

NEW YORK UNIVERSITY LONG-TERM CARE INSURANCE PLAN SUMMARY

Who is eligible to apply?

- All full-time actively-at-work benefit eligible employees (including those on sabbatical) and their spouses or registered same-sex domestic partners (issue age 18 or older). Employees include all full-time benefits eligible faculty (code 102), administrators (code 100) and professional research staff (code 103), office and clerical (code 106), laboratory and technical staff (code 104), and all service employees (code 107).
- Retired employees and their spouses, surviving spouses, or registered same-sex domestic partners (issue age 18 or older) who are eligible for New York University retiree benefits.
- Parents and parents-in-law (under issue age 80) of eligible employees and retirees.

Eligible family members may apply whether or not the active employee or retiree applies.

What are my coverage choices?

When you apply for coverage, you will choose your Daily Maximum Benefit (DMB) from the options listed below. The DMB is the most the insurance may pay for all covered services received on any day. Each option has a corresponding Lifetime Maximum Benefit (LMB). The LMB is the total pool of money payable for covered long-term care services received while you are insured.

Your coverage choices are as follows:

DMB Option	Nursing Home DMB	Alternate Care Facility* DMB	Home Health/ Adult Day Care** DMB	Informal Care*** DMB	Lifetime Maximum Benefit
1	\$270	\$270	\$135.00	\$67.50	\$493,000
2	\$340	\$340	\$170.00	\$85.00	\$621,000
3	\$410	\$410	\$205.00	\$102.50	\$749,000

*If you are a resident of Kansas this benefit varies slightly. (See insert or call 1-800-888-3754.)

**Washington refers to this as Adult Day Health Care.

***The total of benefits payable for all informal care received in any calendar year is 30 times the Informal Care DMB.

How do I qualify for benefits?

You qualify for benefits when a John Hancock patient advocate certifies that, due to a covered condition, you are dependent in at least two of six Significant Activities of Daily Living (SADLs), or you are cognitively impaired, and you have completed the qualification period.

SADL Dependence

You're dependent in an SADL if you need substantial assistance from another person to perform an SADL due to loss of functional capacity that is expected to continue for at least 90 days.

The six SADLs are:

- Bathing
- Dressing
- Eating
- Maintaining continence
- Toileting
- Transferring from bed to chair

The patient advocate considers your cognitive and physical ability to perform these activities independently and appropriately without supervision or help from another person. For example, if you can't bathe or eat without substantial assistance from another person and that assistance is expected to be needed for at least 90 days, you will be considered to be dependent in these activities.

Cognitive Impairment

You are cognitively impaired if you have a deterioration or loss of intellectual capacity due to an organic brain disorder that requires you to need substantial supervision for the protection of yourself or others. Alzheimer's disease is an example of an organic brain disorder.

Qualification Period

The Qualification Period is the period of time you must wait from the date you are certified for benefits until the date benefits are payable for covered charges you incur. The Qualification Period is 90 days. You must remain certified during this period, but you don't have to receive long-term care services or be hospitalized. The policy will pay benefits for covered charges you incur after the Qualification Period is met as long as you remain certified.

What will happen if the cost of long-term care services increases in the future?

You will be offered additional amounts of coverage every three years to keep up with inflation. The amount of each adjustment will reflect a benefit increase of at least 5% compounded annually for the applicable period. The premium rates for the inflation increases will be based on your issue age on the effective date of the increase and will include an additional charge to account for the added risk associated with purchasing additional coverage without having to submit proof of good health. An inflation adjustment will not be available if you are issue age 85 or older, or if you have met the benefit eligibility requirements under the policy in the six months prior to the increase effective date, or if your coverage is in reduced paid-up status. (If you are a resident of CT, DE, or KS, this provision varies slightly. See enclosed insert or call 1-800-888-3754 for details.)

What additional features are included?

