John Hancock Life Insurance Company (U.S.A.)
Actuarial Memorandum for Inforce Rate Increase – Custom Care Series
July 20, 2026

Product Name	Form Number	Issue Date Range
Custom Care	LTC-02 MD	May 2002 - Sep 2004
Essential Care	BSC-02 MD	Jul 2002 - Jun 2004

These policy form rates were originally priced with a margin for moderately adverse experience in accordance with the NAIC model rate stability regulations which were being implemented on a State by State basis during the time of our initial rate filing.

1. Scope & Purpose

This memorandum consists of materials which support the development of new premium rates for the above captioned policy series forms. The purpose of this memorandum is to demonstrate that the requirements of this State in regards to an in force rate increase request have been met. This rate filing is not intended to be used for any other purpose.

2. Requested Rate Increase

The Company is requesting a flat rate increase of 141.7%. The rate increase was determined as the amount needed to meet the target loss ratio from our prior filing, based on nationwide experience through 2024 and projected future experience, reflecting the timing and history of the state's rate increases. The resulting overall increase in rates satisfies the rate stability rule, as the lifetime loss ratio after the rate increase exceeds 85%.

In the rate schedules by policy form, **Appendix B1** contains the new proposed rate tables for all policy forms included with this filing for those policyholders that *never* elected an inflation reduction or shared cost option as part of a past rate increase filing.

In the rate schedules by policy form, **Appendices B2** forward contain the new proposed rate tables for all policy forms included with this filing for those policyholders that *did* elect an inflation reduction or shared cost option as part of a past rate increase filing.

Please note that the actual rates implemented may vary slightly from those in the Appendices due to implementation rounding algorithms.

Exhibit 1 contains nationwide past premium and claims experience as well as future premium and claim projections, where all premiums reflect the timing and history of the state's rate increases. All policies are included with the exception of limited pay policies, which are a small proportion of our business as seen in the State and Nationwide Distribution of Business section. Waived premiums are not included.

Exhibit 1 also contains the original expected loss ratio projections, adjusted for the actual mix of business issued. Please note that the original pricing loss ratio was not restated for the removal of waived premiums due to immateriality.

The lifetime loss ratio as of 12/31/2024 is calculated as the sum of accumulated past and discounted future claims divided by the sum of accumulated past and discounted future earned premium where accumulation and discounting occur at the maximum statutory valuation discount rate. The maximum statutory valuation discount rate is 4.5%.

The exhibit illustrates that the anticipated lifetime loss ratio with the requested rate increase is 90.7%, which exceeds the original pricing loss ratio (determined at the maximum statutory valuation rate for consistency with the rate increase request) of 86.0%.

Furthermore, **Exhibit 1** demonstrates that the calculated loss ratio respects the rate stability form requirement:

The sum of the accumulated value of incurred claims without the inclusion of active life reserves, and the present value of future projected incurred claims, without the inclusion of active life reserves, will not be less than the sum of the following:

1. Accumulated value of the initial earned premium times the greater of the original assumed lifetime loss ratio and 58%,
2. Accumulated value of prior premium rate schedule increases times the greater of the original assumed lifetime loss ratio and 85%,
3. Present value of future projected initial earned premium times the greater of the original assumed lifetime loss ratio and 58%, and
4. Present value of future projected premium in excess of the projected initial earned premium times the greater of the original assumed lifetime loss ratio and 85%.

Detail on assumptions and recent analysis is provided in **Addendum #1 - Assumptions and Analysis Performed**.

3. Nationwide Loss Ratio Exhibit (Exhibit 1)

Custom Care (LTC-02) and Essential Care (BSC-02)

