 3-year BP, $150 DBA | | Plan C 3-year BP, $200 DBA | | Plan D 5-year BP, $200 DBA | |
|---|---|---|---|---|---|---|---|---|
| | FPO | 3% ACIO | FPO | 3% ACIO | FPO | 3% ACIO | FPO | 3% ACIO |
| 56 | $64.31 | $111.44 | $92.75 | $161.01 | $123.66 | $214.68 | $181.04 | $315.57 |
| 57 | $69.32 | $117.90 | $100.34 | $170.73 | $133.78 | $227.63 | $196.13 | $335.08 |
| 58 | $74.72 | $124.73 | $108.55 | $181.03 | $144.73 | $241.37 | $212.47 | $355.80 |
| 59 | $80.54 | $131.96 | $117.43 | $191.95 | $156.58 | $255.93 | $230.18 | $377.80 |
| 60 | $86.82 | $139.61 | $127.05 | $203.53 | $169.40 | $271.38 | $249.36 | $401.16 |
| 61 | $94.30 | $148.77 | $138.19 | $217.31 | $184.26 | $289.74 | $271.86 | $428.76 |
| 62 | $102.42 | $158.52 | $150.32 | $232.01 | $200.42 | $309.35 | $296.40 | $458.26 |
| 63 | $111.25 | $168.91 | $163.51 | $247.71 | $218.01 | $330.28 | $323.15 | $489.79 |
| 64 | $120.83 | $179.99 | $177.85 | $264.48 | $237.14 | $352.63 | $352.31 | $523.49 |
| 65 | $131.24 | $191.79 | $193.46 | $282.37 | $257.94 | $376.50 | $384.11 | $559.50 |
| 66 | $142.50 | $203.53 | $209.43 | $299.18 | $279.23 | $398.90 | $415.88 | $592.99 |
| 67 | $154.73 | $215.99 | $226.71 | $316.98 | $302.28 | $422.64 | $450.28 | $628.48 |
| 68 | $168.00 | $229.21 | $245.43 | $335.84 | $327.23 | $447.79 | $487.52 | $666.10 |
| 69 | $182.42 | $243.24 | $265.68 | $355.83 | $354.25 | $474.44 | $527.85 | $705.97 |
| 70 | $198.06 | $258.13 | $287.62 | $377.00 | $383.49 | $502.67 | $571.51 | $748.23 |
| 71 | $220.33 | $282.06 | $320.01 | $412.30 | $426.67 | $549.73 | $635.50 | $817.85 |
| 72 | $245.11 | $308.22 | $356.04 | $450.89 | $474.73 | $601.19 | $706.66 | $893.95 |
| 73 | $272.67 | $336.80 | $396.14 | $493.10 | $528.19 | $657.46 | $785.79 | $977.13 |
| 74 | $303.33 | $368.03 | $440.75 | $539.26 | $587.67 | $719.01 | $873.77 | $1,068.04 |
| 75 | $337.43 | $402.15 | $490.39 | $589.73 | $653.86 | $786.31 | $971.61 | $1,167.42 |
| 76 | $375.37 | $439.44 | $545.62 | $644.94 | $727.49 | $859.92 | $1,080.41 | $1,276.04 |
| 77 | $417.57 | $480.18 | $607.07 | $705.31 | $809.42 | $940.42 | $1,201.38 | $1,394.78 |
| 78 | $464.53 | $524.71 | $675.43 | $771.33 | $900.58 | $1,028.45 | $1,335.90 | $1,524.55 |
| 79 | $516.75 | $573.36 | $751.50 | $843.54 | $1,002.00 | $1,124.72 | $1,485.49 | $1,666.41 |
| 80 | $574.86 | $626.52 | $836.13 | $922.50 | $1,114.84 | $1,230.00 | $1,651.82 | $1,821.46 |

# Premiums

## Biweekly premiums

*BP = benefit period, DBA = daily benefit amount

| Age | Plan A 2-year BP*, $150 DBA* | | Plan B 3-year BP, $150 DBA | | Plan C 3-year BP, $200 DBA | | Plan D 5-year BP, $200 DBA | |
|---|---|---|---|---|---|---|---|---|
| | FPO | 3% ACIO | FPO | 3% ACIO | FPO | 3% ACIO | FPO | 3% ACIO |
| 18-30 | $9.13 | $19.97 | $11.44 | $28.12 | $15.25 | $37.50 | $19.91 | $52.74 |
| 31 | $9.41 | $20.53 | $11.88 | $28.93 | $15.84 | $38.57 | $20.80 | $54.50 |
| 32 | $9.70 | $21.10 | $12.32 | $29.76 | $16.44 | $39.67 | $21.72 | $56.32 |
| 33 | $9.99 | $21.69 | $12.79 | $30.60 | $17.06 | $40.81 | $22.69 | $58.20 |
| 34 | $10.30 | $22.29 | $13.28 | $31.48 | $17.70 | $41.98 | $23.70 | $60.15 |
| 35 | $10.61 | $22.91 | $13.78 | $32.38 | $18.38 | $43.18 | $24.76 | $62.16 |
| 36 | $10.93 | $23.55 | $14.30 | $33.31 | $19.08 | $44.41 | $25.86 | $64.24 |
| 37 | $11.27 | $24.21 | $14.85 | $34.26 | $19.80 | $45.68 | $27.01 | $66.39 |
| 38 | $11.61 | $24.88 | $15.41 | $35.24 | $20.55 | $46.99 | $28.21 | $68.61 |
| 39 | $11.97 | $25.57 | $16.00 | $36.25 | $21.33 | $48.33 | $29.47 | $70.90 |
| 40 | $12.33 | $26.28 | $16.60 | $37.29 | $22.14 | $49.72 | $30.78 | $73.27 |
| 41 | $12.80 | $26.87 | $17.32 | $38.34 | $23.09 | $51.12 | $32.22 | $75.39 |
| 42 | $13.28 | $27.47 | $18.06 | $39.42 | $24.08 | $52.56 | $33.72 | $77.57 |
| 43 | $13.78 | $28.08 | $18.84 | $40.54 | $25.12 | $54.05 | $35.29 | $79.81 |
| 44 | $14.30 | $28.70 | $19.65 | $41.68 | $26.20 | $55.58 | $36.94 | $82.12 |
| 45 | $14.84 | $29.34 | $20.49 | $42.86 | $27.32 | $57.15 | $38.66 | $84.49 |
| 46 | $15.62 | $30.55 | $21.68 | $44.62 | $28.91 | $59.50 | $41.06 | $87.96 |
| 47 | $16.45 | $31.83 | $22.93 | $46.45 | $30.58 | $61.94 | $43.62 | $91.57 |
| 48 | $17.32 | $33.15 | $24.26 | $48.36 | $32.35 | $64.49 | $46.32 | $95.32 |
| 49 | $18.24 | $34.53 | $25.67 | $50.35 | $34.23 | $67.14 | $49.20 | $99.23 |
| 50 | $19.20 | $35.96 | $27.16 | $52.42 | $36.21 | $69.90 | $52.26 | $103.30 |
| 51 | $20.64 | $38.20 | $29.28 | $55.56 | $39.05 | $74.07 | $56.49 | $109.33 |
| 52 | $22.18 | $40.57 | $31.57 | $58.87 | $42.09 | $78.50 | $61.07 | $115.71 |
| 53 | $23.83 | $43.09 | $34.04 | $62.40 | $45.38 | $83.20 | $66.01 | $122.46 |
| 54 | $25.62 | $45.77 | $36.70 | $66.12 | $48.93 | $88.17 | $71.35 | $129.60 |
| 55 | $27.53 | $48.61 | $39.56 | $70.08 | $52.75 | $93.44 | $77.12 | $137.16 |
| 56 | $29.68 | $51.43 | $42.80 | $74.31 | $57.07 | $99.08 | $83.55 | $145.64 |
| 57 | $31.99 | $54.41 | $46.31 | $78.79 | $61.74 | $105.06 | $90.52 | $154.65 |
| 58 | $34.48 | $57.56 | $50.10 | $83.55 | $66.79 | $111.40 | $98.06 | $164.21 |
| 59 | $37.17 | $60.90 | $54.19 | $88.59 | $72.26 | $118.12 | $106.23 | $174.36 |
| 60 | $40.07 | $64.43 | $58.63 | $93.93 | $78.18 | $125.25 | $115.08 | $185.15 |
| 61 | $43.52 | $68.66 | $63.78 | $100.29 | $85.04 | $133.72 | $125.47 | $197.88 |
| 62 | $47.27 | $73.16 | $69.37 | $107.08 | $92.50 | $142.77 | $136.80 | $211.50 |
| 63 | $51.34 | $77.95 | $75.46 | $114.32 | $100.62 | $152.43 | $149.14 | $226.05 |
| 64 | $55.76 | $83.07 | $82.08 | $122.06 | $109.44 | $162.75 | $162.60 | $241.61 |
| 65 | $60.57 | $88.51 | $89.28 | $130.32 | $119.04 | $173.76 | $177.28 | $258.23 |
| 66 | $65.76 | $93.93 | $96.66 | $138.08 | $128.87 | $184.10 | $191.94 | $273.68 |

