Protection UL

Strengths & features

LIFE-5929 10/22

Five reasons to offer Protection UL

Protection UL is one of the lowest-cost permanent life insurance policies in our product portfolio, and in many cases it's the most cost-efficient product on the market.[1] What's more, it includes a strong no-lapse guarantee.

1	**Secures cost-effective protection and flexible premium schedules** Clients can meet their protection needs with industry-leading, competitive premiums for level-pay, short-pay and single-pay scenarios, with a strong no-lapse guarantee.[2]
2	**Offers investment stability** John Hancock's unique General Account investment portfolio consists of high quality, well-diversified assets that provide consistently strong results — helping to maintain a stable crediting rate history.
3	**Creates potential for tax-free distributions** The cash value grows tax-deferred and can be accessed via tax-free withdrawals.[3]
4	**Allows customized living-benefit protection** Clients can meet their specific needs for living-benefit coverage with innovative riders, including the Long-Term Care, Accelerated Death Benefit for Chronic Illness and Critical Illness Benefit riders.
5	**Provides savings and rewards for healthy living** John Hancock's Vitality GO is included automatically, or clients can choose an enhanced version of the program, Vitality PLUS, for as little as $2 per month — and earn even more rewards and discounts for the everyday things they do to live healthfully.

Help clients stay on track with LifeTrack™

LifeTrack is an industry-first, policy-monitoring service that offers the following complimentary features to Protection UL customers:

- **LifeTrack Performance Summary:*** designed to help clients better understand their policy and stay informed so they can meet their goals — and to guide more productive policy-review conversations — by highlighting how the policy has performed relative to assumptions made at the time of purchase
- **LifeTrack billing:** an optional premium calculation that will adjust the premium by reflecting actual policy performance and assumptions about the future
- **Vitality PLUS email:** showing members how much they can save based on each Vitality Status level achieved

In short, LifeTrack offers unmatched transparency to support clients in understanding and managing their life insurance policy.

*The LifeTrack Performance Summary is automatically generated with the annual statement for indexed UL policies beginning in the second policy year.

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Five reasons

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Features

Product design	Flexible premium universal life insurance policy
Available coverage	Face amount only (no supplemental face amount available).
Minimum face amount	$50,000
Definition of life insurance	Cash Value Accumulation Test (CVAT)
Maximum first-year premium	First-year premiums on all policies are limited to a maximum of 20 times the target premium
Minimum initial premium (MIP) requirement	This is the amount of premium required to issue the policy and keep it in force for the first policy month. **Note:** A greater amount is required if the policy is backdated.
Target commissionable premium (TCP)	This is the amount of premium that is fully commissionable. The target premium includes all commissionable riders and ratings. This premium will not necessarily keep the policy in force through age 121.
Enhanced target premium	If premium paid in the first year exceeds 4x the basic commissionable premium, then the target commissionable premium will be increased by 15%. The target enhancement will only be paid after the premium threshold has been met.
Face amount increases	Face amount increases are not permitted.
Face amount decreases	• Allowed after first policy year • Minimum face amount decrease permitted is $50,000 • Face amount may not be decreased below minimum face amount • Pro-rata surrender charge will apply during the surrender charge period • A 10% face amount decrease is permitted without a surrender charge at the time of decrease
Flat extras	Non-medical flat extras for aviation, avocations and foreign risks are allowed on all fully underwritten risk classes except Super Preferred. Medical flat extras are not allowed on risk classes better than Standard.

Risk classes/issue ages

Fully underwritten risk classes available by age:

Risk class	Issue ages
Non-Smoker	
Super Preferred	20–80
Preferred	20–90
Standard Plus	20–90
Standard	3 months–90
Smoker	
Preferred	20–90
Standard	20–90

Maximum substandard by age:

Age	Percentage
3 months–17	200%
18–70	500%
71–80	300%
81–90	100%

Features, continued

Death benefit options

Option 1:

Total face amount (plus ROP, if elected)

Option 2:

Total face amount plus policy value (not available with ROP rider)

Option change (2 to 1 only):

Available after first policy year. The change is effective on policy anniversary only.

Note: At the time of the death benefit option change, the policy's total face amount will equal the face amount immediately before the change, plus the policy value as of the effective date of the change.

No-lapse guarantee[2]

The no-lapse guarantee, called Death Benefit Protection, guarantees that the policy will not default during the NLG period, provided certain requirements are met.