		Original Assumptions (with Waived Premiums)			With Current Assumptions			Historical and Projected Experience With Proposed Rate Increase		
	Calendar Year	Incurred Claims	Earned Premium	Incurred Loss Ratio	Incurred Claims	Earned Premium	Incurred Loss Ratio	Incurred Claims	Earned Premium	Incurred Loss Ratio
	1988	-	-	0%	-	1,333	0%	-	1,333	0%
	1989	-	-	0%	-	1,777	0%	-	1,777	0%
	1990	-	-	0%	-	1,777	0%	-	1,777	0%
	1991	-	-	0%	-	1,777	0%	-	1,777	0%
	1992	-	-	0%	-	11,542	0%	-	11,542	0%
	1993	-	-	0%	-	19,371	0%	-	19,371	0%
	1994	-	-	0%	-	21,457	0%	-	21,457	0%
	1995	-	-	0%	-	35,659	0%	-	35,659	0%
	1996	-	-	0%	-	73,346	0%	-	73,346	0%
	1997	-	-	0%	-	99,678	0%	-	99,678	0%
	1998	-	-	0%	-	187,151	0%	-	187,151	0%
	1999	-	-	0%	-	317,190	0%	-	317,190	0%
	2000	-	-	0%	-	626,623	0%	-	626,623	0%
	2001	-	-	0%	-	1,181,896	0%	-	1,181,896	0%
	2002	530,322	12,698,284	4%	444,586	42,876,666	1%	444,586	42,876,666	1%
	2003	5,487,901	132,209,102	4%	3,285,613	185,033,471	2%	3,285,613	185,033,471	2%
	2004	12,277,508	234,720,102	5%	11,136,279	241,035,501	5%	11,136,279	241,035,501	5%
	2005	20,299,610	230,898,672	9%	14,002,004	237,095,901	6%	14,002,004	237,095,901	6%
Historical	2006	28,140,074	220,845,859	13%	26,723,278	232,359,776	12%	26,723,278	232,359,776	12%
Experience	2007	33,039,150	213,029,569	16%	49,642,583	227,827,938	22%	49,642,583	227,827,938	22%
	2008	38,955,824	206,503,759	19%	40,791,473	222,820,401	18%	40,791,473	222,820,401	18%
	2009	48,970,112	200,673,230	24%	53,549,645	218,034,778	25%	53,549,645	218,034,778	25%
	2010	58,262,436	194,904,782	30%	67,866,971	212,923,246	32%	67,866,971	212,923,246	32%
	2011	65,013,451	188,814,100	34%	78,216,648	206,261,368	38%	78,216,648	206,261,368	38%
	2012	72,397,279	182,414,152	40%	102,039,749	172,944,219	59%	102,039,749	172,944,219	59%
	2013	80,014,444	175,720,840	46%	108,709,451	172,400,264	63%	108,709,451	172,400,264	63%
	2014	87,500,748	168,806,836	52%	118,595,223	183,545,881	65%	118,595,223	183,545,881	65%
	2015	95,657,227	161,789,916	59%	153,009,091	189,175,834	81%	153,009,091	189,175,834	81%
	2016	104,540,237	154,735,212	68%	161,388,581	203,010,242	79%	161,388,581	203,010,242	79%
	2017	113,954,945	147,665,819	77%	179,311,219	205,482,002	87%	179,311,219	205,482,002	87%
	2018	123,948,315	140,599,224	88%	208,501,314	219,366,704	95%	208,501,314	219,366,704	95%
	2019	134,309,647	133,546,718	101%	227,274,745	234,886,915	97%	227,274,745	234,886,915	97%
	2020	144,975,775	126,515,069	115%	214,230,543	227,330,664	94%	214,230,543	227,330,664	94%
	2021	155,907,667	119,513,629	130%	288,158,411	236,402,711	122%	288,158,411	236,402,711	122%
	2022	167,789,973	112,559,728	149%	323,347,483	247,450,271	131%	323,347,483	247,450,271	131%
	2023	179,649,593	105,668,334	170%	341,710,277	255,710,475	134%	341,710,277	255,710,475	134%
	2024	190,480,927	98,857,577	193%	383,918,556	243,928,137	157%	383,918,556	243,928,137	157%
	2025	200,692,859	92,144,940	218%	431,439,143	255,349,305	169%	431,439,143	255,349,305	169%
	2026	209,843,085	85,547,583	245%	444,687,741	270,149,613	165%	444,687,741	270,149,613	165%
	2027	217,968,151	79,099,489	276%	476,446,319	254,685,718	187%	465,488,054	555,393,138	84%
	2028	225,223,405	72,837,995	309%	506,122,450	235,844,564	215%	482,840,818	543,709,645	89%
	2029	231,402,094	66,795,422	346%	524,330,765	216,689,172	242%	500,211,549	499,549,325	100%
	2030	236,317,862	60,994,934	387%	536,840,068	197,909,378	271%	512,145,425	456,254,897	112%
	2031	239,043,625	55,452,618	431%	553,605,412	179,588,426	308%	528,139,563	414,018,275	128%
Projected	2032	239,951,577	50,195,331	478%	564,784,040	161,707,648	349%	538,803,974	372,796,415	145%
Future	2033	239,412,773	45,251,862	529%	569,362,677	144,289,628	395%	543,171,994	332,641,385	163%
Experience	2034	235,727,762	40,644,802	580%	565,922,555	127,608,096	443%	539,890,118	294,184,234	184%
	2035	228,945,808	36,382,390	629%	556,364,061	112,080,719	496%	530,771,314	258,387,842	205%
	2036	220,732,683	32,455,981	680%	541,475,409	97,781,142	554%	516,567,540	225,421,985	229%
	2037	212,730,375	28,862,706	737%	521,676,078	84,718,637	616%	497,678,978	195,308,042	255%
	2038	204,915,341	25,605,445	800%	497,098,309	72,881,421	682%	474,231,786	168,018,846	282%
	2039	195,506,230	22,683,506	862%	469,103,930	62,254,341	754%	447,525,149	143,519,465	312%
	2040	185,228,216	20,084,232	922%	438,498,003	52,801,430	830%	418,327,095	121,726,980	344%