# Premiums

## Biweekly premiums

*BP = benefit period, DBA = daily benefit amount

| Age | Plan A 2-year BP*, $150 DBA* | | Plan B 3-year BP, $150 DBA | | Plan C 3-year BP, $200 DBA | | Plan D 5-year BP, $200 DBA | |
|---|---|---|---|---|---|---|---|---|
| | FPO | 3% ACIO | FPO | 3% ACIO | FPO | 3% ACIO | FPO | 3% ACIO |
| 67 | $71.41 | $99.68 | $104.63 | $146.29 | $139.51 | $195.06 | $207.82 | $290.06 |
| 68 | $77.53 | $105.78 | $113.27 | $155.00 | $151.02 | $206.67 | $225.00 | $307.43 |
| 69 | $84.19 | $112.26 | $122.62 | $164.22 | $163.50 | $218.97 | $243.62 | $325.83 |
| 70 | $91.41 | $119.13 | $132.74 | $174.00 | $176.99 | $232.00 | $263.77 | $345.33 |
| 71 | $101.69 | $130.18 | $147.69 | $190.29 | $196.92 | $253.72 | $293.30 | $377.46 |
| 72 | $113.12 | $142.25 | $164.32 | $208.10 | $219.10 | $277.47 | $326.15 | $412.59 |
| 73 | $125.84 | $155.44 | $182.83 | $227.58 | $243.78 | $303.44 | $362.67 | $450.98 |
| 74 | $139.99 | $169.86 | $203.42 | $248.88 | $271.23 | $331.85 | $403.27 | $492.94 |
| 75 | $155.73 | $185.60 | $226.33 | $272.18 | $301.78 | $362.91 | $448.43 | $538.80 |
| 76 | $173.24 | $202.81 | $251.82 | $297.66 | $335.76 | $396.88 | $498.65 | $588.94 |
| 77 | $192.72 | $221.62 | $280.18 | $325.52 | $373.57 | $434.04 | $554.48 | $643.74 |
| 78 | $214.39 | $242.17 | $311.73 | $355.99 | $415.65 | $474.66 | $616.56 | $703.63 |
| 79 | $238.50 | $264.62 | $346.84 | $389.32 | $462.46 | $519.10 | $685.61 | $769.11 |
| 80 | $265.32 | $289.16 | $385.90 | $425.76 | $514.54 | $567.69 | $762.37 | $840.67 |

# Qualifying for benefits

If you apply and are approved for the FLTCIP, you will be eligible for benefits if a **licensed health care practitioner** certifies, and we agree, that:

- you are unable to perform, without substantial assistance from another person, at least two activities of daily living for an expected period of at least 90 days due to a loss of functional capacity, or
- you require **substantial supervision** to protect yourself due to a **severe cognitive impairment**, such as **Alzheimer's disease**

The six activities of daily living are:

- bathing
- continence
- dressing
- eating
- toileting
- transferring (from bed to chair)

Definitions of the activities of daily living are included in the FLTCIP 3.0 Outline of Coverage, which begins on page 17.

Benefits can begin (after the waiting period, as described on page 23) as long as the covered services are part of a written plan of care prescribed by a licensed health care practitioner. You can initiate a claim by calling us at **1-800-LTC-FEDS** (1-800-582-3337) **TTY** 1-800-843-3557.

# What is *not* covered by the FLTCIP

- medical services, such as X-rays, laboratory fees, and physician charges
- informal caregiver services while you reside in a facility
- transportation, mileage, or gasoline
- fees beyond usual and customary room-and-board charges (e.g., move-in or entry fees, security deposits, finance charges)
- room-and-board for independent living quarters in a continuing care retirement community, rest home, or similar entity
- services or items that are not related to the provision or support of long term care services (e.g., beauty or barber services, cable, furniture rentals, vacations, guest meals)
- any type of residential upkeep, construction, renovation, or home maintenance (e.g., painting, plumbing), except that which is covered as a home modification under the stay-at-home benefit
- lawn care, snow removal, or vehicle or equipment upkeep
- second occupant fees for individuals ineligible for FLTCIP benefits
- no-show fee
- care or services that are not included in or are inconsistent with your plan of care

# FLTCIP 3.0 Outline of Coverage

The FLTCIP 3.0 Outline of Coverage provides a brief description of important features of coverage available under the FLTCIP. You should compare the FLTCIP 3.0 Outline of Coverage to outlines of coverage for other policies available to you.

### Federal Long Term Care Insurance Program (FLTCIP)

P.O. Box 797
Greenland, NH 03840-0797
**1-800-LTC-FEDS** (1-800-582-3337) **TTY** 1-800-843-3557

Group policyholder: U.S. Office of Personnel Management (OPM)
Insurer: John Hancock Life & Health Insurance Company
Administrator: Long Term Care Partners, LLC

### FLTCIP 3.0 Outline of Coverage

Group policy number: 900-003
Benefit booklet: FLTCIP 3.0

## 1. Notices

**Important:** We will make our decision whether to issue your insurance coverage based on your responses to the questions on your application. We will send you a copy of your application. We may deny benefits or rescind your insurance coverage if: your answers are incorrect or untrue for any reason or the answers changed between the date you completed your application and the date your coverage would become effective. The best time to clear up any questions is before a claim arises! If, for any reason, any one of your answers is or becomes incorrect before the date your coverage would become effective, please contact: Federal Long Term Care Insurance Program, P.O. Box 797, Greenland, NH 03840-0797. You may also call **1-800-LTC-FEDS** (1-800-582-3337) **TTY** 1-800-843-3557.



The group policy, including the *FLTCIP 3.0 Benefit Booklet*, is designed to be a qualified long term care insurance contract under Section 7702B(b) of the Internal Revenue Code of 1986, as amended. Subject to specified dollar limits that vary depending on your age, you may be able to include your premium in your itemized deductions on your federal income tax return, if your total medical expenses, including the allowable portion of your premium, exceed 10% of your annual adjusted gross income. The allowable dollar limits are reviewed each year by the U.S. Treasury and adjusted accordingly. We have designed the group policy so that benefits you receive under the FLTCIP should be tax-free. Also, many states offer tax incentives for residents who purchase long term care insurance. Please remember that tax laws can change. It is important to consult your tax advisor if you have any questions or need further details. Visit **LTCFEDS.com/tax** for more information. The FLTCIP may not cover all of your long term care costs. Please review all coverage limitations and exclusions when you receive your *FLTCIP 3.0 Benefit Booklet*, including the schedule of benefits.

# FLTCIP 3.0 Outline of Coverage

### Coverage under the FLTCIP is guaranteed renewable

We will not cancel your coverage as long as you pay your premium on time. However, this does not mean that premiums are guaranteed to remain unchanged. (See the next paragraph.) Note: Coverage will end on the date you exhaust your maximum lifetime benefit.

### When we may increase premiums

We reserve the right to increase premiums in the future. However, it is important to note that we cannot single you out and raise your premium because of your advancing age, declining health, claim status, or for any other reason related solely to you. We may only increase premiums if you are among a group of enrollees whose premium is determined to be inadequate. While the group policy is in effect, OPM must approve the increase in premium. As a reminder, your premium may also increase if you voluntarily elect to increase your benefits. Please see the subsection "When Your Premium May Change."

## 2. Purpose of the FLTCIP 3.0 Outline of Coverage

This outline provides a brief description of important features of coverage available under the FLTCIP. Since all long term care insurers are required to issue outlines of coverage, you should compare this outline to outlines of coverage for other policies you may be considering. **This outline is not an insurance contract, but only a summary of coverage. Other rights are contained in the group policy that OPM has with us. OPM has reviewed and approved this outline to ensure its accuracy. If you apply for the coverage offered under the FLTCIP and your application is approved, you will automatically receive a copy of the *FLTCIP 3.0 Benefit Booklet*. It is important that you read your benefit booklet carefully! The *FLTCIP 3.0 Benefit Booklet* and the schedule of benefits will contain the governing contractual provisions that relate specifically to you.**

Throughout this outline, "we," "us," and "our" means John Hancock Life & Health Insurance Company.



## 3. Long term care insurance coverage

Long term care insurance coverage is designed to cover services you need when you are unable to perform certain activities of daily living or need care due to a severe cognitive impairment. The long term care insurance provided under the FLTCIP is designed to provide reimbursement for costs of necessary diagnostic, preventive, therapeutic, curative, rehabilitative, maintenance, or personal care services, provided in a setting such as an assisted living facility, a nursing home, an adult day care center, or your home, but not in an acute care unit of a hospital.

The FLTCIP provides reimbursement, based on the daily benefit amount you select, for actual charges you incur for covered long term care expenses, subject to the limitations, exclusions, and waiting period described in this outline.

Medical insurance and Medicare are entirely different than long term care insurance. They are primarily designed to cover acute care, and not long term care services. If you are eligible for Medicare you need to know that the long term care insurance coverage under the FLTCIP is not Medicare Supplement Coverage. If you want to learn about Medicare Supplement Coverage, ask us for the *Choosing a Medigap Policy: A Guide to Health Insurance for People with Medicare* brochure.

## 4. Applying for coverage under the FLTCIP

Anyone who is eligible to apply for coverage under the FLTCIP and wishes to do so must complete the appropriate application. We must approve your application in order for your coverage to become effective. Certain medical conditions, or combinations of conditions, will prevent some people from being approved for coverage. You must apply to know if you are eligible to enroll.

## 5. Effective date of coverage and actively-at-work requirement

Coverage under the FLTCIP becomes effective on the first day of the month after the month in which you are approved. For example, if you are approved for coverage on April 15, your coverage becomes effective May 1. However, employees and members of the uniformed services who apply using the abbreviated underwriting application or the abbreviated underwriting section of the coverage change application must meet the actively-at-work requirement described below in order for their coverage to become effective.

If you are an employee or a member of the uniformed services who submitted an abbreviated underwriting application, you must be actively at work at least one day during the calendar week immediately prior to the week that contains the original effective date shown on your schedule of benefits. From time to time, OPM may implement revised actively-at-work requirements for specified periods under the FLTCIP.

You must inform us if you do not meet this requirement. In the event you do not meet this requirement, we will issue you a revised original effective date, which will be the first day of the next month. You also must meet the actively-at-work requirement for any revised original effective date for coverage to become effective, or you will be issued another revised original effective date in the same manner. You must notify us if you are not actively at work on your new original effective date. In this case, your coverage will not go into effect until you are actively at work as required above.