Reduced Paid-Up Benefit (Non-forfeiture Benefit)

Your plan includes a Reduced Paid-Up Benefit (Non-forfeiture Benefit) that will allow you to stop making premium payments after paying premiums for at least five years and retain a portion of the original coverage. If you exercise this benefit, you will keep your full DMB amount, but the LMB will be reduced. The amount of your Reduced Lifetime Maximum will be calculated at the time you exercise this benefit according

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to the calculation outlined in your certificate of insurance which you will receive when you are approved for coverage. (If you are a resident of AR, CT, DE or NM the provision varies slightly. See enclosed insert or call 1-800-888-3754.)

Waiver of Premium

Your premium payments will be waived once you are certified for benefits, complete the Qualification Period, and incur at least 30 days of covered expenses for services other than informal care. The waiver will continue as long as you remain certified.

Portability

If you retire or leave New York University, your coverage may be continued at group rates. You will pay premiums directly to John Hancock.

Bed Reservation Benefit

The plan will continue to pay nursing home or alternate care facility benefits for up to 14 days if the insured is hospitalized while receiving plan benefits.

Alternate Plan of Care

An alternate plan of care can be established by mutual agreement between John Hancock and the insured if the patient advocate identifies alternatives to the current plan that are both appropriate to the insured and cost-effective. It may provide benefits for services or supplies not otherwise covered by the plan. Any benefits paid under an alternate plan of care will reduce the Lifetime Maximum Benefit.

■ **How do I apply for coverage?**

You apply for coverage by completing the enrollment forms included in the accompanying folder, "Enrollment Information" and returning them to John Hancock.

Will I be Automatically Accepted?

You will be automatically accepted for coverage, regardless of your current health status, if you are:

- A newly hired eligible or newly eligible employee applying within 31 days of first becoming eligible for company benefits

Simplified Evidence of Insurability

If you are the spouse or registered same-sex domestic partner of an employee and you apply during the automatic acceptance period for the employee as described above or within 31 days of first becoming eligible, you will provide evidence of insurability by completing only five health questions on the simplified enrollment form.

This simplified evidence of insurability does not apply to residents of Kansas or Washington. A spouse or registered domestic partner of an employee residing in Kansas or Washington must provide proof of good health when applying at any time.

Do I need to provide proof of good health?

You will need to provide proof of good health if you are:

- A retiree, a spouse or a registered domestic partner of a retiree, a parent or parent-in-law of an eligible employee or retiree, or a surviving spouse, applying at any time
- A newly hired eligible or newly eligible employee applying after 31 days of first becoming eligible.

How do I provide proof of good health?

You provide proof of good health by completing the entire application, including the Statement of Health. Before you complete the entire application, you may want to know if you have a condition that will automatically prohibit you from obtaining coverage. For this reason, a Self-Screening Questionnaire has been included with the enrollment forms. If you answer "yes" to any of the questions on the questionnaire, you are advised not to complete the application. If you answer "no" to all of the questions, you should proceed with completing the entire application. (*This Self-Screening Questionnaire is not available for use in Kansas or Washington.*) John Hancock may request a statement from your doctor. The underwriting evaluation may also include a personal interview administered by a trained clinician. The statement from your doctor and the interview are done at no expense to you.

■ **When will my coverage become effective?**

Your effective date of coverage will be the first of the month after your application is approved provided that you meet all eligibility requirements on that date subject to the following exceptions:

- If you are an active employee or a spouse or registered same-sex domestic partner of an active employee and the underwriting decision to approve your application is made after the date John Hancock creates the premium remittance file for the defined deduction period in accordance with the employer's payroll deduction schedule for that month, your effective date of coverage will be the first day of the second month following the date of our underwriting approval.
- If you are an eligible employee who is not actively at work on the date your coverage would otherwise have become effective, your coverage will not become effective until the first of the month following your return to work on a regular basis.
- If you are an eligible person other than an eligible employee and you are disabled on the date your coverage would otherwise have become effective, your coverage will not become effective until the first of the month following the date you are no longer disabled, provided you are still eligible.

■ **How do I calculate my premium rate?**

In the Enrollment Information folder, you will find rate sheets each including the three available Daily Maximum Benefit choices.

