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John Hancock National Study Finds Long-Term Care Costs Continue to Climb Across All Provider Options

BOSTON, MA (July 30, 2013) – John Hancock Life Insurance Company (John Hancock) today announced the results of its biennial long-term care (LTC) cost study, which found that LTC costs have continued to increase for all provider options.

The study, conducted by LifePlans Inc., based in Waltham, MA, surveyed approximately 16,000 long-term care providers, including nursing homes, assisted living facilities, and home health care agencies, in key cities across the country. Its findings revealed that the average annual cost of care in the U.S. is \$94,170 for a private room in a nursing home; \$82,855 for a semi-private room in a nursing home; \$41,124 for an assisted living facility and; \$18,460 for adult day care. The average annual cost of care received at home was approximately \$29,640.

To understand how long-term care costs are trending over time, John Hancock calculated a five-year average based on a subset of common providers from our 2008 and 2011 Cost of Care Surveys and our 2011 and 2013 Cost of Care Surveys. These five-year average annual increases are summarized below:

- The 2013 average cost of a private nursing home room (\$258 a day/ \$94,170 annually) has risen an average 3.6 percent per year
- The 2013 average cost of a semi-private nursing home room (\$227 a day/ \$82,855 annually) has risen an average 3.6 percent per year
- The 2013 average cost for a month in an assisted living facility (\$3,427 a month/ \$41,124 annually) has risen an average 2.0 percent per year
- The 2013 average cost of adult day care (\$71 a day/\$18,460 annually) has risen an average of 1.6 percent per year
- The 2013 average cost for a home health aide (\$19 hourly/\$29,640 annually) has risen an average 1.3 percent per year¹

“The cost of long-term care continues to be one of the most significant uninsured financial risks that an individual can face,” said Michael Doughty, Executive Vice President & General Manager, John Hancock Insurance. “John Hancock hopes that our cost of care studies will raise consumer awareness and will help them understand how important planning ahead for a potential long-term care event can be to their future.”

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John Hancock has also updated its interactive Cost of Care Map and Calculator to reflect the latest findings from its 2013 study. To view the Cost of Care map and calculator, please visit <http://www.johnhancockltc.com/coc/>. A free iPad app will be available for download from iTunes at the end of August. The John Hancock Cost of Care Calculator was designed to make LTC planning easier by providing a convenient way to view the average current local costs for long-term care in various settings and cities across the United States, as well as the ability to estimate an individual's care needs and potential costs of those needs many years in the future.

1. Home health aide costs are based on six hours of care per day, five days a week.

About the 2013 John Hancock Long-Term Care Cost of Care Survey

The John Hancock Cost of Care Survey was conducted by LifePlans, Inc. based in Waltham MA, in 2013 and released in June of 2013. The survey represents the costs of more than 16,000 providers across the U.S., including nursing homes, assisted living facilities, adult day care centers, and home care agencies. The five-year average trending results are based on a subset of common providers from our 2008 and 2011 Cost of Care Surveys and our 2011 and 2013 Cost of Care Surveys.

About John Hancock Financial and Manulife Financial

John Hancock Financial is a division of Manulife Financial, a leading Canada-based financial services group with principal operations in Asia, Canada and the United States. Operating as Manulife Financial in Canada and Asia, and primarily as John Hancock in the United States, the Company offers clients a diverse range of financial protection products and wealth management services through its extensive network of employees, agents and distribution partners. Funds under management by Manulife Financial and its subsidiaries were C\$555 billion (US\$547 billion) as at March 31, 2013. Manulife Financial Corporation trades as 'MFC' on the TSX, NYSE and PSE, and under '945' on the SEHK. Manulife Financial can be found on the Internet at manulife.com.

The John Hancock unit, through its insurance companies, comprises one of the largest life insurers in the United States. John Hancock offers and administers a broad range of financial products, including [life insurance](#), [mutual funds](#), [401\(k\) plans](#), [long-term care insurance](#), [college savings](#), and other forms of business insurance. Additional information about John Hancock may be found at johnhancock.com

Long-term care insurance is underwritten by John Hancock Life Insurance Company (U.S.A.), Boston, MA 02117 (not licensed in New York) and in New York by John Hancock Life & Health Insurance Company, Boston, MA 02117.

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