Your original effective date does not change under this actively-at-work requirement if you were involuntarily separated from federal civilian service (for reasons other than your misconduct) or from the uniformed services (except for a dishonorable discharge) after your application date but before your original effective date.

**Actively at work or active work means:**

- for an employee, that you meet all of the following conditions:
  - you are reporting for work at an approved location and work at least half of your regularly scheduled hours for that day
  - you are able to perform all the usual and customary duties of your employment on your regular work schedule
- for a member of the uniformed services, that you are on active duty and are physically able to perform the duties of your position

## 6. Benefits provided by the FLTCIP

### Covered services

Covered services under the FLTCIP are those you receive while in a nursing home, an assisted living facility, or a hospice facility, plus covered services you receive at home or an adult day care center. Coverage also includes informal caregiver services, hospice care, respite care, bed reservations, and a stay-at-home benefit, which covers expenses for care planning visits, caregiver training, durable medical equipment, emergency medical response systems, home modifications, and home safety checks.

We will only pay benefits for covered services if:

- you are eligible for benefits and, where required, have satisfied the waiting period
- they are part of a written plan of care prescribed by a licensed health care practitioner

### Benefit amounts

You may select a daily benefit amount from $100 to $450 in $50 increments. Your daily benefit amount determines the most we will pay per day for covered services. It also determines your maximum lifetime benefit—see the "Maximum Lifetime Benefit" subsection for more information.

The FLTCIP provides reimbursement for actual charges you incur for covered services up to the following:

| Covered services | Reimbursement up to |
|---|---|
| **Nursing home, assisted living facility, or hospice facility** | ▶ 100% of your daily benefit amount |
| **Bed reservations** | ▶ 100% of your daily benefit amount limited up to 60 days per calendar year |
| **Home care and adult day care** | ▶ 100% of your daily benefit amount |
| **Respite services** | ▶ 100% of your daily benefit amount limited up to 30 times your daily benefit amount per calendar year |
| **Formal caregiver services** | ▶ 100% of your daily benefit amount |
| **Informal caregiver services** | ▶ 100% of your daily benefit amount<br>▶ benefits for informal caregiver services are limited to those individuals who did not live in your home at the time you became eligible for benefits<br>▶ benefits for care provided by family members are limited to 500 days in your lifetime (services provided by the enrollee's spouse or domestic partner are not covered under the FLTCIP) |
| **Hospice care at home** | ▶ 100% of your daily benefit amount |
| **Stay-at-home benefit** | ▶ 30 times your daily benefit amount in your lifetime |

### Maximum lifetime benefit

The benefit period is the length of time your coverage will last if we pay your full daily benefit amount each and every day. You may choose from a two-, three-, or five-year benefit period. If you have a two-, three-, or five-year benefit period, benefits will last longer than the benefit period if you do not receive covered services every day or if benefits paid for each day are less than your daily benefit amount.

Your maximum lifetime benefit is the total amount of money that we may pay for charges you incur for covered services. It is equal to your benefit period (in days) multiplied by your daily benefit amount. Your maximum lifetime benefit will be reduced by the amount of benefits that we pay, except for the stay-at-home benefit.

### Schedule of benefits

Your schedule of benefits that we will send you will show, among other things, the covered services, the maximum we will pay for those services per day, the benefit period, the waiting period, and your maximum lifetime benefit.

### Stay-at-home benefit

We will pay actual charges you incur for stay-at-home services up to the stay-at-home benefit amount. The stay-at-home benefit amount is equal to 30 times your daily benefit amount. The waiting period does not apply to the stay-at-home benefit. Except for care planning visits, you must be living at home in order to be eligible for the stay-at-home benefit. Stay-at-home services consist of expenses for:

- care planning visits
- caregiver training
- durable medical equipment
- emergency medical response systems
- home modifications
- home safety checks

The maximum amount payable in your lifetime for caregiver training will be seven times your daily benefit amount. The amount payable for home modifications may be limited to an amount appropriate for similar work in your geographic area. Benefits paid under the stay-at-home benefit will not reduce your maximum lifetime benefit.

If you do not exhaust your stay-at-home benefit initially, you may use any unused portion of this benefit amount for future stay-at-home services and new episodes of care. You may receive the services of a formal caregiver or an informal caregiver, or hospice care at home while receiving benefits under the stay-at-home benefit.



### International benefits

The FLTCIP provides benefits for covered services you receive outside the United States. When you receive such services, we will pay benefits up to the amounts shown on your schedule of benefits for those covered services. Any benefit paid will reduce your maximum lifetime benefit. You will be reimbursed in U.S. currency.

### Alternate plan of care

We may approve alternatives to your written FLTCIP plan of care that we deem to be both appropriate for you and cost-effective for the FLTCIP. An alternate plan of care is one that:

- is designed specifically for you
- is primarily being made to improve your ability to perform one or more activities of daily living
- is mutually agreed upon by you, a licensed health care practitioner, and us
- contains recommendations for alternate services, supplies, or licensed and regulated facilities for you that are not otherwise covered under the *FLTCIP 3.0 Benefit Booklet*
- may be modified as appropriate.

We will base our review of a request for an alternate plan of care on the following: your medical status, current and future care plans, long term cost projections for current and future care plans and the alternate plan of care, and the suitability and effectiveness of the alternate plan of care.

You may choose not to accept the final terms of the alternate plan of care. The alternate plan of care may not be used to pay for any charges for services or supplies described in the "Exclusions" section, to supplement the maximum amount for any benefit under your *FLTCIP 3.0 Benefit Booklet*, or to pay for expenses covered under the stay-at-home benefit.

Benefits payable for charges incurred for services and supplies provided under an alternate plan of care will not exceed the lesser of the actual charges or the appropriate charges for such services or supplies.

Your receipt of services for your care under an alternate plan of care will be subject to the waiting period. The benefits we will pay for such services will be subject to the "Maximum Benefit We Will Pay" section in your benefit booklet.

### Payment of benefits

We pay benefits using the expense-incurred method. This method reimburses you for actual charges you incur for covered services received up to a specific dollar amount. All benefits are paid in U.S. currency.

### Eligibility for benefits

You must be eligible for benefits and satisfy any required waiting period in order for benefits to be payable for covered services. You are eligible for benefits for covered services if you meet all of the following requirements after your coverage becomes effective:

- a licensed health care practitioner has certified within the last 12 months that:
  - you are unable to perform, without substantial assistance from another person, at least two activities of daily living for an expected period of at least 90 days due to a loss of functional capacity; or
  - you need substantial supervision due to your severe cognitive impairment
- we agree with that certification
- we notify you that you are eligible for benefits for covered services



### Activities of daily living include:

- **bathing**:
  - getting into and out of a tub or shower
  - washing your body in a tub, shower, or by sponge bath
  - washing your hair in a tub, shower, or sink
    (If you need substantial assistance from another person to complete any one of these activities, you are dependent for bathing.)
- **dressing:**
  - putting on and taking off any necessary item of clothing (including undergarments) and any necessary braces, fasteners, or artificial limbs
    (If you need substantial assistance from another person to complete any one of these activities, you are dependent for dressing.)
- **transferring:**
  - getting into and out of a bed, chair, or wheelchair
    (If you need substantial assistance from another person to complete any one of these activities, you are dependent for transferring.)

- **toileting:**
  - getting on and off the toilet
  - performing associated personal hygiene
    (If you need substantial assistance from another person to complete any one of these activities, you are dependent for toileting.)
- **continence:**
  - maintaining control of bowel and bladder function
  - when unable to maintain control of bowel or bladder function, performing associated personal hygiene (including caring for catheter or colostomy bag)
    (If you cannot maintain control of bowel or bladder function and in addition you need substantial assistance from another person to perform the associated personal hygiene, you are dependent for continence.)
- **eating:**
  - feeding yourself by getting food into your mouth from a container (such as a plate or cup), including use of utensils when appropriate (such as a spoon or fork)
  - when unable to feed yourself from a container, feeding yourself by a feeding tube or intravenously
    (If you need substantial assistance from another person to complete any one of these activities, you are dependent for eating.)

Severe cognitive impairment means a deterioration or loss in intellectual capacity (such as may occur with Alzheimer's disease) that a) places a person in jeopardy of harming him- or herself or others and, therefore, the person requires substantial supervision by another person; and b) is measured by clinical evidence and standardized tests, which reliably measure impairment in: 1) short or long term memory; 2) orientation to people, places, or time; and 3) deductive or abstract reasoning.



Substantial assistance means hands-on assistance or standby assistance. Hands-on assistance means physical help by another person without which you would not be able to perform the activities of daily living. Standby assistance means that you require the presence of another person within arm's reach of you to prevent, by physical intervention or cueing, injury to you while you are performing the activities of daily living.

Substantial supervision means that you require ongoing, uninterrupted monitoring by another person (which may include cueing by verbal prompting, gesture, or other demonstrations) to protect you from threats to your health and safety, for instance, while wandering.

## Waiting period

The waiting period is 90 days. The waiting period is the number of calendar days during which you must be eligible for benefits before we will pay benefits. We do not pay benefits for services you receive during your waiting period, except for hospice care, respite services, and the stay-at-home benefit. You only have to satisfy the waiting period once in your lifetime. Days applied toward satisfying the waiting period need not be consecutive, nor associated with the same episode of care.

## Waiver of premium

You will not have to pay your premium if you are eligible for benefits and have satisfied the waiting period. We will also waive your premium if you are eligible for benefits and receiving hospice care. If you satisfy the requirements for waiver of premium on the first day of a month, the waiver will take effect on that date. Otherwise, the waiver will take effect on the first day of the following month. If, at a later date, you are no longer eligible for benefits (e.g., you recover) and wish to maintain your coverage, you will have to resume paying your premium on the first day of the month following the month in which you are no longer eligible for benefits.

