



John Hancock Life Insurance Company (U.S.A.)
Group Long-Term Care
PO Box 111, Boston, MA 02117
Tel. No. 1-888-825-7232 (from within the United States)
TTY 1-800-255-1808 for hearing impaired
1-617-572-0048 (from outside the United States)

**THE PENNSYLVANIA STATE UNIVERSITY
LONG-TERM CARE INSURANCE
OUTLINE OF COVERAGE**

Policy No.: 50222-LTC

Certificate Form No.:

C-FACE(2002-2) PA

Caution: If you were required to answer health questions, the issuance of this insurance coverage is based upon your responses to the questions on your application. A copy of your application will be provided to you. If your answers are incorrect or untrue, We may have the right to deny benefits or rescind your insurance. The best time to clear up any questions is now, before a claim arises. If, for any reason, any of your answers are incorrect, contact Us at this address. Throughout this outline of coverage "We" and "Us" mean the

John Hancock Life Insurance Company (U.S.A.)
Group Long-Term Care B-6
P.O. Box 111
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NOTICE TO BUYER: This certificate may not cover all of the costs associated with long-term care incurred by you during the period of coverage. You are advised to review carefully all limitations.

1. The policy is a group policy of insurance that is issued in the Commonwealth of Pennsylvania.

2. PURPOSE OF OUTLINE OF COVERAGE

This outline of coverage provides a very brief description of the important features of the policy. This is not an insurance contract, but only a summary of coverage. Only the group policy contains governing contractual provisions. This means that the group policy sets forth in detail the rights and obligations of both you and the insurance company. Therefore, it is very important that you **READ YOUR CERTIFICATE CAREFULLY!**

3. FEDERAL TAX CONSEQUENCES

This insurance is intended to be tax qualified long-term care insurance under Section 7702B(b) of the Internal Revenue Code of 1986, as amended.

4. TERMS UNDER WHICH THE CERTIFICATE MAY BE CONTINUED IN FORCE OR DISCONTINUED

(a) **RENEWABILITY: THE COVERAGE IS GUARANTEED RENEWABLE.** This means you have the right, subject to the terms of the policy, to continue your coverage as long as you pay your premiums on time. We cannot change any of the terms of your coverage on our own unless required by law, except that, in the future, **WE MAY INCREASE THE PREMIUM YOU PAY.**

(b) **CONTINUATION** - You may keep this insurance in force by paying the required premium when due as long as the group policy continues in force, you remain in an eligible class, and you have not exhausted your Lifetime Maximum Benefit. If your coverage under the policy ends, you may be entitled to continue your coverage.

Exhaustion of Lifetime Maximum Benefit, failure to pay premium and immediate group insurance replacement may alter continuation rights.

(c) **WAIVER OF PREMIUM.** We will waive premium payments while you meet the Eligibility for Payment of Benefits requirements and once you have completed the Qualification Period. To keep your coverage in effect after you no longer meet the Eligibility for Payment of Benefits requirements, you must resume premium payments on a timely basis.

5. TERMS UNDER WHICH WE MAY CHANGE PREMIUMS

We may change the premium rates when the terms of the policy are changed. We cannot change your premium because of age or health. We can change your premium based on the experience of your premium class, but only if We change the premiums for all other Insureds in the same premium class.

6. TERMS UNDER WHICH THE CERTIFICATE MAY BE RETURNED AND PREMIUM REFUNDED

- (a) If you are not satisfied for any reason with the coverage provided, you may return your certificate within 30 days of the date it was delivered to you. Mail or deliver the certificate to us. We will then refund any premium paid.
- (b) After the initial 30-day period, if you die or decide to cancel coverage, we will return any unearned, collected premium.

7. THIS IS NOT MEDICARE SUPPLEMENT COVERAGE

If you are eligible for Medicare, review the Guide to Health Insurance for People with Medicare available from John Hancock. Neither John Hancock Life Insurance Company (U.S.A.) nor its producers represent Medicare, the Federal government or any state government.

8. LONG-TERM CARE INSURANCE

Policies of this category are designed to provide coverage for one or more necessary or medically necessary diagnostic, preventive, therapeutic, rehabilitative, maintenance or personal care services, provided in a setting other than an acute care unit of a hospital, such as in a nursing home, in the community or in the home.