Note: Please refer to the Actuarial Memorandum, section "Ensuring No Cross-Subsidization Between States", for adjustments made to experience exhibits

Values as of 12/31/2024 (discounted at maximum statutory valuation rates)

	Incurred Claims	Earned Premium	Incurred Loss Ratio	Incurred Claims	Earned Premium	Incurred Loss Ratio	Incurred Claims	Earned Premium	Incurred Loss Ratio
Past :	2,695,776,386	6,505,981,239	41.4%	4,243,073,159	8,127,493,485	52.2%	4,243,073,159	8,127,493,485	52.2%
Future :	3,489,598,801	687,756,730	507.4%	7,129,565,156	2,078,822,478	343.0%	6,849,984,388	4,107,832,542	166.8%
Lifetime :	6,185,375,187	7,193,737,969	86.0%	11,372,638,315	10,206,315,963	111.4%	11,093,057,547	12,235,326,026	90.7%

Total Incurred Claims exceed Total Initial Premiums x max(58%, Original Pricing Loss Ratio) + Increased Premiums x max(85%, Original Pricing Loss Ratio)

	-		Accum Value of Past Initial Prm x 86.0% =	5,610,259,117
Minimum (Accum Value of Past Incurred Claims,			Present Value of Future Initial Prm x 86.0% =	391,393,422
Accum Value of Adjusted Expected Incurred Claims)	4,243,073,159		Accum Value of Prior Increases x 86.0% =	1,377,984,930
Present Value of Future Incurred Claims =	6,849,984,388		Present Value of Future Increases x 86.0% =	3,140,634,793
Total =	11,093,057,547	>=	Total =	10,520,272,261

Total Incurred Claims exceed Total Initial Premiums x max(60%, Original Pricing Loss Ratio) + Increased Premiums x max(80%, Original Pricing Loss Ratio)

	-		Accum Value of Past Initial Prm x 86.0% =	5,610,259,117
Minimum (Accum Value of Past Incurred Claims,			Present Value of Future Initial Prm x 86.0% =	391,393,422
Accum Value of Adjusted Expected Incurred Claims)	4,243,073,159		Accum Value of Prior Increases x 86.0% =	1,377,984,930
Present Value of Future Incurred Claims =	6,849,984,388		Present Value of Future Increases x 86.0% =	3,140,634,793
Total =	11,093,057,547	>=	Total =	10,520,272,261

4. Proposed Effective Date

New rates will not be effective until after the completion of prior rate increases for all policyholders with product forms listed in this memo. These rates will be effective on the next policy anniversary date after completion, following at least a 90 day policyholder notification period. The assumed effective date used to calculate the rate increase is 01/01/2027.

5. History of Previous Rate Revisions

An average rate increase of 15% on these policy forms was accepted by your state on September 13, 2012.

An average rate increase of 15% on these policy forms was accepted by your state on September 11, 2013.

An average rate increase of 15% on these policy forms was accepted by your state on September 29, 2014.