- The NLG duration will vary based upon issue age, gender and risk class as well as chosen funding level. The no-lapse guarantee duration is stated on the illustration and in the policy contract
- Maximum no-lapse guarantee duration is to age 121

Death benefit protection value

The death benefit protection value is used to determine whether the Death Benefit Protection (i.e., NLG) is in force, but not used in determining the actual policy value, cash surrender value or insurance benefit. It is not accessible to the policy owner at any time.

The death benefit protection value is determined in the same way as the policy value, but using different rates. Assuming no loans or withdrawals are taken, and no material changes made to the policy after issue, paying at least the death benefit protection premium as scheduled will keep the Death Benefit Protection in effect. If the Death Benefit Protection feature is ever allowed to terminate, however, it may not be reinstated.

Coverage beyond age 121

The policy does not mature; provided that funding is sufficient, the policy will remain in force until insured's death. At age 121:

- Policy and rider charges cease
- Premiums are not required or permitted
- Interest continues to accumulate on the policy value
- Withdrawals are not permitted
- New loans are available and loan repayments continue to be accepted on existing loans
- Interest continues to be charged on outstanding loans until a death claim is made (the policy may lapse if debt ever equals or exceeds the policy value)

Quit Smoking Incentive

The Quit Smoking Incentive allows all Standard and Preferred smokers to receive Standard Non-Smoker policy charges for the first three policy years. To maintain Non-Smoker policy charges beyond year three, insureds must provide satisfactory evidence* that they have quit smoking for at least 12 consecutive months and their micro urinalysis must be free of nicotine or metabolites. Please note the following:

- Available for issue ages 20–70
- Not available for substandard ratings
- Term conversions and internal replacements will require additional underwriting if the original policy (replaced or converted) was issued more than three years ago
- Underwriting decisions previously offered via special underwriting programs will require full underwriting
- The earliest an insured can request a change to Non-Smoker is on or after the first policy anniversary

*For more details on the underwriting evidence required, please refer to our *Changing Smoking Class* flyer.

Riders (separate charges may apply)

Long-Term Care (LTC)[4] rider

The policy owner can accelerate a portion of the death benefit (accelerated benefit pool) each month to reimburse for qualified long-term care expenses incurred by the insured. To qualify under this rider, the insured must be unable to perform two of six activities of daily living without substantial assistance or have a severe cognitive impairment. The maximum monthly benefit amount is based on 1%, 2% or 4% of the accelerated benefit pool.

- Issue ages: 20-75
- Available with death benefit option 1 and option 2
- The accelerated benefit pool can differ from the death benefit, but can never be greater*
- A separate charge is deducted if this rider is selected
- The maximum monthly benefit amount is $50,000 per insured
- Subject to underwriting evidence and review
- Not available with ROP rider, ADBCH rider, foreign residency or any flat extra

Critical Illness Benefit[5] rider

When this rider is in force, it provides the policy owner a one-time, income tax-free[6] benefit if the life insured is initially diagnosed with one of seven covered critical illnesses, including heart attack, stroke, cancer, coronary artery bypass grafting, kidney failure, major organ failure and paralysis.* This indemnity benefit can be used for any purpose, e.g., to pay for medical expenses, mortgage and day-to-day expenses, and/or to continue saving for retirement.

- Issue ages: 18-65
- Coverage period: greater of policy anniversary nearest the insured's attained age 65 or the policy year date plus five years. The rider and its charges terminate upon any one of the following: payment of the critical illness benefit amount, the end of the coverage period, termination of the policy, request to discontinue the rider or the insured's death
- The critical illness benefit amount is based on the insured's choice at policy issue of either 10% or 25% of the total face amount, up to a maximum of $250,000
- 30-day waiting period from the rider's effective date must be satisfied prior to an initial diagnosis of a covered critical illness
- Subject to underwriting evidence and review
- Not available with Return of Premium (ROP) rider, foreign residency or any flat extra

John Hancock Vitality PLUS

(Also referred to as the Healthy Engagement rider)

Provides an opportunity for policy owners to earn credits on their policy based on healthy actions taken by the life insured each year through the later of attained age 80 or policy year 10. To earn credits, the insured must complete simple, health-related activities. Each year, these activities result in Vitality Points, which are used to determine a Vitality Status, and the amount of policy credits.

- Available for issue ages 20–90
- Available on policies of any size. For large policies, credits will be applied to the first $30 million of death benefit
- If elected, a monthly charge of $2 is deducted through the later of attained age 80 or policy year 10

John Hancock Aspire®

Provides an opportunity for insureds living with diabetes to earn savings and rewards for the actions they take to live healthier and manage their condition.

*For complete definitions of covered critical illnesses, please refer to the contract. Not available in all states.

