



LifeCare Benefit Max Rider. Protection when your clients need it most.

Recognizing that some clients may want to continue their life insurance policy's long term care protection beyond the benefit period provided by the LifeCare Benefit (LCB) rider, John Hancock offers an additional rider that effectively doubles the benefit period. The innovative LifeCare Benefit Max (LMAX) rider continues payments for long term care services even after the initial death benefit has been fully accelerated.

A permanent life insurance policy with the LifeCare Benefit and LifeCare Benefit Max riders provides a single solution to meet two critical needs clients often face:

- Immediate funds in case of death¹
- Funds to help pay long term care expenses if needed

LIFECARE BENEFIT MAX (LMAX) RIDER

- Doubles the LifeCare Benefit for long term care assistance
- Continues payments for long term care expenses after the policy's entire death benefit has been fully accelerated for long term care needs under the LifeCare Benefit rider
- Residual Death Benefit equal to the lesser of \$25,000 or 10% of the initial Total Face Amount
- Available with several permanent single life insurance policies

FEATURES

Face Amount

Policies with LMAX are limited to a maximum face amount at issue of \$1 million.

Total Benefit Amount

The total benefit amount available under LMAX is equal to the initial Total Face Amount (not to exceed \$1 million), provided the insured is alive and in need of long term care.

Benefit Amounts

The following example demonstrates the benefit amounts and benefit periods of a \$1 million policy with the LifeCare Benefit and LMAX riders.

MAXIMUM MONTHLY BENEFIT		BENEFIT PERIOD IN MONTHS		
%	Amount	LifeCare Benefit	LMAX	Total
1%	\$10,000	100	100	200
2%	\$20,000	50	50	100
4%	\$40,000	25	25	50

Residual Death Benefit

LMAX also provides a Residual Death Benefit upon the death of the insured equal to the lesser of \$25,000 or 10% of the Total Face Amount, reduced proportionally for any reductions not due to acceleration under the LCB rider. The death benefit payable will be the greater of the Residual Death Benefit or the policy's actual death benefit (reduced by any outstanding loans).

- Once the policy has been fully accelerated, the Residual Death Benefit will be in effect — even if the LMAX maximum payment limit has been reached.
- If, under the Extension of Benefits provision, the policy and LifeCare Benefit rider both terminate, benefits will continue, but a Residual Death Benefit will not be paid.

Maximum Monthly Benefit Amount (MMBA)

The LMAX Maximum Monthly Benefit Amount is constant; it is not affected by increases or decreases in the policy's face amount.

- If the policy's death benefit is reduced (through withdrawals, loans, etc.), the LMAX Maximum Monthly Benefit will not decrease unless the policy owner requests it.
- For universal life and variable universal life, if the policy's death benefit has increased due to overfunding, and is in the corridor, the LMAX Maximum Monthly Benefit does not increase.

LMAX Claims

Once the policy's death benefit begins to accelerate under the terms of the LifeCare Benefit rider, the LMAX rider has no effect. For universal life and variable universal life, LMAX charges continue to be deducted from the account value while on claim and are not reduced because of death benefit accelerations in any way. For Protection Whole Life, premiums will also continue to be due and are not reduced because of insurance benefit accelerations.

- LMAX long term care payments do not begin until the last dollar of the base policy's death benefit is accelerated.
- The LMAX Maximum Monthly Benefit Amount may be higher than the LCB amount if the client requested decreases in the base coverage or took partial withdrawals.
- LMAX payments could also be higher than those under the LifeCare Benefit if a loan existed on the policy once death benefit accelerations began under the LifeCare Benefit. This is because a portion of each monthly payment under the LifeCare Benefit is "held back" to repay the loan by the time the policy is fully accelerated. So, once fully accelerated, the monthly payment would increase to the full amount because the loan would have been fully repaid.
- Conversely, LMAX payments may be lower if the policy was in the corridor when LifeCare Benefit payments began.

LMAX Payment Duration

LMAX payments will continue until the earlier of:

- The insured's recovery
- The insured's death
- The total of all extension payments reaches the maximum amount

If the insured recovers and LMAX payments cease, but he/she subsequently qualifies for benefits, claims payments begin again (with no new elimination period) at the same LMAX Maximum Monthly Benefit Amount, still subject to the same limits.