The policy provides reimbursement for actual charges incurred on any day for covered long term care expenses up to the applicable Daily Maximum Benefit selected. The Stay At Home Benefit may be used up to the Maximum Lifetime Amount. A Qualification Period must be satisfied before most benefits are payable. The benefits described in the next item may be affected by the **LIMITATIONS AND EXCLUSIONS** item that follows it.

9. BENEFITS PROVIDED THROUGH THE POLICY

Benefit Selections available include:

Maximum Benefit Factor: _____
Qualification Period: _____
Respite Care during Qualification Period: _____

Nursing Home
Daily Maximum Benefit \$ _____

Alternate Care Facility
Daily Maximum Benefit \$ _____

Community Based Professional
Care Daily Maximum Benefit \$ _____

Continued on next page ⇌

Informal Care
Daily Maximum Benefit \$_____

Calendar Year Maximum for
Informal Care \$_____

Lifetime Maximum Benefit \$_____

Stay At Home Lifetime
Benefit Amount \$_____

Optional Benefits Available:

- **Automatic Benefit Increase**
- **Nonforfeiture Benefit**

(a) Subject to policy requirements and limitations, the policy provides reimbursement for actual charges incurred by you up to the applicable Daily Maximum Benefit for:

- ◆ Nursing Home room and board and care services;
- ◆ Alternate Care Facility room and board and care services;
- ◆ Home Health Agency services of its personnel;
- ◆ Adult Day Care Center attendance; and
- ◆ Informal Care.

Except for amounts payable under the Stay at Home Benefit, the most we will pay for all services received for any day will not exceed the Nursing Home Daily Maximum Benefit.

Qualification Period means the number of days for which we will not pay benefits while you are a Chronically Ill Individual. That means either:

- ◆ You are unable to perform without Substantial Assistance at least two Activities of Daily Living due to the loss of functional capacity for a period expected to last 90 days; or
- ◆ You require Substantial Supervision to protect Yourself from threats to health and safety due to the presence of a Severe Cognitive Impairment.

The days used to satisfy your Qualification Period do not need to be consecutive. The Qualification Period needs to be met only once while your coverage remains continuously in force. We will count toward the total number required only those days on which you actually are a Chronically Ill Individual while insured under the policy.

Stay at Home Benefits are available while you are a Chronically Ill Individual, beginning while you are in the Qualification Period. If you are diagnosed as Terminally Ill while insured under the policy, and We determine that your Qualification Period has begun, We will pay benefits for Hospice Care as if you had fully completed your Qualification Period as long as you are a Chronically Ill Individual. Otherwise, We will not pay for charges during the Qualification Period.

The number of days in your Qualification Period is 90 days.

(b) Institutional Benefits:

- ◆ **Nursing Home Benefit.** We will pay the Nursing Home Benefit if you are confined in a Nursing Home or Hospice facility and receiving Nursing Care, Custodial Care, Hospice Care, or Respite Care. We will pay the actual charges incurred for confinement up to the Nursing Home Daily Maximum Benefit.
- ◆ **Alternate Care Facility Benefit.** We will pay the Alternate Care Facility Benefit if you are confined in an Alternate Care Facility and receiving Custodial Care. We will pay the actual daily charges incurred for confinement in the Alternate Care Facility up to the Alternate Care Facility Daily Maximum Benefit.

- ◆ **Bed Hold Benefit.** If you have been confined in a Nursing Home or an Alternate Care Facility and your stay is interrupted for any reason while a benefit is payable under the policy, we will pay actual charges to hold your bed for a total of 60 days per calendar year. We pay no more than the amount that would have been payable for charges incurred daily had you remained confined in the reserving facility.

(c) Non-institutional Benefits:

- ◆ **Stay At Home Benefit.** We will pay up to the Stay At Home Lifetime Benefit Amount for Care Planning Visits, Home Modification, and/or certain services or expenses not otherwise covered. Except for Care Planning Visits, you must be living in your home to be eligible, and we must have determined that your Qualification Period has begun. The Stay at Home Benefit is an amount equal to 30 times your Nursing Home Daily Maximum Benefit. It does not reduce your Lifetime Maximum Benefit. You must meet the Eligibility for Payment of Benefits requirements in order to receive benefits under the Stay at Home Benefit.
- ◆ **Community Based Professional Care Benefit.** We will pay up to the Community Based Professional Care Daily Benefit if you are receiving Home Health Care, Adult Day Care, Hospice Care or Respite Care in your home, a rest home or in an Adult Day Care Center. We will pay the actual daily charges incurred up to the Community Based Professional Care Daily Benefit.
- ◆ **Informal Care.** We will pay the Informal Care Benefit if you are eligible for payment of benefits and receiving Custodial Care or Homemaker Services from an informal caregiver in your Home. A Calendar Year Maximum applies and is shown in your enrollment material.