### Care coordination services

Our care coordinators are licensed health care practitioners who provide the following services at no additional charge to you:

- provide general information about long term care services
- assess and approve your need for long term care service
- develop a plan for long term care services
- monitor and reassess from time to time the long term care services that you receive
- provide access to discounts for services, when available, in your area

Our care coordinators will provide the services described above for your qualified relatives, if you are enrolled in the program. These services will be provided regardless of whether your qualified relatives are enrolled in the FLTCIP, as long as you are enrolled.

You do not have to be eligible for benefits or satisfy the waiting period in order to receive care coordination services.

## 7. Exclusions and limitations

### Exclusions

The FLTCIP does not pay benefits for any of the following:

- illness, treatment, or medical condition arising out of:
  - your participation in a felony, riot, or insurrection
  - your attempted suicide, while sane or insane
  - injuries you intentionally inflict on yourself
- care or treatment for alcoholism or drug addiction
- care or treatment provided in a government facility, including a U.S. Department of Defense or U.S. Department of Veterans Affairs facility, unless otherwise required by law
- care you receive while in a hospital, except in a unit specifically designated as a nursing home or hospice facility
- any service or supply to the extent the expense for it is reimbursable under Medicare, or would be so reimbursable except for the application of a deductible, coinsurance, or copayment amount (this exclusion will not apply in those instances where Medicare is determined to be the secondary payor under applicable law)
- services or supplies for which you are not obligated to pay in the absence of insurance
- services provided by any person who normally lived in your home at the time you became eligible for benefits
- services provided by your spouse or domestic partner

### This coverage does not have a war exclusion

Coverage under the FLTCIP does not have a war exclusion. As a result, benefits may be payable under the FLTCIP for conditions due to war or acts of war, declared or undeclared, or service in the armed forces or auxiliary units.

### Limitations

Benefits payable for covered services are subject to maximums and limitations. See the section titled "Benefits Provided by the FLTCIP" ("Benefit Amounts" and "Maximum Lifetime Benefit" subsections).

### Coordination of benefits

The FLTCIP includes a coordination of benefits provision that follows the guidelines set by the National Association of Insurance Commissioners (NAIC). In determining the amount of benefits we will pay under the FLTCIP, the coordination of benefits provision allows us to look at other plans that might pay benefits for long term care services you receive. The other plans we look at include government programs (other than Medicaid), group medical benefits, and other employer-sponsored long term care insurance. We do not look at Medicaid, individual insurance policies, or association group insurance policies. The coordination of benefits provision does not apply to international benefits.

Although we do not coordinate benefits with Medicaid, we may be required by state law to notify your state Medicaid office about your coverage under the FLTCIP. In addition, we reserve the right to notify your applicable state Medicaid office about your FLTCIP coverage, as may be appropriate.

If the FLTCIP is primary (this means it pays first), we will pay benefits without coordinating with other plans. That means that we will pay benefits to the maximum extent permitted by your coverage. If another plan or program is primary, then it will pay first. In that case, we will pay no more than the difference between the amount payable by your other coverage(s) and your actual expenses up to the daily benefit amount you select.

## 8. Relationship of cost of care and benefits

Because the costs of long term care services will likely increase over time, you should consider whether and how benefits under the FLTCIP may be adjusted. You have the choice of receiving benefit increases under the automatic compound inflation option (ACIO) or the future purchase option (FPO).

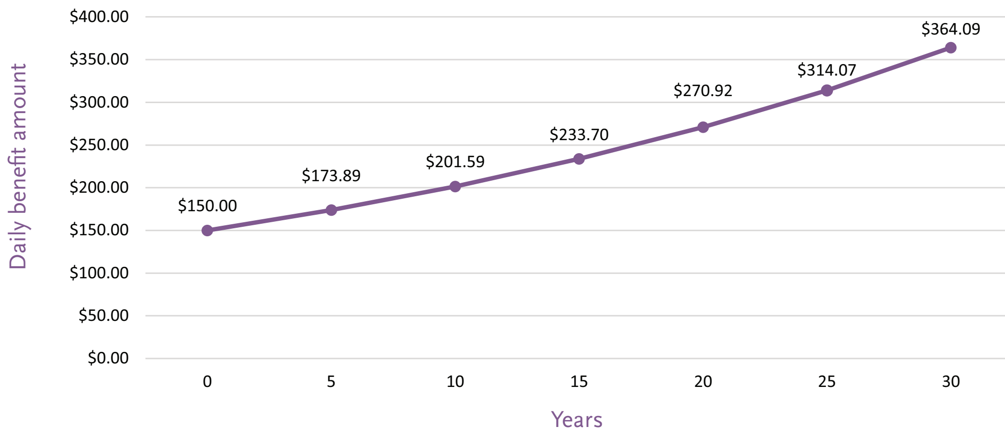
### Automatic compound inflation option

The FLTCIP offers a 3% ACIO rate. On each anniversary of your original effective date of coverage (or the date you change to this option), your daily benefit amount and the remaining portion of your maximum lifetime benefit (as well as other remaining benefit amounts listed in the schedule of benefits) will automatically increase at the ACIO rate shown on your schedule of benefits, compounded annually. Increases under this option are made even if you are eligible for benefits, without regard to your age, claim status, claim history, or the length of time your coverage has been in effect, and will not cause your premium to increase. Please see the “When We May Increase Premiums” subsection and the “When Your Premium May Change” section in this outline for additional information regarding changes in premiums.

If we determine in the future that the cumulative actual rate of inflation in the cost of long term care services since the last increase under this provision is significantly higher than the ACIO rate shown on your schedule of benefits, compounded annually, OPM and we will agree upon a method to allow you, at your option, to adjust your daily benefit amount. This method will account for the higher rate of inflation for an additional premium if you are not then eligible for benefits.

You may request to change from ACIO to FPO. Please see the other benefit changes in the following section.

### How a $150 daily benefit amount increases over time at a 3% ACIO rate




Note: Your actual daily benefit amount may vary depending on the rounding of increases each year. When your daily benefit amount is adjusted based on the 3% automatic compound inflation that you selected, the resulting amount may not be in whole dollar increments since each is rounded to the nearest penny.

### Future purchase option

Every two years, we will increase your daily benefit amount and the remaining portion of your maximum lifetime benefit (as well as other remaining benefit amounts listed in the schedule of benefits), except as described below. We will send notice of the increase to enrollees with this option every two years prior to the increase effective date. Your coverage must be in effect for at least 12 months in order for you to receive your first increase under this provision. The increase will be based upon the change in the U.S. Department of Labor's Consumer Price Index for All Urban Consumers (CPI-U), or another index mutually agreed upon by OPM and John Hancock. We will include the amount of the increase in the notice. Please see the "When We May Increase Premiums" subsection and the "When Your Premium May Change" section for information on how increases under this section affect your premium.

Increases under this option do not require you to provide evidence of your good health. **If you do not want the increase, we must receive your rejection before the date specified in the increase notice. If you want the increase, you do not have to take any action other than paying the additional premium.** The increase will automatically take effect. Increases under this option will be made regardless of your age, but we will not increase your benefits under this option if you are eligible for benefits, or if you declined a total of three increases. However, if you are insured for less than 24 months, and you reject the first increase under this option, it will not count as a declined increase for purposes of determining your eligibility to receive increases in the future.

If you declined three increases under this option and later wish to resume receiving increases, you must provide, at your expense, evidence of your good health that is satisfactory to us.

If you receive an increase and it was determined that you were eligible for benefits on the date that increase went into effect, the increase will be removed.

You may request to change from FPO to ACIO, and should you make such a request: 1) you will be required to provide, at your expense, evidence of your good health that is satisfactory to us; and 2) the effective date of all future automatic compound benefit increases will be the anniversary of the first day of the month that next follows the date of our approval of your request.

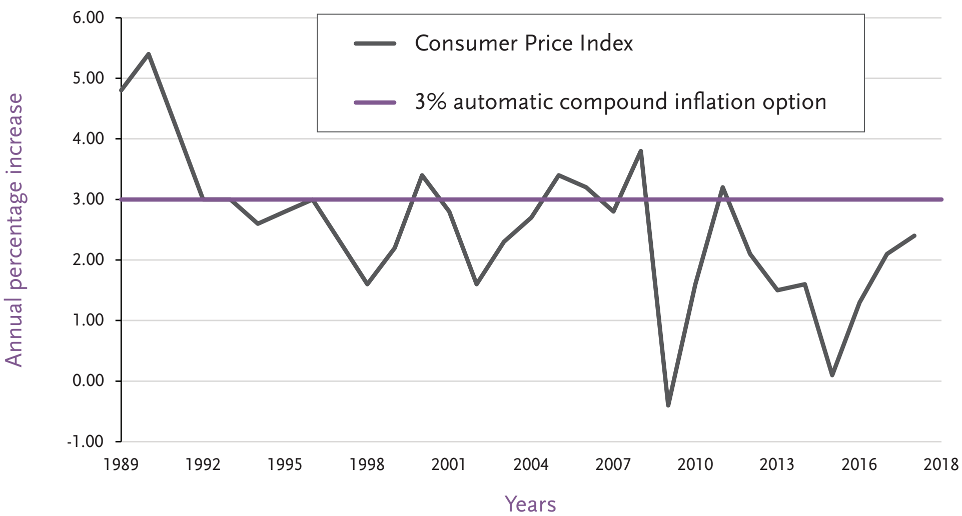
### FPO and the Consumer Price Index

As mentioned on page 26, FPO increases will be based upon the change in the CPI-U or another index mutually agreed upon by OPM and John Hancock.

### What is the CPI-U?

The CPI-U is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services, including food and beverages, housing, transportation, and medical care, among others. The underlying cost drivers for long term care are predominantly contained within this index, making the CPI-U one of the most suitable indices for tracking current and future changes in long term care costs.

### Annual consumer price index (CPI-U) increases—30 years, from 1989 to 2018




While past performance is not a reliable indicator of future performance, it may be helpful to note historical CPI-U trends for those interested in FPO. The following chart compares historical changes in the CPI-U over time against a 3% annual percentage increase benchmark.