Effects of Claims

The example below assumes the following:

- \$250,000 face amount
- Male, 45, Preferred Non Smoker risk class
- Annual premium: \$2,192
- Claim begins at policy year 30, fully reimbursable 2% LifeCare Benefit/\$5,000 per month for 50 months
- 2% LMAX Benefit → \$5,000 per month for an additional 50 months

This is a Protection UL-G supplemental illustration. Benefits and values are not guaranteed; the assumptions on which they are based are subject to change by the insurer. Actual results may be more or less favorable.

POLICY YEAR	BASE POLICY INSURANCE BENEFIT/ LTC BENEFIT PRE-CLAIM	ACCOUNT VALUE ² (START OF YEAR)	ANNUAL POLICY & RIDER CHARGES	MAXIMUM MONTHLY LTC BENEFIT (ANNUALIZED)		NET INSURANCE BENEFIT POST-CLAIM
				LIFECARE	LMAX	
30	\$ 250,000	\$ 21,387	\$ 5,294	\$ 60,000	\$ 0	\$ 190,000
31	\$ 190,000	\$ 14,825	\$ 4,460	\$ 60,000	\$ 0	\$ 130,000
32	\$ 130,000	\$ 8,432	\$ 3,361	\$ 60,000	\$ 0	\$ 70,000
33	\$ 70,000	\$ 3,235	\$ 1,920	\$ 60,000	\$ 0	\$ 25,000 ⁴
34	\$ 10,000	\$ 184	\$ 149	\$ 10,000 ³	\$ 50,000	\$ 25,000 ⁴
35	\$ 0	\$ 0	\$ 0	\$ 0	\$ 60,000	\$ 25,000 ⁴
36	\$ 0	\$ 0	\$ 0	\$ 0	\$ 60,000	\$ 25,000 ⁴
37	\$ 0	\$ 0	\$ 0	\$ 0	\$ 60,000	\$ 25,000 ⁴
38	\$ 0	\$ 0	\$ 0	\$ 0	\$20,000	\$ 25,000 ⁴
39+	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 25,000 ⁴

The example below assumes the following:

- Protection Whole Life
- \$250,000 face amount
- Male, 45, Preferred Non Smoker risk class
- Annual premium: \$5,939
- 15-Pay Premium option, annual payment mode, plus LCB and LMAX riders with 4% MAP
- Claim begins at policy year 30, fully reimbursable 4% LifeCare Benefit/ \$10,000 per month for 25 months
- 4% LMAX Benefit → \$10,000 per month for an additional 25 months

The data shown is taken from a supplemental illustration.

POLICY YEAR	BASE POLICY INSURANCE BENEFIT/LTC BENEFIT PRE-CLAIM	CASH VALUE ² (START OF YEAR)	MAXIMUM MONTHLY LTC BENEFIT (ANNUALIZED)		NET INSURANCE BENEFIT POST-CLAIM
			LIFECARE	LMAX	
31	\$ 250,000	\$ 153,640	\$ 120,000	\$ 0	\$ 130,000
32	\$ 130,000	\$ 81,964	\$ 120,000	\$ 0	\$ 25,000 ⁴
33	\$ 10,000	\$ 6,464	\$ 10,000 ⁵	\$ 110,000	\$ 25,000 ⁴
34	\$ 0	\$ 0	\$ 0	\$ 120,000	\$ 25,000 ⁴
35	\$ 0	\$ 0	\$ 0	\$ 20,000	\$ 25,000 ⁴
36+	\$ 0	\$ 0	\$ 0	\$ 0	\$ 25,000 ⁴

1. Loans, withdrawals, and partial surrenders will decrease the policy's cash value and death benefit. Surrender charges may apply in the early years.
2. Affects the Cost of Insurance and rider charges.
3. No loans or withdrawals assumed. After month 50, death benefit fully accelerated.
4. Residual Death Benefit is equal to the lesser of \$25,000 or 10% of the initial face amount. Net insurance benefit is equal to the greater of the base policy's insurance benefit or the LMAX Residual Death Benefit.
5. No loans or withdrawals assumed. After month 25, insurance benefit fully accelerated.

Products and features may not be available in all states or may vary by state.

The LifeCare Benefit and LifeCare Benefit Max (LMAX) riders are accelerated death benefits and may not be available in all states. Maximum face amount: \$5 million with LifeCare Benefit; \$1 million with LMAX rider. The LifeCare Benefit riders are not considered long term care insurance in some states. When the policy death benefit is accelerated for long term care expenses, the death benefit is reduced dollar for dollar, and the cash value is reduced proportionately. There may be additional costs associated with this rider. The LMAX rider is not available in all states including New York. Please go to www.jhsalesnet.com for a complete list of up-to-date state approvals.

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