

EMBARGOED Until October 23, 2007

Americans Flunk Long-Term Care Quiz

80% Know Significant Likelihood of Needing Long-Term Care

Yet Three of Four Significantly Underestimate Costs

John Hancock Launches National Educational Effort

With Personal Finance Video by Kiplinger

WASHINGTON D.C. (October 23, 2007) – Most Americans have a good understanding of their risk of eventually needing long-term care (LTC), but wildly underestimate the cost while overestimating Medicare’s role in paying for it. A survey of 959 people ages 21 to 75 released today found that most Americans lack the basic information necessary to insure that they and their families will be able to get good care, if the need arises. This survey is part of a national educational effort launched by John Hancock Life Insurance Company (Hancock). A majority of respondents failed the 14-question quiz on LTC basics, with most answering only six correctly.

“Clearly, this research shows that Americans are still in need of information on long-term care and how to pay for it,” said Laura Moore, president, John Hancock Long Term Care. “As we prepare to mark National Long-Term Care Awareness Week (Nov. 4-10), we are hoping our national educational campaign, with its no-nonsense look at the issues and planning, will have an impact in making a difficult situation much more manageable.” A cornerstone of the effort is a new video, underwritten by Hancock, that was produced by *Kiplinger’s Personal Finance* magazine.

The survey results and the video were unveiled today at a press conference in Washington, D.C.

A large majority of those surveyed realize that the chance of needing care is significant; four in five respondents know that the average lifetime chance of needing long-term care for an individual 65 years or older is more than 40 percent. But people significantly underestimate the

number of people receiving long-term care services, the cost of nursing home care and the annual out-of-pocket cost paid for long-term care services.

“The survey results drive home the need to shine a bright light of reliable information on this often bewildering subject,” said Knight Kiplinger, editor in chief of the magazine. “That’s the goal our new video: To help people understand the likelihood of needing long-term care, the cost of care and options they have for paying for it.”

“By 2020 there will be over 50 million Americans ages 65 and above,” said Mathew Greenwald, CEO, Mathew Greenwald & Associates, a Washington D.C. firm specializing in retirement issues. “Because recent projections estimate more than six in ten Americans age 65 and above will need some form of long-term care¹, it is increasingly important to help them learn and plan now.”

Among the misconceptions that Americans have about long-term care:

- Seven in ten think the average cost of nursing-home care is \$30,000 . . . less than half the actual national average cost of \$70,000.²
- Four in five believe fewer than 8 million Americans are receiving paid long-term care services. Actually, 12 million are.³
- More than 60% of respondents were unaware that 40% of those receiving long-term care are under age 65.⁴
- 40% believe Medicare covers the cost of nursing-home care for Alzheimer’s disease patients. It does not.⁵

“It is important for all of us to know the limitations and requirements of Medicare and Medicaid,” said Moore. “These programs do help many, but most of us should realize that we ourselves will most probably have to pay for the long-term care services we may need.”

Moore noted that John Hancock has paid over \$1 billion dollars in LTC insurance claims. “We have seen the impact that LTC insurance has had on the lives of our claimants and their family members and we encourage Americans to become more knowledgeable about this growing issue,” she said. “There is a significant amount of information available, especially on the Internet. Having a strategy in place is the best step you can take for securing your future.” The latest educational tool online is the Kiplinger video, available at www.Kiplinger.com and www.johnhancocklongtermcare.com, “*Who Cares? Kiplinger’s No-Nonsense Look at Long-term Care and How to Pay for It*,” an educational video developed and produced by *Kiplinger’s Personal Finance*. The aim of the video is to help the viewer figure out how to prepare to meet the financial challenges of long-term care.

¹ P. Kemper, H.L. Komisar and L. Alexih, “Long-Term Care Over an Uncertain Future: What Can Retirees Expect?” *Inquiry* 42, no.2 Winter 2005/2006:335-350.

² John Hancock 2005 Cost of Care Survey, conducted by Harris, Rothenberg International, LLC, 2005.

³ The Caregiving Project for Older Americans, “Caregiving in America” 2007

⁴ Georgetown University, Long-Term Care Financing Project, “Who needs long term care?” May 2003

⁵ Medicare and You, 2006. CMS Pub. No. 10050, p.15, 2006.

Survey Methodology

The survey was conducted on-line by Synovate, a leading research company based in Chicago, Ill. A sample of 959 Americans ages 21-75 responded to the survey. The sample is balanced to be representative of the general population based upon region, gender, age, and household income data from the U.S. Census Bureau.

Long Term Care Insurance is underwritten by John Hancock Life Insurance Company, Boston, MA 02117

PR-2007-90 10-07