(d) **Eligibility for Payment of Benefits.**

You will be eligible for payment of benefits under the Policy subject to all the conditions described below.

- You are insured under the Policy.
- You are eligible for benefits under the Policy if You are a Chronically Ill Individual. This means that You:
 - are unable to perform without Substantial Assistance at least two Activities of Daily Living due to the loss of functional capacity for a period expected to last 90 days; or
 - require Substantial Supervision to protect Yourself from threats to health and safety due to the presence of a Severe Cognitive Impairment.

Activities of Daily Living mean the following activities: bathing, continence, dressing, eating, toileting, and transferring.

Severe Cognitive Impairment means a loss or deterioration in intellectual capacity that is: (a) comparable to (and includes) Alzheimer's disease and similar forms of irreversible dementia; and (b) measured by clinical evidence and standardized tests that reliably measure impairment in the individual's (1) short-term or long-term memory, (2) orientation as to people, places or time and (3) deductive or abstract reasoning.

(e) **Conditions.** To receive benefits under the policy, all the following must be satisfied.

- ◆ You must satisfy your Qualification Period while your coverage is in effect. Limited exceptions were described in 9(a) above.
- ◆ You must receive services covered under the policy and, if the coverage is optional, it must have been selected by you on your application and approved by us. Furthermore, services must be specified in your Plan of Care.
- ◆ You must submit to us satisfactory written Proof of Loss.
- ◆ Because the policy is intended to be tax-qualified under Federal law, you must ALSO provide us with a certification from a Licensed Health Care Practitioner that You are a Chronically Ill individual.

This written certification must be renewed and submitted to us every 12 months.

A Chronically Ill Individual means an individual who has been certified by a Licensed Health Care Practitioner as:

- being unable to perform at least two Activities of Daily Living due to the loss of functional capacity for a period expected to last 90 days; or
- requiring Substantial Supervision to protect his or herself from threats to health and safety due to the presence of a Severe Cognitive Impairment.

(f) Additional Benefits Provided under the Policy.

- ◆ **Restoration of Benefits.** We will restore your Lifetime Maximum Benefit if you have not received or needed care or services covered by the policy for a continuous period of 24 months before your request. You must have been paying premium and must provide proof satisfactory to us that you did not meet the Eligibility for Payment of Benefits requirements all through the time period.
- ◆ **International Coverage.** The policy includes an International Coverage Benefit. The International Coverage Benefit provides that we will pay actual charges incurred for covered Long-Term Care Services up to the International Coverage Benefit for care received outside the United States while you are eligible to receive benefits. This benefit will reimburse actual expenses up to 75% of the applicable Maximum Benefit. Some limitations and plan modifications will apply.

(g) Optional Benefits. You may elect any of the optional benefits listed below, if eligible. You must pay an additional premium for any of the optional benefits elected.

- ◆ **Nonforfeiture Benefit.** After being in force at least three years, if your coverage lapses because you have not paid the premium within the Grace Period, the full Maximum Daily Benefits will remain in effect with a reduced lifetime maximum equal to the sum of the premiums you have paid, but not less than 30 times the Nursing Home Daily Maximum Benefit. In the event that you do not elect this benefit, your coverage will include the Contingent Nonforfeiture Benefit provision. Contingent Nonforfeiture applies only to lapses within 120 days of a substantial premium increase.

Contingent Nonforfeiture protection is part of your coverage, unless you elected the Nonforfeiture Benefit. In the event that we increase rates by a substantial amount, we will provide you with the opportunity to pay the increased premium, decrease your benefits to a level supported by your current premium, or to exercise the Contingent Nonforfeiture option. Under the Contingent Nonforfeiture option, your coverage will remain in force with a reduced Lifetime Maximum Benefit equal to the sum of the premiums you have paid or, if greater, 30 times the Nursing Home Daily Maximum Benefit you have selected. Daily benefits would remain the same.