An average rate increase of 15% on these policy forms was accepted by your state on October 23, 2015.

An average rate increase of 32.3% on these policy forms was accepted by your state on August 01, 2017.

An average rate increase of 43.8% on these policy forms was accepted by your state on April 01, 2020.

An average rate increase of 13.8% on these policy forms was accepted by your state on March 27, 2024.

An average rate increase of 15% on these policy forms was accepted by your state on May 19, 2025.

6. Reduced Benefit Options (RBOs)

If the full or substantial portion of the rate increase request is approved and per the state's agreement, we will file the following additional options which provide policyholders alternatives to the rate increase:

- ***Inflation Landing Spots***
  Future inflation options (also referred to as "landing spots") allow policyholders that have Compound or Simple inflation coverage the option to offset the rate increase. Under these options, the policyholders get to keep their current accumulated Daily benefit and their current remaining Lifetime Maximum Benefit, but the future indexation rate will be reduced to a level which is actuarially equivalent to the requested rate increase in aggregate, where possible. These options are not available to limited pay policies or policyholders who have elected three prior inflation reductions.

- ***Shared Cost Option***
  Shared Cost option is an actuarially equivalent option that allows policyholders the option to offset the rate increase. The Shared Cost option would:

  - Reduce the policyholder's current policy benefit amounts by their Shared Cost percentage. The daily/monthly benefit and the policy limit will be reduced by the Shared Cost percentage
  - Apply a percentage factor to any future claim payments equal to the Shared Cost percentage. John Hancock will pay our portion (1 minus the Shared Cost percent) of any covered services, but will not pay more than the new reduced daily/monthly benefit amount and the policyholder will be responsible for the remainder.

  Shared Cost Percentages are calculated using seriatim, nationwide data for each benefit period, inflation type and issue age band combination. All Shared Cost percentages are determined to be actuarially equivalent to the requested rate increases by combination of 5-year issue age band, benefit period and inflation type. The Shared Cost option is not available to limited pay policies or policyholders who have elected two prior Shared Cost options.

- ***Voluntary Enhanced Paid-Up Policy Option***
  For those who choose to stop paying premiums, this option will be a paid-up policy with a policy limit equal to the lesser of the current policy limit and 150% of premiums paid less any benefits received.

The premium rate tables reflecting these options will be filed upon request following a full or substantial approval.

7. State Policyholder Counts & Average Annual Premium

The table below summarizes the number of policies inforce that could be affected by the rate increase in your state and their annualized premiums, as well as the average annual premium per policy before and after the requested increase.

Counts and premiums are based on policies inforce as of 12/31/2024. Premium-paying policies as well as policies on claim are included, since although the premium for policies on claim is currently waived, they could be subject to the rate increase upon recovery. Paid-up policies and policies which have exercised the nonforfeiture benefit option are excluded.

Form	Number of Policies	2024 Annualized Premium*	2024 Average Annual Premium Before the rate increase*	2024 Average Annual Premium After the rate increase
LTC-02 MD	3982	23,218,977	5,830	14,090
BSC-02 MD	93	448,112	4,818	11,643

*Premiums reflect the rate increases approved in prior filing(s), including approvals where implementation is not yet complete

8. State and Nationwide Distribution of Business as of December 31, 2024

The state-specific and nationwide distribution of business for policyholders impacted by the rate increase is shown below by inflation type, benefit period, and issue age. The breakdown of business by Premium Payment Option is also included to show the number of policyholders no longer paying premiums due to nonforfeiture election or paid-up status.

Inflation Type

State	GPO	Simple	Compound	Total
NW	9%	25%	66%	100%
MD	6%	20%	74%	100%
NW	6,477	18,088	48,493	73,058
MD	247	810	3,018	4,075

Benefit Period

State	1 yr	2 yr	3 yr	4 yr	5 yr	6 yr	10 yr	Lifetime	Total
NW	0%	5%	20%	21%	13%	9%	4%	29%	100%
MD	0%	6%	22%	20%	15%	9%	4%	24%	100%
NW	4	3,640	14,355	14,991	9,434	6,389	3,130	21,115	73,058
MD	0	252	892	834	593	352	176	976	4,075