Once you have made your coverage choice, look at the premium for your issue age. Your issue age is your age on your birthday closest to the date your application is received by John Hancock. Premiums will not be increased because of age, illness, or use of benefits. Premiums will be adjusted only if they are changed for an entire group or class.

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■ How will I pay my premiums?

Employees and their spouses or registered same-sex domestic partners pay through payroll deduction on a monthly basis. All others have the option of paying premiums directly to John Hancock by check or through monthly automatic bank withdrawal.

■ Whom can I call if I have questions?

You may call the John Hancock Customer Service Center at 1-800-888-3754. Long-Term Care Service Consultants are available between 8:30 a.m. and 6:30 p.m., ET. The toll-free number for the hearing impaired is 1-800-255-1808. If you are calling from outside the United States, the number is (617) 572-0048. You can also visit the New York University Long-Term Care Web site at: <http://nyu.jhancock.com> or e-mail John Hancock at nyu@jhancock.com.

■ Is Long-Term Care Insurance tax qualified?

The Health Insurance Portability and Accountability Act, also known as the Kassebaum/Kennedy Bill, was signed into law in August 1996. An important provision in this law is to treat qualified long-term care insurance like other medical insurance for federal income tax purposes. The policy under which your coverage is provided is intended to be a qualified long-term care insurance contract under this law. In the future, if changes to your coverage are required to maintain the tax-qualified status of your insurance, you will be given the opportunity to have your coverage amended so that you may continue to enjoy the tax-favored status of your long-term care insurance coverage.

■ Does the New York University Long-Term Care Insurance Plan coordinate with other plans?

To prevent duplication of benefits, the New York University Long-Term Care Insurance Plan contains a Coordination of Benefits (COB) provision. COB may reduce or eliminate the benefits otherwise payable under the plan with respect to benefits payable under another plan.

■ Are there any exclusions under the plan?

John Hancock will not pay benefits for charges incurred by the insured for:

- Mental or emotional disorders without demonstrable organic disease. This includes but is not limited to: neurosis, psycho-neurosis, psychopathy, and psychosis. This exclusion does not apply to Alzheimer's disease and other organically caused brain disorders
- Intentionally self-inflicted injury
- Home health care or adult day care provided by a member of the insured's immediate family who ordinarily resides in the insured's home

- Conditions caused by committing or attempting to commit a felony, or participating in a riot or insurrection
- Care specifically provided for detoxification of or rehabilitation for alcoholism or drug abuse
- Conditions caused by war, or any act of war, whether declared or not, or service in the armed forces or auxiliary units
- Care or treatment provided outside the United States and its possessions
- A service or supply furnished by or covered as a benefit under a program of any government or its subdivisions or agencies, except: as otherwise required by law and except a program established by the federal government for its civilian employees, Medicare, and Medicaid (any state medical assistance program under Title XIX of the Social Security Act as amended from time to time)
- A service or supply for which a charge would not have been made in the absence of insurance

These exclusions may not apply in all states and may vary depending on the state in which you live. The Certificate of Insurance you receive once you are approved for coverage will outline the exact exclusions for your state. If you move to another state, the state guidelines where the Certificate of Insurance was originally delivered to you will apply. Long-term care providers must meet the qualifications specified in the Certificate of Insurance that will be issued to you when you become approved for coverage, and services and supplies must be provided in accordance with a plan of care prescribed by a licensed health care practitioner.

■ Notice

This is only a summary of the New York University Long-Term Care Insurance Plan; it does not cover all the details. The Certificate of Insurance that is issued to you when you become approved for coverage contains a more detailed statement of the terms and conditions of your insurance coverage. If there is any conflict between this enrollment brochure and the Certificate of Insurance, the terms of the Certificate will control. Please note that plan provisions may be changed or deleted in order to satisfy state requirements or other legal requirements, and New York University reserves the right to end or amend the plan for any reason. If New York University discontinues the plan, existing insureds will be allowed to continue coverage through John Hancock.

Coverage is provided under Policy #28229-LTC issued on form GPB-COV-0002.01 to New York University. Coverage is underwritten by John Hancock Life Insurance Company, Boston, MA 02117.

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