### Average Consumer Price Index increases from 1989 to 2018 are as follows:

| Length of time | Period | CPI-U |
|---|---|---|
| 10 years | 2009–2018 | 1.55% |
| 20 years | 1999–2018 | 2.19% |
| 30 years | 1989–2018 | 2.55% |

U.S. Department of Labor, Bureau of Labor Statistics. "Historical Consumer Price Index for All Urban Consumers," bls.gov/cpi (accessed July 2019).

## Comparison of the ACIO and the FPO

The following graphs compare monthly premium and daily benefit amounts over time for purchase ages 50 and 65 for the following inflation options:

- 3% ACIO
- FPO

### Please read the following important assumptions about the charts:

**Important assumptions**

- The following graphs assume an initial daily benefit amount of $150, a 90-day waiting period, and a five-year benefit period.
- Horizontal ACIO premium lines in these graphs indicate that premiums will not automatically increase every year when benefits automatically increase. This **does not** mean that premiums will never increase for enrollees with ACIO. The underlying premium rates for both ACIO and FPO are **not** guaranteed.
- Note: Your actual daily benefit amount may vary depending on the rounding of increases each year. When your daily benefit amount is adjusted based on the inflation that you selected, the resulting amount may not be in whole dollar increments since each is rounded to the nearest penny.
- Each graph below compares scenarios for FPO and ACIO. For FPO illustrative purposes, we are using a 2.55% annual rate of inflation, based on the CPI-U average annual increase over the past 30 years. The FPO benefit amounts within each graph are calculated assuming you either declined or accepted an FPO offer every two years. For ACIO, the 3% rate will be used to calculate the annual increases to your benefit amount. Note: In reality, FPO increases are offered every two years and can be higher or lower than ACIO rates under the FLTCIP in any given year. Actual FPO premiums and benefits will vary depending on actual future inflation rates.
- The graphs do not imply that your coverage will end after 30 years.

As the **Premium Comparison** graph illustrates, a 3% ACIO premium does not increase automatically each year when the benefit increases. With FPO, premium starts out lower than with 3% ACIO. But, as the benefit increases, the FPO premium increases and eventually becomes greater than the 3% ACIO premium. Because the FPO premium increases steeply during normal retirement ages, you should consider whether you will be able to afford the higher premium under the FPO. If you decline an FPO increase, your coverage doesn't end, your daily benefit amount just does not increase. If you decline a total of three FPO increases and you later wish to resume receiving increases, you must provide, at your expense, evidence of your good health that is satisfactory to us.

The **Daily Benefit Amount Comparison** graph shows how the daily benefit amount increases over time under 3% ACIO and how it would increase under FPO if similar benefit increases were to take effect. However, if you decline an FPO increase, your FPO benefit will not increase and over time may become substantially less than the 3% ACIO benefit.

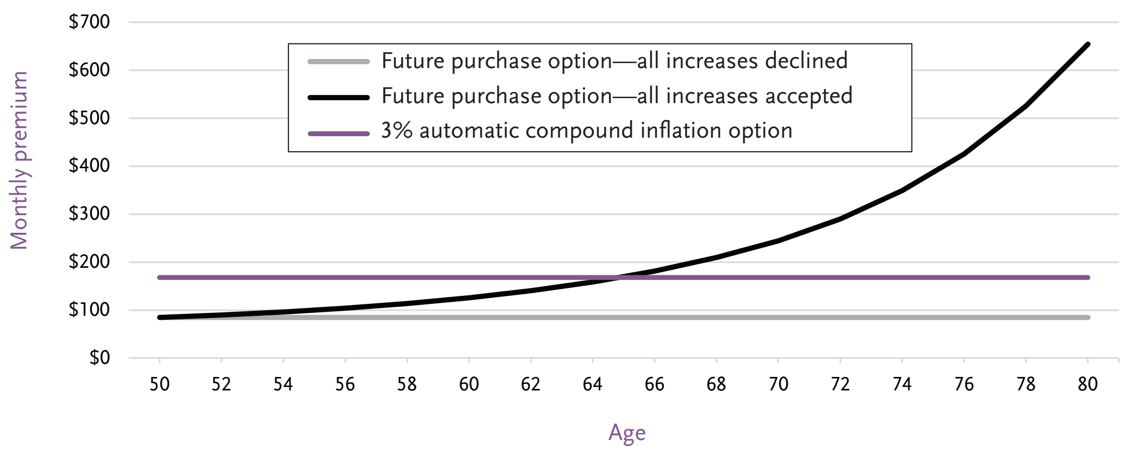
The effect of FPO on your premium and benefit cannot be predicted, since it is based on a variable rate (the CPI-U). It is important that you understand and are comfortable with this aspect of the FPO before you elect it.

### Purchase age 50 examples

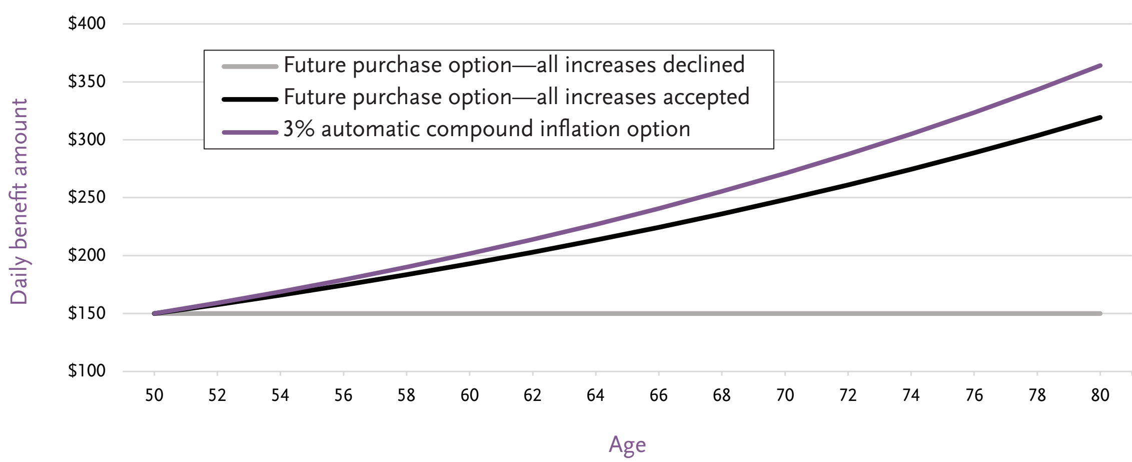
Please read the important assumptions on page 28 before reviewing the following graphs. The graphs below illustrate only the first 30 years of premium and benefits. The premium lines in these graphs are for comparison only and are meant to indicate that premiums will not automatically increase every year when benefits automatically increase. This ***does not*** mean that premiums will never increase for enrollees with ACIO. The underlying premium rates for both ACIO and FPO are ***not*** guaranteed.

### FPO and 3% ACIO comparisons

### Premium comparison for purchase at age 50
### Future purchase option vs. 3% automatic compound inflation option



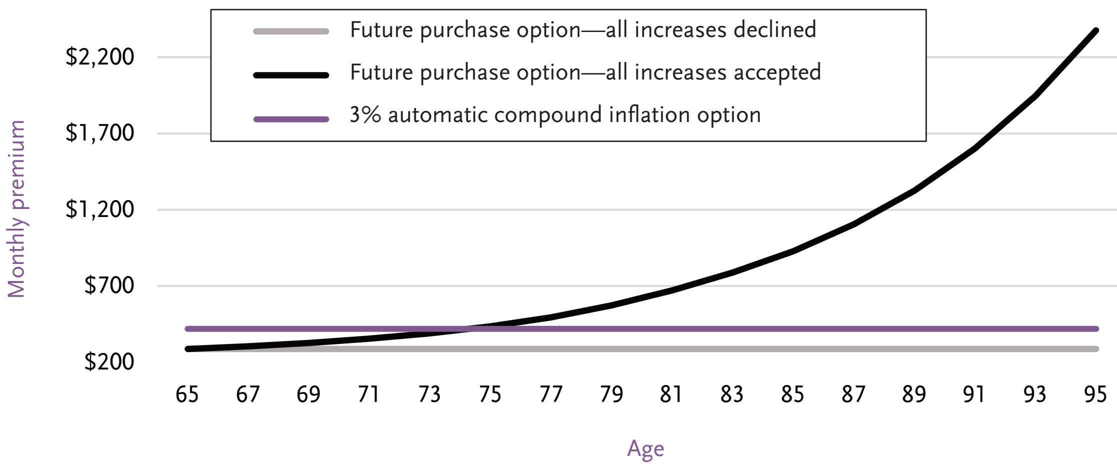

### Daily benefit amount comparison for purchase at age 50
### Future purchase option vs. 3% automatic compound inflation option



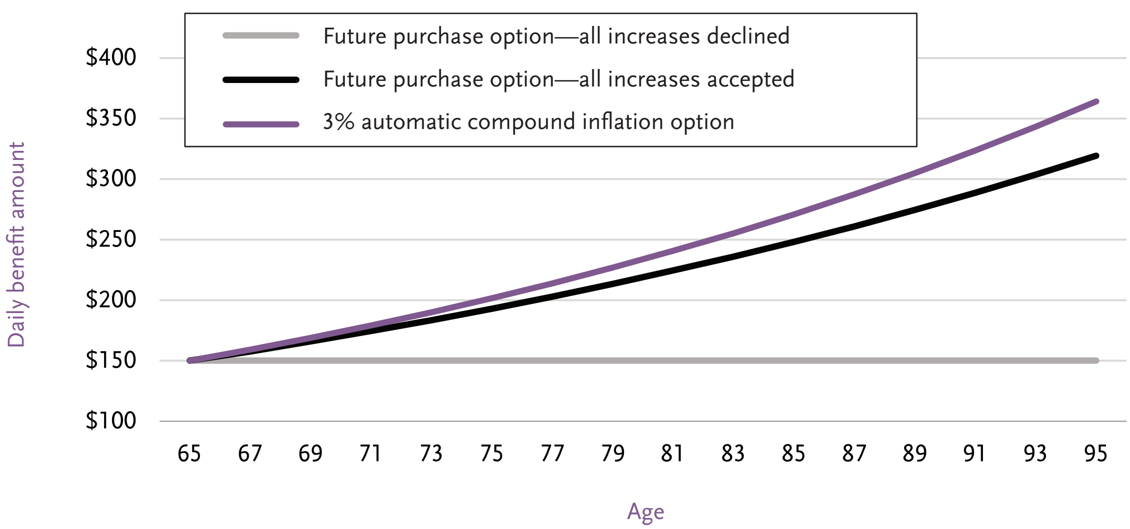
## Purchase age 65 examples

Please read the important assumptions on page 28 before reviewing the following graphs. The graphs below illustrate only the first 30 years of premium and benefits. The premium lines in these graphs are for comparison only and are meant to indicate that premiums will not automatically increase every year when benefits automatically increase. This ***does not*** mean that premiums will never increase for enrollees with ACIO. The underlying premium rates for both ACIO and FPO are ***not*** guaranteed.