Issue Age

State	< 40	40-44	45-49	50-54	55-59	60-64	65-69	70-74	75-79	80+	Total
NW	1%	2%	7%	19%	31%	26%	11%	2%	0%	0%	100%
MD	1%	2%	8%	21%	34%	23%	9%	2%	0%	0%	100%
NW	737	1,720	5,092	13,972	22,796	18,867	7,946	1,718	200	10	73,058
MD	35	96	312	856	1,385	954	362	65	10	0	4,075

Premium Payment Option

State	Lifetime Pay	On Claim	Limited Pay	NFO*	Limited Pay, Paid Up*	Survivorship Waiver of Premium*	Total
NW	79%	6%	0%	9%	5%	2%	100%
MD	80%	5%	0%	8%	6%	1%	100%
NW	67,773	5,188	97	7,370	4,494	1,355	86,277
MD	3,827	244	4	377	298	50	4,800

*Policies not included in distributions by count shown above as they are not impacted by the rate increase.

9. Benefit Description(s)

A brief policy description for each of the policy forms:

LTC-02 MD
Individually underwritten long-term care policies that provide comprehensive long-term care coverage for care received in a nursing home or assisted care living facility, home health care, hospice care, respite care, or attendance at an Adult Day Care Center providing Adult Day Care.

Provides reimbursement of covered long-term care expenses incurred after an elected elimination period is met, up to the maximum daily/monthly amount. The benefit eligibility is determined based on the insured's cognitive impairment or their requiring physical assistance to perform two out of six activities of daily living (ADLs) of bathing, dressing, eating, toileting, transferring and maintaining continence.

Premiums are waived after the insured has met the elimination period and is receiving benefits and will continue to be waived until the insured stops receiving such benefits.

BSC-02 MD
Individually underwritten long-term care policies that provide comprehensive long-term care coverage for care received in a nursing home or assisted care living facility, home health care, hospice care, respite care, or attendance at an Adult Day Care Center providing Adult Day Care.

Provides reimbursement of covered long-term care expenses incurred after an elected elimination period is met.

For care received in an assisted living facility, benefits are paid up to 80% of the maximum daily/monthly amount. For all other care, benefits are paid up to 100% of the maximum daily/monthly amount. The benefit eligibility is determined based on the insured's cognitive impairment or their requiring physical assistance to perform two out of six activities of daily living (ADLs) of bathing, dressing, eating, toileting, transferring and maintaining continence.

Premiums are waived after the insured has met the elimination period and is receiving Nursing Home or Assisted Living Facility benefits and will continue to be waived until the insured stops receiving such benefits.

10. Renewability

All policy forms are guaranteed renewable.

11. Applicability

This filing is applicable to in force policies only, as these policy forms are no longer being sold in the market. The premium changes will apply to the base forms as well as all applicable riders.

12. Trend Assumptions

As this is not medical insurance, we have not included any explicit medical cost trends in the projections.

13. Marketing Method

This product was typically marketed through our traditional agency system and brokers involving a personal contact with each applicant.

14. Underwriting

These policy forms were underwritten using a medical and risk questionnaire. We also utilized Attending Physician Statement and personal interviews depending on the age of the applicant and medical conditions.

15. Premium Classes

The base policy premium rates vary by issue age, benefit period, inflation option, home health care maximum benefit percentage, and underwriting class, as in the initial rate filing.

All premium factors related to the insured elected benefit design options or any eligible discount remain unchanged from the initial rate filing.

16. Premium Modalization Rules

Frequency	Multiple of Annual Premium
Semiannual	.52
Quarterly	.27
Monthly	.09

17. Issue Age Range

The issue age range is 18-84 for all policy forms.

18. Area Factors

Area factors are not applicable to any of the policy forms or riders.

19. Reserves

Active Life Reserves have not been used in this rate increase demonstration. Minimum Statutory Claim reserves as of **12/31/2024** have been discounted to the date of incurral of each respective claim and included in the historical incurred claims. Incurred But Not Reported claim reserves as of **12/31/2024** have also been allocated to the calendar year of incurral and included in historic incurred claims.