- **Automatic Benefit Increase (ABI) Option.** If selected, your Nursing Home Daily Maximum Benefit will increase annually by an amount equal to 5% of the Nursing Home Daily Maximum Benefit in effect during the prior policy year. The annual increase is automatic and will occur on each anniversary of the Policy Effective Date. The premium for Automatic Benefit Increase is included in the policy premium if you elect Automatic Benefit Increase. Your premium will not change, except as described in the policy. See item 11 for the ABI option graph.

If you decline the Automatic Benefit Increase Inflation Option, your coverage will contain the Future Purchase Option. See Item #11 for a full description of that benefit.

10. LIMITATIONS AND EXCLUSIONS

(a) Limitations on Benefits

- ◆ No care, service or expense will be covered unless it is included in your Plan of Care. The Plan of Care may be amended from time to time.
- ◆ All benefits, except the Stay at Home Benefit, are subject to the Lifetime Maximum Benefit for the option selected and shown on the enrollment material.
- ◆ To receive reimbursement under the Nursing Home Benefit, care must be provided in a facility or a distinctly separate part of a facility, that meets one of the following standards:
 - it is licensed in the jurisdiction in which it operates to provide Nursing Care (skilled or intermediate); or
 - it is approved by Medicare as a skilled nursing facility; or
 - it meets Federal certification requirements as a Hospice facility or is licensed, certified or registered under the law of its jurisdiction to provide Hospice Care.
- ◆ To receive reimbursement under the Alternate Care Facility Benefit, care must be provided in a facility or a distinctly separate part of a facility that is engaged primarily in providing 24-hour Custodial Care and that:
 - a. is licensed by the appropriate licensing agency, if any, to provide primarily Custodial Care; or,
 - b. if licensing is not required in the jurisdiction, it is engaged primarily in providing 24-hour Custodial Care to at least 5 unrelated inpatients; and
 - provides 3 full meals daily, accommodating patients' special dietary needs; and
 - has an awake employee, who is trained to provide Custodial Care, on duty at all times.
 - provides care as a part of a Plan of Care; and
 - has appropriate methods and procedures for medication management; and
 - has a formal arrangement for obtaining appropriate aid in the event of a medical emergency.

This benefit does not apply unless you are resident in the facility.

- ◆ Home Health and Community-Based Professional Services must be provided by provider listed in the definitions of Home Health Care, Adult Day Care and Hospice Care may provide Home Health and Community Based Professional Care found in the certificate. They must be provided by someone who is not Immediate Family (except as described under **Exclusions** below).
- ◆ Informal Care Benefits are subject to the following limits:
 - Benefits payable for charges incurred on any day will not exceed the lesser of: the Maximum Daily Benefit for Informal Care shown in the enrollment material for the option selected; and the charges incurred on that day.
 - No benefits will be payable for charges for Informal Care incurred during a calendar year after benefits totaling the Calendar Year Maximum for Informal Care have become payable for those charges incurred during one year. The Calendar Year Maximum is shown in the enrollment material for the option selected.
 - No benefit is payable under this coverage for any charge to the extent that a benefit is payable for that charge under the Community Based Professional Care Benefit.
 - The total of benefits payable for all charges incurred on any day under this coverage and under the Community Based Professional Care Benefit will not exceed the Nursing Home Daily Maximum Benefit.

Informal Care must be provided in your Home. The person providing the care must be 18 years or older; or employed through a Home Health Agency; or certified to provide such care in the jurisdiction where the care is provided.

- ◆ The policy contains a Coordination of Benefits provision that may reduce or eliminate the benefits otherwise payable under the policy with respect to benefits payable under another Plan.