### Premium comparison for purchase at age 65
### Future purchase option vs. 3% automatic compound inflation option




### Daily benefit amount comparison for purchase at age 65
### Future purchase option vs. 3% automatic compound inflation option



### Other benefit changes (upgrades and downgrades)

At any time, you may request an increase (upgrade) or decrease (downgrade) in your coverage. If you make a request that we determine is an increase in coverage, you must provide, at your expense, evidence of your good health that is satisfactory to us. You do not have to provide evidence of your good health for a decrease. The amount of an increase or decrease is subject to FLTCIP program options available at the time of your request.

Within 30 days after you receive approval of a request for an increase or a decrease in your coverage, you may cancel the increase or decrease in your coverage, and it will be as if the increase or decrease in your coverage was never issued. We will refund any premium that is due you within 30 days.

## 9. Premium

The premium required for coverage under the FLTCIP may be available in the enclosed materials; otherwise, premiums can be obtained by contacting LTCP, the FLTCIP administrator. Premiums may change. See the section titled "When Your Premium May Change."

## 10. When your premium may change

If you select the automatic compound inflation option, your premium is designed to include all future inflation increases you will receive each year while you are insured. Your premium will not increase with each inflation increase under this option. However, your premiums may still increase under the conditions described below as well as those described in the "When We May Increase Premiums" subsection.

If you select the future purchase option, your premium will increase for each inflation increase under this option unless you decline offers. The additional premium for each increase will be based on your age and the premium rates in effect at the time the increase takes effect. Please note that your premiums may also increase under the conditions described in the "When We May Increase Premiums" section.

If you request and we approve any coverage increase other than an increase under the future purchase option, your premium for the additional coverage will be based on your age and the premium rates in effect at the time the increase takes effect. If you request a decrease in coverage consistent with available FLTCIP options, your premium will decrease. The amount of the decrease in premium associated with the decrease in coverage will be calculated by removing levels of benefits based on the order in which they were purchased, if applicable. In other words, the level of benefits purchased most recently will be discontinued first.

See the section titled "Relationship of Cost of Care and Benefits" for a summary of these benefit change provisions.

Your premium will not change because you get older or your health changes or for any other reason related solely to you. We may only increase your premium if you are among a group of enrollees whose premium is determined to be inadequate. While the group policy is in effect, OPM must approve the change.

## 11. When you may receive a premium refund

### Thirty-day free look/cancellation of coverage

### New enrollees

Within 30 days after you receive your *FLTCIP 3.0 Benefit Booklet*, you may cancel your coverage if you are not satisfied with it and receive a refund of any premium you paid. If you wish to do this, you must notify us within 30 days of receiving the benefit booklet. Then we will refund all of your premium paid for coverage under the benefit booklet within 30 days.

You may cancel your coverage at any other time; however, we will only refund premium that covers a period after the effective date of your cancellation.

### Other refunds of premium

We will refund any premium that you paid to cover any period after the date of your death or during which your premium is waived.

## 12. When coverage may be continued or ended

### When your coverage will end

Your coverage will end on the earliest of the following:

- the date you specify to us that you wish your coverage to end
- the date of your death
- the end of the period covered by your last premium payment if you do not pay the required premium when due
- the date that you have exhausted your maximum lifetime benefit (in this event, care coordination services will continue)
- the date the group policy ends, subject to continuation of coverage as described below

### Grace period

There is a 30-day grace period for payment of your premium. This means that we must receive your premium payment by the 30th day after the date it is due. If we do not receive your premium by the end of this grace period, we will send you written notice of termination of your coverage by first-class U.S. mail. You will have 35 days from the date of the termination letter to pay your premium; otherwise your FLTCIP coverage will end.

### Portability

Long term care insurance coverage under the FLTCIP is portable. This means that once you have coverage under the FLTCIP and later are no longer a member of an eligible group, you can keep your coverage if you continue to pay the required premium and have not exhausted your maximum lifetime benefit.

### Continuation of coverage

If the group policy ends, OPM has stated that it intends to continue your insurance coverage by replacing the group policy with another that will:

- be effective on the day after the group policy ends
- provide coverage that is substantially the same as that provided by the group policy
- calculate your premium based on the same issue age(s) as under the group policy

In the unlikely event that the group policy ends and there is no replacement policy as described above, we will continue your coverage if you continue to pay the required premium and have not exhausted your maximum lifetime benefit.

## 13. Premium stabilization feature

Under the premium stabilization feature (PSF), there is an adjustable amount that is calculated as a percentage of premiums paid under the FLTCIP 3.0 group policy. This feature is designed to reduce the potential need for future premium increases. Under certain conditions, this amount may be used to offset your future premium payments or provide a refund of premium death benefit.

The PSF has no cash surrender value or other monetary value except as a premium offset or refund of premium death benefit as described in the *FLTCIP 3.0 Benefit Booklet*. The PSF terminates and no PSF amount is available or payable on your election of the contingent benefit upon lapse, your voluntary lapse of coverage, or termination of your coverage for reasons other than death, including termination due to nonpayment of premium.

### Premium stabilization feature amount

The portion of premium available as your premium stabilization feature amount (PSF amount) is equal to:

- the total amount of premium you paid multiplied by the current PSF percentage defined below, less
- benefit amounts paid on your behalf for FLTCIP claims, and less
- any prior uses of the PSF amount to pay premiums for you as a premium offset

The PSF amount is reduced dollar-for-dollar by benefit amounts paid on your behalf, so your PSF amount may be reduced to zero regardless of the PSF percentage.

Premium you paid means the total amount of premium you paid out-of-pocket for FLTCIP 3.0, and the amount of any premium offset used for you under the PSF.

### Premium stabilization feature percentage

The premium stabilization feature percentage (PSF percentage) is used to calculate the amount of premium paid that may be available under the PSF. We may adjust the PSF percentage due to actual and projected FLTCIP experience. The PSF percentage will be changed no more than once annually. The PSF percentage will not exceed 100%, and it will not be less than 10%. You will be notified when a PSF percentage change occurs. The PSF percentage is shown on your schedule of benefits. While the group policy is in effect, OPM must approve the change in the PSF percentage.

### Premium offset

The premium offset will be used as described below unless you opt out of the premium offset at any time by contacting us, in writing. Under the premium offset, your PSF amount will be used to pay for 50% of your monthly FLTCIP premium obligation when you have met all of the following:

1. You have attained the age of 85.
2. You have been enrolled in FLTCIP 3.0 for at least 10 years.
3. You have sufficient PSF amount available to pay 50% of your monthly premiums for at least the next 12 months based on current premium.
4. You have not opted out of the premium offset.

The premium offset will continue until:

- there is insufficient PSF amount available to pay 50% of your monthly premium due; or
- you contact us, in writing, and request to stop using this premium offset.

In the event that the premium offset is discontinued, we will provide you with written notice that you will be responsible for 100% of your monthly premium obligations.

If your premium is waived under the waiver of premium provision (see section titled "Waiver of Premium"), the premium offset will not apply.

### Refund of premium death benefit

If your FLTCIP coverage is in force on your date of death, a refund of premium death benefit may be payable. Any PSF amount available will be paid as a refund of premium death benefit to your estate or a beneficiary you designated in writing and on file with us, if the beneficiary is alive on your date of death.

The refund of premium death benefit will be based on the PSF percentage in effect on your date of death. To determine the amount available, we will process any outstanding claims received and recoup any claims overpayments. Any remaining PSF amount will be paid to your estate or the beneficiary you designated.

If any portion of the refund of premium death benefit has been paid, and a claim for reimbursement for covered services is subsequently submitted, we will reduce any claim benefit amount by the amount we have already paid as a refund of premium death benefit. If any claim is received for covered services prior to payment of the refund of premium death benefit, we will process and pay the benefits for the claim for covered services first.

You may change your beneficiary at any time by completing and submitting a beneficiary change form. The beneficiary change must be received before your date of death and will take effect on the date the completed form is received by the FLTCIP administrator. This change will not apply to any payment we made or any action we may have taken before your written request was received.

The beneficiary must be deemed, in our sole discretion, entitled to the payment. If a PSF amount is available as a refund of premium death benefit, and a beneficiary predeceases you, the refund of premium death benefit will be divided equally among any remaining living beneficiaries.

If no beneficiary is alive on your date of death, and a PSF amount is available as a refund of premium death benefit, the amount will be payable to your estate or, if there is no estate, to an alternative payee(s). The alternative payee(s) must be a person(s) who is(are) deemed, in our sole discretion, entitled to the payment. Neither the FLTCIP administrator nor we will be liable as a result of any payment made in good faith under this provision.

