John Hancock®

LONG-TERM CARE INSURANCE

MARKETING GUIDE

Target your prospecting efforts

LTC-6701 1/09
Rev. 4/09

With the continued downturn of financial markets and the corresponding loss of retirement savings, now is the time to talk to prospects about the benefits of long-term care (LTC) insurance. Today more than ever, LTC insurance is a key component of any financial plan.

70%
The number of people over age 65 that will require some long-term care services during their lives.[1]

About long-term care

As a leader in LTC insurance, John Hancock is dedicated to helping you increase consumer awareness and understanding of the realities of long-term care and the need to plan ahead. To help support your sales efforts in key target markets, we are pleased to provide you with strong market-tested messages, supporting statistics, and tips for prospecting.

The cost of long-term care

$75,000 . . . . . National average cost for one year of nursing home care[2]
$250,000 . . . . . Projected annual cost of long-term care in 30 years[3]
$750,000–$1,250,000 . . . . Projected cost of a three to five-year care event in 30 years[3]

Top reasons for needing long-term care[4]

1 Dementia (e.g., Alzheimer's) **2** Cancer **3** Stroke **4** Fractures **5** Nervous system

Where long-term care is received

80% . . . . . Percentage of long-term care provided at home[1]
44% . . . . . Percentage of claimants receiving home health care[4]
35% . . . . . Percentage of claimants receiving care in assisted living facilities[4]
21% . . . . . Percentage of claimants receiving care in a nursing home[4]

The market potential for long-term care insurance

8 million . . . . . The number of people who own LTC insurance[5]
78 million . . . . . The number of people in the U.S. between the ages 42 and 60[6]
59 years . . . . . The average age of an LTC insurance buyer[7]

1. U.S. Department of Health and Human Services, National Clearinghouse for Long Term Care Information, www.longtermcare.gov, September 2008.
2. John Hancock Cost of Care Survey, conducted by CareScout 2008.
3. Based on the average historical rate of inflation of 4.1% from 1978–2008, using the Consumer Price Index for All Urban Consumers, Bureau of Labor Statistics.
4. Based on John Hancock internal claims data for 2008.
5. American Association for Long-Term Care Insurance, 2008 Sourcebook.
6. U.S. Census Bureau, Facts for Features, January 2006.
7. John Hancock internal data as of year-end 2008.

Focus on key markets and messages

Research shows different messages resonate with particular market segments. The following are the four key messages about the benefits of LTC insurance that are important to convey to each market:

- ✔ Helps protect income and savings from the high cost of care.
- ✔ Helps maintain independence by providing flexibility and choice of where to receive care.
- ✔ Reduces the burden of care that often may fall on family members.
- ✔ It's important to plan while young and healthy — as premiums will be lower.

Boomers (age 40–65)	Women (40+)	Lesbian & Gay (40+)	Seniors (65+)
Buying young can ensure more affordable coverage	Stay at home as long as possible	Help protect their financial security	Help protect retirement assets
Lock in good health	Maintain their quality of life	Discount for couples who have lived together for 3+ years	Avoid being a burden on family and friends
An LTC event can happen at any age	Avoid being a burden to family and friends	Stay at home as long as possible	Stay at home as long as possible

Direct mail prospecting

Many producers have found direct mail to be a great way to develop new relationships and increase their book of business. John Hancock offers a number of prospecting tools designed with eye-catching, hard-hitting messages about the importance and benefits of LTC planning. Here are four simple steps to help you get started and make your direct mail campaign a success.

Steps	Tips
1 Who are you targeting?	• Consider targeting specific genders, income/asset and age ranges, including boomers, women, seniors, caregivers or existing clients. • Think about how the product will benefit them and what will motivate them to purchase. Is it asset protection? Is it independence? Has there been a caregiving experience? How are you going to help them relate to the product? Then select your prospecting tool from there.
2 How will you find them?	• Buy a mail list from a local vendor. • Use your existing client base to cross-sell or get referrals.
3 How can you get a prospect's attention?	• The most successful campaigns offer the prospect an incentive. Consider offering AHIP's "Guide to LTC Insurance," the NAIC's "Shopper's Guide to LTC Insurance," or an approved third-party article.
4 Responses — what should you expect?	• The average response rate for direct mail is 1–2%.[8] • Track and measure results by including a campaign-specific toll-free number or website address as a way for prospects to learn more or contact you.

STAY IN TOUCH

Send brochures or reprint articles with a note and business card. Prospects may remember you if their needs change over time.

8. Marketingprofs.com, 2005.

Hosting a successful seminar

Many producers have had great success holding seminars for new and existing clients. Seminars are a proven way to build relationships and credibility within your community. Here are a few simple tips to get you started:

Preparation

- ✔ Start planning for the event 6–8 weeks in advance, and select a location where people will feel comfortable (e.g., country club, restaurant or hotel).
- ✔ Purchase a list for the audience you wish to target.
- ✔ Offer food and beverages.
- ✔ Customize and order invites online, at www.jhltc.com.

Presentation

- ✔ Keep your presentation brief and your audience engaged.
- ✔ Analyze your audience and focus your messages appropriately.
- ✔ Limit your presentation to an hour and fifteen minutes.
- ✔ Kick off the event by testing their knowledge of LTC issues to avoid common misconceptions.
- ✔ Encourage the audience to share personal long-term care experiences.
- ✔ Allow for questions throughout the event by encouraging the audience to jot down notes. This will help them better identify those areas in which they need assistance — and better position you to set an appointment.

Follow up

- ✔ Try to set appointments at the end of your event.
- ✔ Follow-up the day after the event while information and goals are still fresh.
- ✔ Plan to make calls during the day and in the evening.
- ✔ Keep in touch with attendees on a regular basis with third-party articles and regular phone calls.

Track results

One of the best things about seminars, as opposed to other lead generation methods, is that you can directly track your business (and referrals) against your event expenses. Be sure to track:

- ✔ Invitation list and RSVPs
- ✔ Actual number of attendees
- ✔ Number of appointments scheduled
- ✔ Sales and commissions
- ✔ Referrals

For financial professional use. Not for use with the public.
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.