20. Ensuring No Cross-Subsidization Between States

We have ensured no state's rate increase approvals will subsidize other states' rate increases. Rate increases will vary by state, but only to reflect the timing and amount of prior rate increases approved by that state. This is accomplished by first backing-out all prior approved rate increases from our nationwide premium data. We then re-introduce actual prior rate increases with the amount and timing based on your state's prior approvals (as detailed in the section entitled **History of Previous Rate Revisions**). The current proposed rate increases are then determined based on the amounts needed in order to achieve our target lifetime loss ratios certified to in our prior filing.

Although some states may have capped our previous inforce rate increase filings, in each case this was done with the understanding that the full amount of the proposed rate increases were justified and that John Hancock would be refiling for the remainder at a later date. In instances where the remainder remains unapproved, it has been included in the current filings.

21. Past Losses Testing

The 2014 Long Term Care Model Regulation defines past losses as actual past claims less expected past claims when determining loss ratio compliance. Expected past claims are defined as the following:

> "Expected claims shall be calculated based on the original filing assumptions assumed until new assumptions are filed as part of a rate increase. New assumptions shall be used for all periods beyond each requested effective date of a rate increase [regardless of whether or not the rate increase is approved]. Expected claims are calculated for each calendar year based on the in-force at the beginning of the calendar year. Expected claims shall include margins for moderately adverse experience; either amounts included in the claims that were used to determine the lifetime loss ratio consistent with the original filing or as modified in any rate increase filing."

We apply this methodology in demonstrating that we are not recouping past losses.

The 'Adjusted Expected Incurred Claims' are initially calculated by applying the original pricing durational loss ratio to the actual earned premium in a given calendar year. Later, in years in which and after which we filed for inforce rate increases, expected incurred claims are based on the new assumptions that were filed.

The accumulated value of the Adjusted Expected Incurred Claims is compared to the accumulated value of Actual Incurred Claims. The lesser of the Adjusted Expected Incurred Claims or Actual Incurred Claims is used for past claims when ensuring that the resulting overall increase in rates satisfies the rate stability rule ensuring a loss ratio no less than 85% (or the original pricing loss ratio if greater) on the rate increase portion, while applying 58% (or the original pricing loss ratio if greater) on the original rate schedule. This is demonstrated at the bottom of **Exhibit 1**. The derivation of Adjusted Expected Incurred Claims and comparison to Actual Incurred Claims can be seen in **Addendum #2 – Demonstration of not Recouping Past Losses**.

22. Actuarial Certification

I am a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries, and I meet the Academy's qualification standards for rendering this opinion and am familiar with the requirements for filing long-term care insurance premiums and filing for increases in long-term care insurance premiums. This memorandum has been prepared in conformity with all applicable Actuarial Standards of Practice, including ASOP No. 8.

The preceding Actuarial Memorandum contains:

a) the assumptions on which this certification is based;
b) the adjustments to prior assumptions with an explanation of the reasons previous assumptions were not realized;
c) a lifetime projection of the prior premium rate schedules and incurred claims plus future expected premiums and claims which demonstrates that the revised premium rate schedule meets the loss ratios standards and necessary details of this state; and
d) disclosure of the manner, if any, in which reserves have been recognized.

If the requested premium rate schedule increase is implemented and the underlying assumptions which reflect moderately adverse conditions are realized, no further premium rate schedule increases are anticipated.

I have reviewed and taken into consideration the policy design and coverage provided, and our current underwriting and claims adjudication processes.

In forming my opinion, I have used actuarial assumptions and actuarial methods and such tests of the actuarial calculations as I considered necessary. Based on these assumptions or statutory requirements where necessary, the premium rate filing is in compliance with the loss ratio standards of this state.

The basis for contract reserves has been previously filed and there is no anticipation of any changes.

P.J. Beltramini, FSA, MAAA
VP, Long Term Care Inforce Management John
Hancock Life Insurance Company (U.S.A.)

Addendum #1 - Assumptions and Analysis Performed

As part of the inforce management of the business, the Company completes periodic analysis for morbidity, voluntary lapse rates, and mortality. The findings from these analyses were used in projecting the inforce business to determine the effect of experience on the projected lifetime loss ratio. The most current studies show unfavorable trends since the study that prompted our 2022 rate increase filings.

Relative to previous expectations, the new data demonstrates higher utilization of benefits and unfavorable mortality for non-claimants, partially offset by favorable claim terminations and claim incidence.