**Important notice regarding federal and state income tax law**
The payment of the PSF amount as a refund of premium death benefit may have federal and state tax implications for your estate or designated beneficiary. You may wish to review this benefit with a qualified tax professional or attorney to determine any such tax impact.

Reminder: The PSF has no cash surrender value or other monetary value except as a premium offset or refund of premium death benefit as described in the *FLTCIP 3.0 Benefit Booklet*. For more information about the PSF, please review the *FLTCIP 3.0 Benefit Booklet*.



### Refund of premium death benefit

If FLTCIP coverage is in force on the enrollee's date of death, any PSF amount available will be paid to their estate or designated beneficiary as a refund of premium death benefit.

### The calculation of the PSF amount is determined as follows:

The total FLTCIP 3.0 premium paid is multiplied by the PSF percentage currently in effect, minus any claims paid and minus any premium offset used.

**( FLTCIP 3.0 premium paid to date x Current PSF percentage ) - Claims paid and premium offset used = PSF amount**

**Please read the following important assumptions about the illustrations:**

- The illustrations that follow assume an issue age of 50, a $150 daily benefit amount, 3% automatic compound inflation, a five-year benefit period, and an annualized premium of $2,000.
- For all examples, we assume an initial PSF percentage of 35%. (Note: The PSF percentage on an enrollee's effective date of coverage may differ.)
- The PSF percentage may be adjusted due to actual and projected FLTCIP experience. While the group policy is in effect, any changes to the PSF percentage, both increases and decreases, require OPM approval. The PSF percentage will never exceed 100% and will never be less than 10%. If the PSF percentage is decreased to 10%, a premium increase may be necessary.
- Fluctuations within the PSF feature, as illustrated in these examples, would have no effect on the enrollee's premium or benefit amounts available for covered services, as defined in the "Benefits Provided by the FLTCIP" section of this outline of coverage.
- **The charts are for illustrative purposes only; actual enrollee PSF amounts, PSF percentage, and policy durations may vary based on actual experience and changes to future assumptions.**

The chart below provides an example of how the refund of premium death benefit would be calculated based on varying FLTCIP 3.0 claims usage. Each scenario assumes the deceased was enrolled in FLTCIP 3.0 for 20 years, with $40,000 in total premium paid ($2,000 times 20 years) and a PSF percentage of 35% at the date of death. Therefore, prior to any adjustments made for claims paid and any premium offset used for the enrollee, their PSF amount is ($40,000 times 35%) or $14,000.

### PSF: Claims impact on the refund of premium death benefit

The chart below illustrates three scenarios on how claims impact the refund of premium death benefit. In each scenario, there was no premium offset used.

In **scenario 1**, with no claims paid, the enrollee's PSF amount is $14,000. This amount would be paid to their estate or designated beneficiary.

In **scenario 2**, $10,000 of FLTCIP 3.0 claims were reimbursed for covered services. The enrollee's PSF amount is reduced by the amount of claims paid ($14,000 minus $10,000), leaving $4,000 as a refund of premium death benefit.

In **scenario 3**, $60,000 of FLTCIP 3.0 claims were reimbursed for covered services. Because the $60,000 exceeds the enrollee's total premium paid times the PSF percentage ($40,000 times 35%) or $14,000, no refund of premium death benefit would be available and paid.

| | Scenarios | | |
|---|---|---|---|
| | 1. No claims paid | 2. Claims of $10,000 | 3. Claims of $60,000 |
| **Policy year** | 20 | 20 | 20 |
| **Total premium paid** | $40,000 | $40,000 | $40,000 |
| **PSF percentage at year 20** | 35% | 35% | 35% |
| **Claims paid to date** | $0 | $10,000 | $60,000 |
| **Refund of premium death benefit** | $14,000 | $4,000 | $0 |

### PSF: Premium offset

The PSF allows eligible enrollees the ability to reduce out-of-pocket premium expenses at older ages. Those who are age 85, and have been enrolled in FLTCIP 3.0 for 10 years, are automatically opted in[1], with 50% of each future monthly premium payment paid from the enrollee's PSF amount to cover half of their premium monthly for a period of time based on the PSF amount available for the premium offset[2].

Note: During the period when premiums are being offset by 50%, total premium paid (used for purposes of calculating the current enrollee's PSF amount) continues to increase as if the full premium (100%) is being paid by the enrollee.

### PSF: Premium offset impact to the PSF amount

The following paragraphs and chart details how the PSF amount is impacted by the premium offset.

The chart below assumes that:

- the enrollee was issued coverage in FLTCIP 3.0 at age 50
- the enrollee has an annual premium of $2,000 (assume the annual premium remained steady)
- the PSF percentage remained steady at 35%
- no claims have been paid on the FLTCIP 3.0 policy
- at age 85, the enrollee did not opt out of the premium offset so 50% of their premium due was used from their PSF amount[2]

The total premium paid means both the premium paid by the enrollee and the amount used under the premium offset for the enrollee.



1. When the enrollee turns 85 and they have been enrolled in the FLTCIP 3.0 for at least 10 years, they become eligible for the premium offset.

2. At age 86, $1,000 of the premium offset is paid from the PSF amount. This premium offset amount is 50% of the annual premium amount. Note that the enrollee's PSF amount in this example only drops by $300 from age 85 to age 86. This is due to the fact that the total FLTCIP 3.0 premium paid at age 86 increased by the full $2,000 annual premium amount as it does each year (see the total FLTCIP 3.0 premium paid and PSF amount rows below) while the PSF percentage remains at 35%. The total FLTCIP 3.0 premium paid of $72,000 multiplied by the PSF percentage is $25,200, less the $1,000 premium offset used equals $24,200.

3. At age 90, the total premium offset used is $5,000. Thus, the PSF amount is reduced accordingly. The total FLTCIP 3.0 premium paid of $80,000 multiplied by the PSF percentage is $28,000, less the $5,000 premium offset used equals $23,000.

| | Scenarios | | |
|---|---|---|---|
| | **1. Age 85** | **2. Age 86** | **3. Age 90** |
| **Years enrolled** | 35 | 36 | 40 |
| **Total FLTCIP 3.0 premium paid** | $70,000 | $72,000 | $80,000 |
| **PSF percentage** | 35% | 35% | 35% |
| **Claims paid** | $0 | $0 | $0 |
| **Total premium offset used** | $0 | $1,000 | $5,000 |
| **PSF amount** | $24,500 | $24,200 | $23,000 |

Note: Should death occur while an enrollee is using the premium offset, any remaining PSF amount (less any claims paid and less premium offset used) would be payable as a refund of premium death benefit to their estate or designated beneficiary.

1. Eligible enrollees may opt out of the premium offset.
2. An enrollee's PSF amount must be more than, or equal to, 50% of annual premium to apply the premium offset.

### Understanding the PSF feature when the PSF percentage changes

The following examples demonstrate changes to the PSF percentage and the correlated impact on an enrollee's PSF amount.

The examples show the PSF feature under favorable and adverse adjustments to the PSF percentage.

Fluctuations in the PSF percentage would have no effect on an enrollee's benefit amount available for covered services as defined in the "Benefits Provided by the FLTCIP" section of this outline of coverage.

### PSF percentage adjustment

The following graphs highlight examples of possible future changes to the PSF percentage. The first two graphs highlight a favorable example, where the PSF percentage increases in the future. The last two graphs highlight an adverse example, where the PSF percentage decreases in the future.

**The following favorable and adverse examples assume that:**

- the enrollee was issued coverage in FLTCIP 3.0 at age 50
- the enrollee has an annual premium of $2,000
- no claims have been paid on the FLTCIP 3.0 policy

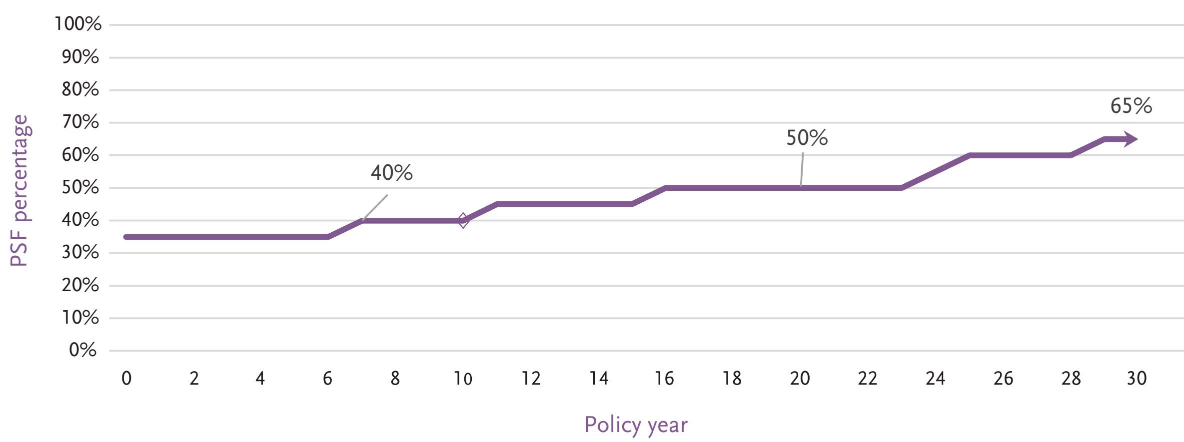
### Favorable example

The favorable example could arise if we increase the PSF percentage. For example, if assumptions about the future improve (e.g., claims are now anticipated to occur less frequently or last for shorter durations than previously expected, or we anticipate investment returns to outperform previous expectations). The favorable example is illustrated by the rising PSF percentage in the first graph and the rising PSF amount in the second graph.