(b) Exclusions

- ◆ Conditions resulting from the following are not eligible for coverage.
 - a. Your intentionally self-inflicted injury.
 - b. War, whether declared or not, or any act of war; or service in any armed forces or auxiliary units.
 - c. Your commission or attempt to commit a felony; your engaging in an illegal occupation; or participating in an insurrection or riot.
- ◆ The policy does not cover:
 - a. care, services or treatment specifically provided for alcohol or drug addiction; or
 - b. charges normally not made in the absence of insurance; or
 - c. except under the Informal Care Benefit, care, treatment or charges provided by a member of Your Immediate Family, unless
 - the family member is one of the following professionals -- a duly licensed registered nurse, licensed vocational nurse, licensed practical nurse, physical therapist, occupational therapist, speech therapist, respiratory therapist, licensed social worker, or registered dietitian; and
 - the family member is a regular employee of a Nursing Home, Alternate Care Facility, Adult Day Center or Home Health Care Agency that is providing the services; and
 - the organization receives the payment for the services; and
 - the family member receives no compensation other than the normal compensation for employees in his or her job category.
 - d. care, services, or supplies furnished by or covered as a benefit under a program of any government or its subdivisions or agencies, except as required by law and except:
 - a program established by the Federal government for its civilian employees;
 - Medicare; and
 - Medicaid (This means any state medical assistance program under Title XIX of the Social Security Act as amended from time to time).
 - e. any service or supply to the extent that charges for it are reimbursable under Medicare, or would be so reimbursable but for the application of a deductible or coinsurance or co-payment amount under Medicare. This exclusion will not apply in those instances where Medicare is determined to be secondary payor under applicable law.

No benefit is payable under the Policy for care received outside the United States, except as described in International Coverage.

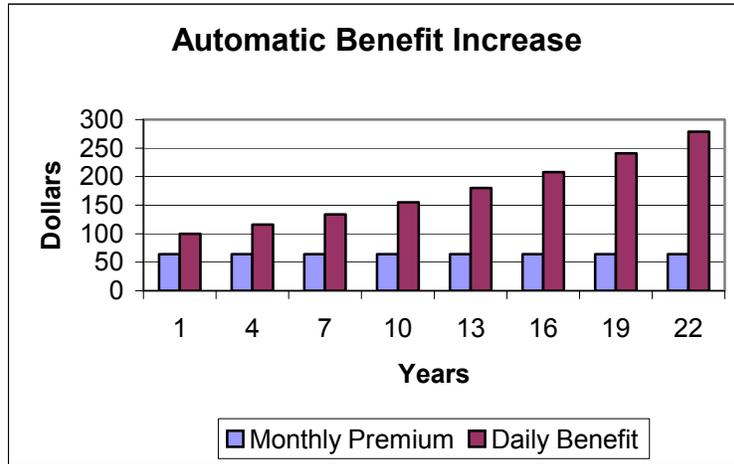
THE POLICY MAY NOT COVER ALL THE EXPENSES ASSOCIATED WITH YOUR LONG-TERM CARE NEEDS.

11. 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 the benefits of this plan may be adjusted. **Benefits will not increase unless inflation protection is purchased.**

The policy contains an **Inflation Adjustment Provision - Automatic Benefit Increase (ABI)** Option. If selected, your Nursing Home Daily Maximum Benefit will increase annually by an amount equal to 5% of the Nursing Home Daily Maximum Benefit in effect during the prior policy year. The annual increase is automatic and will occur on each anniversary of the Policy Effective Date. However, no increases will occur if your coverage is being continued in effect under a Nonforfeiture benefit. The premium for Automatic Benefit Increase is included in the policy premium if you elect Automatic Benefit Increase. Your premium will not change, except as described in the policy.

The graph to the side shows the change in the Nursing Home Daily Maximum Benefit and the monthly premium under the Automatic Benefit Increase. The graph illustrates a Certificate that has been issued to a person who is age 50, has chosen a Nursing Home Daily Maximum Benefit of \$100/day and a 5-year Benefit Period.