[REDACTED]

A. Current & Prior Assumptions

Morbidity

[REDACTED]

Incidence

[REDACTED]

After updating assumptions to reflect the generally favorable experience, the overall A/E ratio is 99%.

The final A/Es show a better fit across attained age groupings:

Attained Age	Current
0-94	99%
95+	99%
Total	99%

Claim Terminations

[REDACTED]

After updating assumptions to reflect termination experience, the A/E is 99% for the first 5 months on claim, 100% for months 6+ and 100% overall.

Months on Claim	Months 1-5	Months 6+	Total
Total	99%	100%	100%

Utilization

[REDACTED]

After updating our assumption based on experience, the calendar year 2024 A/E is 100%.

Inflation Type	Prior	Current
None	105%	98%
Compound	112%	101%
Simple	108%	100%
Total	110%	100%

Voluntary Lapses

[REDACTED]

Actual to Expected ratios for this block (John Hancock individual business) summarized by inflation and duration groups before and after the assumption update are shown below.

Lapse	Prior			Current		
Duration	No Inflation	Inflation	Total	No Inflation	Inflation	Total
15-19	124%	114%	115%	101%	99%	99%
20+	113%	106%	108%	103%	103%	103%
Total	112%	106%	107%	98%	101%	100%

The changes to the expected lapse assumption improved the fit across cohorts and resulted in a total A/E of 100%.

Mortality

[REDACTED]

The table below shows the A/E ratios for non-claimants before and after the assumption update for all Custom Care products. Experience was lower than expected.

Prior	Current
87%	102%

Expenses

[REDACTED]

Original Pricing Assumptions

[REDACTED]

Addendum #2 – Demonstration of not Recouping Past Losses
Custom Care (LTC-02) and Essential Care (BSC-02)

	Calendar Year	Original Incurred Loss Ratio	Historic Data Earned Premium	**Adjusted Expected Incurred Claims**		Historic Data Incurred Claims
Original Pricing	1988	0%	1,261	**-**		-
	1989	0%	1,777	**-**		-
	1990	0%	1,777	**-**		-
	1991	0%	1,777	**-**		-
	1992	0%	11,259	**-**		-
	1993	0%	18,596	**-**		-
	1994	0%	21,392	**-**		-
	1995	0%	34,643	**-**		-
	1996	0%	72,163	**-**		-
	1997	0%	99,166	**-**		-
	1998	0%	184,733	**-**		-
	1999	0%	309,793	**-**		-
	2000	0%	608,877	**-**		-
	2001	0%	1,151,326	**-**		-
	2002	4%	40,241,175	**1,673,189**		444,586
	2003	4%	179,281,433	**7,306,631**		3,285,613
	2004	5%	240,329,531	**12,239,061**		11,136,279
	2005	9%	237,539,223	**20,226,905**		14,002,004
	2006	12%	232,785,822	**28,477,286**		26,723,278
	2007	15%	228,257,301	**33,627,145**		49,642,583
	2008	18%	223,314,426	**39,805,473**		40,791,473
	2009	23%	218,442,976	**50,440,658**		53,549,645
2010 Assumptions	2010			**67,383,718**		67,866,971
	2011			**76,620,269**		78,216,648
	2012			**88,889,554**		102,039,749
2013 Assumptions	2013			**109,141,406**		108,709,451
	2014			**124,811,861**		118,595,223
	2015			**135,392,023**		153,009,091
2016 Assumptions	2016			**157,598,845**		161,388,581
	2017			**178,539,244**		179,311,219
	2018			**200,519,220**		208,501,314
2019 Assumptions	2019			**247,374,838**		227,274,745
	2020			**270,357,724**		214,230,543
	2021			**294,540,080**		288,158,411
2022 Assumptions	2022			**317,838,503**		323,347,483
	2023			**350,449,271**		341,710,277
	2024			**380,488,727**		383,918,556
Values as of 12/31/2024 (discounted at maximum statutory valuation rates)						
Past :				**4,276,476,728**	>	4,243,073,159

Minimum (Accum Value of Past Incurred Claims,
Accum Value of Adjusted Expected Incurred Claims) = 4,243,073,159

The lesser of actual and expected past claims, $4,243,073,159, is used in demonstrating compliance with the minimum loss ratio in Exhibit 1