In policy year 1, the PSF percentage is 35%. In the favorable example, the PSF percentage increases as follows:

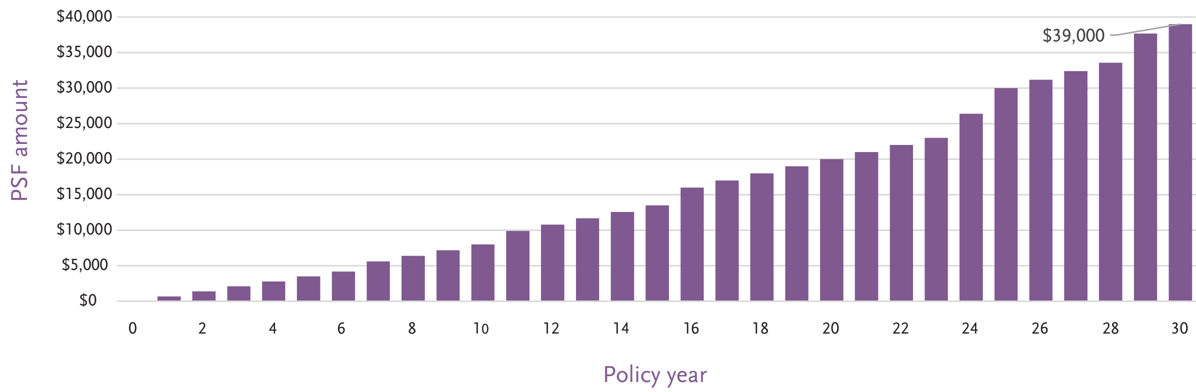
- in policy year 7, the PSF percentage increases to 40%
- in policy year 20, the PSF percentage is 50%
- in policy year 30, the PSF percentage is 65%

### PSF: Favorable example of the PSF percentage



The next graph shows a favorable example of an enrollee's PSF amount changing over time as the enrollee makes annual premium payments and the PSF percentage increases. In **policy year 20**, the enrollee's PSF amount is $20,000 (total premium paid of $40,000 times the current PSF percentage of 50%). Should the enrollee die in **policy year 30**, the refund of premium death benefit would be $39,000 (assumes no claims or usage of the premium offset and total premium paid of $60,000 times the current PSF percentage of 65%).

### PSF: Favorable example of an enrollee's PSF amount



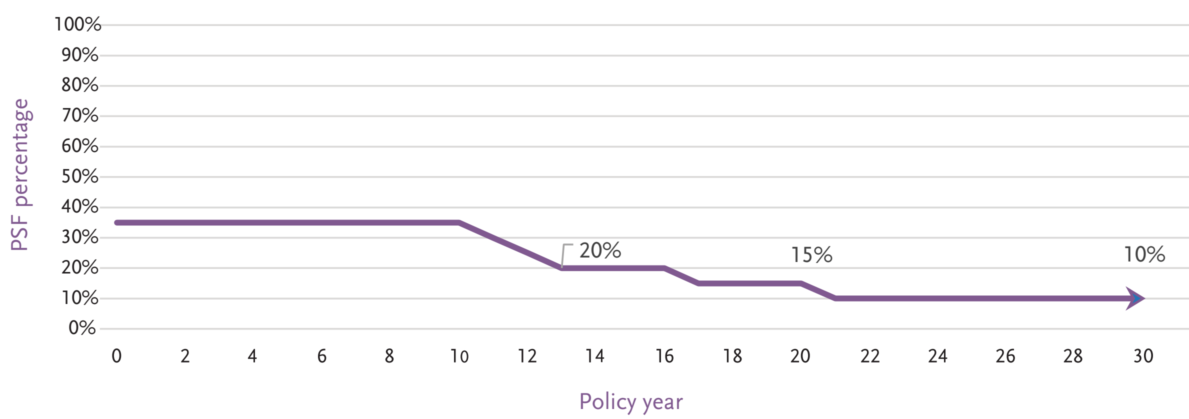

### Adverse example

The adverse example could arise if we decrease the PSF percentage. For example, if assumptions about the future are less favorable (e.g., claims are now anticipated to occur more frequently or last for longer durations than previously expected, or investment returns are anticipated to underperform previous expectations). The adverse example is illustrated by the declining PSF percentage in the first graph and the declining PSF amount in the second graph.

In policy year 1, the PSF percentage is 35%. In the adverse example, the PSF percentage decreases as follows:

- in policy year 13, the PSF percentage decreases to 20%
- in policy year 20, the PSF percentage is 15%
- in policy year 30, the PSF percentage is 10%

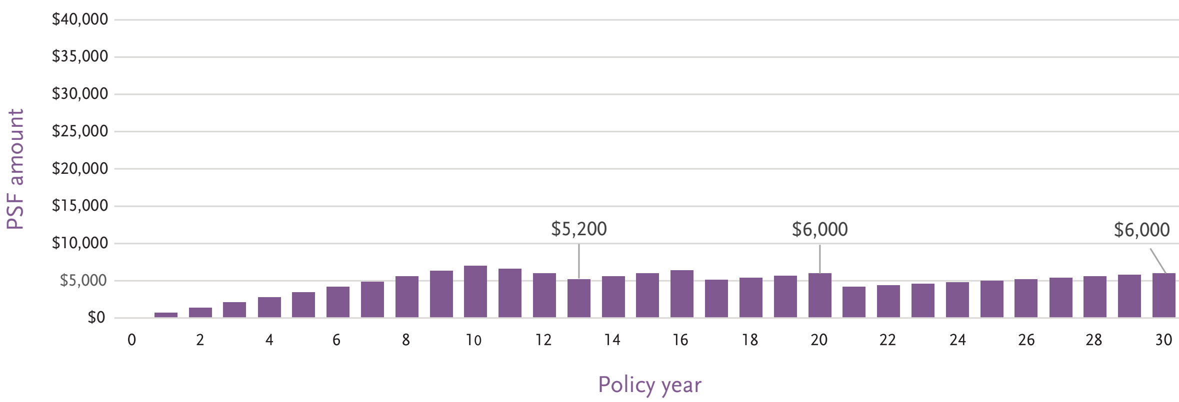
### PSF: Adverse example of the PSF percentage



The next graph shows an adverse example of an enrollee's PSF amount changing over time. In this adverse example, the total premium paid increases as the enrollee continues to make annual premium payments and the PSF percentage declines (as outlined in the above example):

Despite reduction in the PSF percentage over time, a PSF amount of $6,000 still remains in **policy year 20** (total premium paid of $40,000 times the current PSF percentage of 15%). In this example, should the enrollee die in **policy year 30**, the refund of premium death benefit would be $6,000 (calculated as total premium paid of $60,000 times the current PSF percentage of 10%). This calculation assumes the enrollee received no claims and did not access the premium offset at time of death.

### PSF: Adverse example of an enrollee's PSF amount



# The Federal Long Term Care Insurance Program Privacy Notice

This notice describes the privacy policy of Long Term Care Partners (LTCP), LLC, for the Federal Long Term Care Insurance Program (FLTCIP). The FLTCIP is sponsored by the U.S. Office of Personnel Management (OPM) and administered by LTCP, on behalf of the insurer, John Hancock Life & Health Insurance Company (John Hancock). This notice refers to LTCP as "us," "we," and "our," and to any other company in the John Hancock family as an "affiliate."

### Why we need to know about you

We need to know about you so that we can provide the insurance or other products and services you have asked for. We may also need to know about you to administer your business with us, evaluate claims, process transactions, and run our business.

### How we learn about you

We get most information about you, from you. The information you give us when you apply for insurance or services is often all we need.

If we need to verify or get more information, we may need to contact:

- health care providers
- your employer
- other insurers
- your family members
- consumer reporting agencies

The information may relate to your:

- health
- employment
- finances (e.g., your payroll or annuity/pension information for billing)
- personal characteristics



It may also relate to other dealings you have had with us or with others, including our affiliates.

### How we protect your information

We treat your information in a confidential manner. Our employees are required to protect your information. They access your information only when there is a reason to do so.

We also have physical and computer standards to protect your information. These standards comply with all applicable laws.

### How we use and disclose what we know about you

We may use what we know about you to help us serve you better and to conduct our business. We may use and disclose it for any purpose allowed by law. For instance, we may use your information, and disclose it to others, in order to:

- help us evaluate and process your request for insurance or benefits
- help us process claims and other transactions
- help us administer our products and services
- offer you other products or services under the FLTCIP
- audit our records or our services (including any audit by OPM or the U.S. Government Accountability Office)
- help prevent or find out about fraud or other crimes (including money laundering and terrorism)
- help us run the FLTCIP
- offer you other products or services regarding federal benefit programs

### Other reasons we may disclose what we know about you include:

- complying with an order of a court or government agency (including a search warrant or subpoena)
- selling all or any part of our business or merging with another company
- coordinating benefits with other government programs
- informing your health care provider about a medical condition you did not include on your application
- giving your applicable information to someone who has a legal interest in your insurance, such as an individual or entity to whom you have assigned benefits

### Information may be disclosed to:

- other companies, including our affiliates, that provide services for us or for the FLTCIP
- other insurers
- law enforcement or regulatory agencies
- entities that oversee or audit us or the FLTCIP
- consumer reporting agencies

Companies that service the FLTCIP are required to protect your information in the same manner.

### How to get and correct your information

Generally, if you ask us in writing, we will let you review your information. However, we may decide not to give you information we have that relates to an administrative action, lawsuit, or claim. If you tell us that your information is incorrect, we will review it. If we agree, we will correct our records. If we do not agree, you may send us a written statement. We will include your statement in your file and with any future disclosure of your information.

### If you have questions

We treat your information in accordance with applicable laws. You may have other rights under other laws, including the **Health Insurance Portability and Accountability Act (HIPAA)**. For additional information about your rights under HIPAA or if you have any questions about your privacy rights, please contact:

**Long Term Care Partners, LLC**
Attn: Privacy Office
100 Arboretum Drive
Portsmouth, NH 03801

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