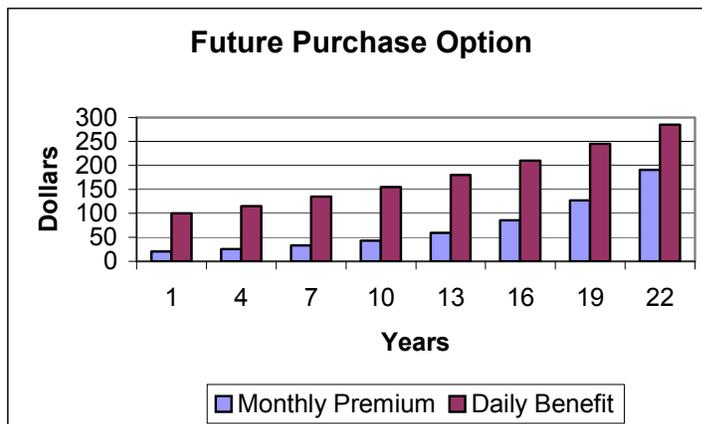


If you decline the Automatic Benefit Increase Inflation Option, your coverage will contain an Inflation Adjustment Provision that allows you the option to purchase additional amounts. The provision is called a **Future Purchase Option (FPO)** on the chart). The additional daily amount will be not less than an amount that will provide an increase to the Nursing Home Daily Maximum Benefit of at least 5% of the value compounded annually over the applicable period. The increase is not available to:

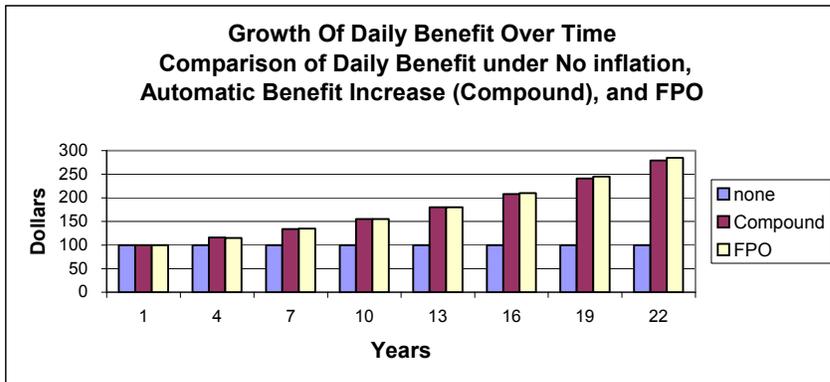
- ◆ those persons who have been in a Qualification Period or Eligible for Payment of Benefits under the policy within the 6 months prior to the effective date of the increase; or
- ◆ anyone who would be Age 85 or older on the effective date of the increase; or
- ◆ anyone whose coverage is being continued in effect under a Nonforfeiture benefit.

No additional underwriting or health screening will be done. The premium for the increase will be based on your issue age as of the effective date of the increase.

The graph shows the change in the Nursing Home Daily Maximum Benefit and the monthly premium if You elect all increases available to you. The graph illustrates a certificate that has been issued to a person who is age 50, has chosen a Nursing Home Daily Maximum Benefit of \$100/day and a 5-year Benefit Period. Assume the person has accepted all increases.



The chart below demonstrates the eventual difference in daily benefit when you have No Inflation or accept no Inflation offers under FPO versus when you have Automatic Benefit Increase or accept all Inflation Offers under FPO.



12. ALZHEIMER’S DISEASE AND OTHER ORGANIC BRAIN DISORDERS

We cover brain disorders (including Alzheimer’s Disease and similar forms of senility and irreversible dementia) that result in a Severe Cognitive Impairment. The need for Substantial Supervision due to Severe Cognitive Impairment must be established by clinical evidence and standardized tests that reliably measure Severe Cognitive Impairment.

13. PREMIUM

The initial premium for your insurance will be determined from the premium rate schedules contained in your enrollment material based on the options selected and your issue Age.

14. ADDITIONAL FEATURES

- ◆ If your insurance is subject to Evidence of Insurability, it will be necessary for you to answer some medical questions on the application. It may also be necessary to obtain a copy of your medical history and to conduct a personal interview to determine if you are insurable. Based on the information received, we will determine if you are an insurable risk.

15. CONTACT THE STATE SENIOR HEALTH INSURANCE ASSISTANCE PROGRAM IF YOU HAVE GENERAL QUESTIONS REGARDING LONG-TERM CARE INSURANCE. IN PENNSYLVANIA, PLEASE CONTACT THE FOLLOWING ORGANIZATION.

Apprise Health Insurance Counseling and Assistance Program
 555 Walnut Street, 5th Floor
 Harrisburg, PA, 17101-1919
 (Telephone Number) 717-783-8975

CONTACT THE INSURANCE COMPANY IF YOU HAVE SPECIFIC QUESTIONS REGARDING YOUR LONG-TERM CARE INSURANCE COVERAGE.