



## 'Notice of Merger' to be provided to all LTCI applicants outside NY

LTC NEWSLINK

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As previously communicated in late 2008, John Hancock is in the process of realigning some of its legal entities. Effective January 1, 2010, and subject to final regulatory approval, John Hancock Life Insurance Company will merge into an existing affiliate, John Hancock Life Insurance Company (U.S.A.). This realignment will streamline operations and generate efficiencies so that we may build on our success since the merger of Manulife Financial and John Hancock five years ago.

As a result, we are required to provide all individual LTCI applicants (except in New York) with a notice of the planned merger at time of application. New business in New York is currently issued by John Hancock Life & Health Insurance Company which is not impacted by the realignment.

This communication provides the following information:

- Mandatory 'Applicant Notice'
- Upcoming communications
- Frequently asked questions

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### **Mandatory 'Applicant Notice' to be provided to applicants outside NY**

Effective immediately and through December 31, 2009, please provide all LTCI applicants (except in New York) with the attached 'Applicant Notice' at time of application. The Notice is also available to download from [www.jhlhc.com](http://www.jhlhc.com), form: LTC-6050. It will also be included with all application booklet orders beginning September 23, 2009.

**Note:** Policies issued before December 31, 2009, will be done so by John Hancock Life Insurance Company and will be assumed by John Hancock Life Insurance Company (U.S.A.) through the merger. The policyholder will receive a merger endorsement early in 2010. Policies issued on or after January 1, 2010, will be issued by John Hancock Life Insurance Company (U.S.A.). In both cases, the policyholder need not take any action.

### **Upcoming communications**

In the coming weeks and months, we will be providing you with detailed information, about revised marketing materials, application booklets, and forms to be used after December 31, 2009.

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Thank you for your continued support of John Hancock. We value our partnership with you, and we bring to it an outstanding balance sheet, an excellent complement of products, a brand name that people know and trust, and a powerful distribution network, in which you play an important part. The realignment will help to ensure that our next stage of growth together will be rewarding for all concerned.

\*As of April 1, 2009, all newly issued individual LTCI policies in New York are being underwritten by John Hancock Life & Health Insurance Company (JHLH).

Long-term care insurance is underwritten by John Hancock Life Insurance Company, Boston, MA 02117 and in New York by John Hancock Life & Health Insurance Company, Boston, MA 02117.

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## NOTICE TO APPLICANT

Thank you for choosing John Hancock for your long-term care insurance needs. We appreciate your recent application.

This is to inform you about a planned realignment of several John Hancock legal entities later this year. This undertaking will help the company continue its successful growth record by reducing the number of legal entities through which we do business.

To achieve this goal, which is subject to regulatory approval, we are proposing to merge John Hancock Life Insurance Company into an existing affiliate, John Hancock Life Insurance Company (U.S.A.), effective December 31, 2009.

If the policy for which you have applied is issued before December 31, 2009, it will be issued by John Hancock Life Insurance Company and will be assumed by John Hancock Life Insurance Company (U.S.A.) through the merger. You will receive a merger endorsement early in 2010.

If your policy is issued on or after January 1, 2010, it will be issued by John Hancock Life Insurance Company (U.S.A.).

**Under either scenario, there will be no effect on the policy, benefits, or rates for which you have applied.**

**Please also note that the financial ratings of John Hancock Life Insurance Company (U.S.A.) are the same as John Hancock Life Insurance Company.**

*If you have any questions, please consult with your financial professional or call John Hancock at 800-711-9762.*

## Frequently Asked Questions regarding Individual LTCI Notice to Applicants outside NY

### **What is the realignment and why is John Hancock undertaking these changes?**

Following the acquisition of John Hancock Financial Services, Inc. by Manulife Financial Corporation in 2004, we were left with five primary U.S. operating life insurance companies. The realignment will reduce that number to three. In the process, we will improve the efficiency of our capital and tax structures, simplify our financial reporting, and free up capital, all of which will help to position our company for future growth.

Specifically, and subject to final regulatory approval, we are proposing to merge John Hancock Life Insurance Company and John Hancock Variable Life Insurance Company into an existing affiliate, John Hancock Life Insurance Company (U.S.A.) at year end.

As a result, once the realignment is completed:

- All new individual LTC insurance policies will be issued by John Hancock Life Insurance (U.S.A.) in all states, except New York.
- In New York, all individual LTC insurance policies will continue to be issued by John Hancock Life & Health Insurance Company.

### **Why is the 'Notice to Applicants' mandatory?**

Our goal is transparency. The planning for our realignment has been underway for some time. We've recently begun receiving some of the regulatory approvals necessary for it to become effective at year-end. As a result, we think it is appropriate to begin informing applicants that the policy they may purchase from us will soon be assumed by a different company.

This change will have no effect on the policy terms, benefits, or rates for which customers apply. Nonetheless, we think it is important information to share.

### **Where can I find a copy of the Notice?**

The Notice is available to download from [www.jhltc.com](http://www.jhltc.com). Beginning September 30, 2009, it will also be included with all non-New York application booklet orders. Form: LTC-6050

### **How will this change affect applicants who become policyholders?**

This change has no effect on the policy terms, benefits, or rates for which customers apply. Nothing about the policy will change, except the name of the insurance company. The service experience clients receive will not change and they will continue to receive high-quality products and services, backed by the same industry-leading financial strength.

Please note the following with regard to the date a policy is issued

- **Policy issued before December 31, 2009** — The policy will be issued by John Hancock Life Insurance Company and will be assumed by John Hancock Life Insurance Company (U.S.A.) through the merger. The policyholder will receive a merger endorsement early in 2010.
- **Policy issued on or after January 1, 2010** — The policy will be issued by John Hancock Life Insurance Company (U.S.A.).

In both cases, the policyholder need not take action.

### **Why is this 'Notice to Applicants' not applicable to applicants in New York?**

As of April 1, 2009, we issue all individual LTC insurance policies out of John Hancock Life & Health Insurance Company in New York. Therefore, there is no change in the issuing company due to the realignment.

**What does the applicant/policyholder need to do?**

Nothing. The change will occur automatically and will be documented in the endorsement that they receive once the merger has been completed.

**Does JHUSA have the same financial strength ratings as JHLICO and JHLH?**

Yes. Like JHLICO and JHLH, JHUSA enjoys industry leading financial strength ratings. To review our financial ratings, please visit:

<http://www.manulife.com/corporate/corporate2.nsf/Public/ratings.html#finstren>

**Has the realignment received all approvals yet?**

No, not yet.

**When will the realignment take effect?**

We expect the realignment to take effect on December 31, 2009.