Riders, continued

Cash Value Enhancement (CVE) rider

Enhances the cash surrender value during the 10-year surrender charge period. While this rider is in effect, the cash surrender value is equal to the policy value less the surrender charge plus the Cash Value Enhancement benefit. Conditions apply, including that the surrender cannot be done with the intention of exchanging the policy under IRS Section 1035.

- The charge for this rider is 3% of premiums paid in policy years 1-10
- The rider impacts compensation

Return of Premium (ROP) rider

Provides an additional insurance amount equal to a percentage of premiums paid, up to 100%.

- ROP increases cease at age 100, at which point the death benefit becomes level
- Available only at issue with death benefit option 1, subject to available capacity
- Not available in conjunction with DPSP, LTC rider, ADBCH rider, Critical Illness Benefit riders or foreign residency
- Subject to available capacity

Disability Payment of Specified Premium (DPSP) rider

Pays a premium amount chosen by the applicant (not to exceed the lesser of 1⁄12 of the target commissionable premium, 1⁄12 the annual premium, or $3,500 per month), if insured satisfies the elimination period for total and permanent disability

- Issue ages 20–60
- $5 million maximum face amount on all policies
- Not available with ROP rider, ADBCH rider or foreign residency
- A separate monthly charge is deducted up to age 65 if this optional rider is selected
- Subject to underwriting evidence and review

Accelerated Death Benefit for Terminal Illness (ADBTI) rider

A portion of the death benefit may be accelerated if the insured is certified to be terminally ill with a life expectancy of one year or less. This provision allows the policy owner to receive 50% of the eligible death benefit to a maximum of $1 million.

- The remaining death benefit is reduced by one year's interest at current loan rates on the benefit paid, plus any administrative expense charge
- Benefits may be taxable under current tax law. Policy owners should consult their personal tax advisors regarding the tax implications of benefits received under the Accelerated Death Benefit for Terminal Illness rider

Accelerated Death Benefit for Chronic Illness (ADBCH) rider[7]

A portion of the death benefit may be accelerated once every 12 months if the insured is certified to be chronically ill. This provision allows the policy owner to receive 75% of the eligible death benefit to a maximum of $1 million. Payments will be limited to the annualized IRS per diem limit under IRC Section 7702B in the year of acceleration. There is no monthly charge for this rider. However, payments will be reduced to account for accessing a portion of the death benefit in advance of the death of the insured. This is calculated at time of payment and will reduce the:

- Death benefit by the total accelerated death benefit amount
- Policy value by a proportionate reduction
- Accelerated death benefit balance by the rider payment amount
- Policy owners should consult their personal tax advisors regarding the tax implications of benefits received under this rider
- The ADBCH rider is not available in conjunction with Disability Payment of Specified Premium rider, Return of Premium rider, Preliminary Funding Account and Long-Term Care rider

Preliminary Funding Account (PFA)

Allows policyholders to make a single, large, lump-sum payment upfront without causing the policy to become a modified endowment contract (MEC). Annually, John Hancock moves the scheduled premium from the PFA into the insurance policy.

- Guaranteed crediting rate of 4.25%, with interest earned taxable
- Can be terminated at any time (partial withdrawals not allowed), with PFA balance subject to early termination fee equal to prevailing PFA value multiplied by the early termination fee rate (i.e., 5% in year one, grading down to 0% over nine years)
- PFA can be used only on non-MEC, and cannot be used with DPSP, ADBTI rider, ADBCH rider, or LTC riders or with LifeTrack
- Premium mode must be set to annual
- No policy changes (e.g., DBO change, face amount change, etc.) allowed when PFA is inforce
- Minimum amount to fund PFA is $5,000 plus the annual scheduled premium, and maximum amount is 10 times the annual scheduled premium
- Minimum PFA period is three years, and maximum is 10 years
- Policyholders have up to 90 calendar days to fund the PFA starting from (and including) date of policy issue

Refer to the PFA agreement for full details.

Policy values, fees & charges

Interest crediting rate

- **Current:** As declared
- **Guaranteed:** 1.00%

Standard loan rates

	Loan spread
Current	
Years 1-10	1.25%
Years 11+:	0.00%
Guaranteed:	
Years 1-10:	1.25%
Years 11+:	0.25%

Note: There is no predefined loan spread for index loans

Policy loans[3]

- Policy loans are available at any time after the policy is in force
- Index loans are available after policy year three
- Minimum loan is $500
- Loan option changes are permitted once a year (on the policy anniversary)

Policy withdrawals

- Available after the first policy year and are first deducted from the Fixed Account
- Minimum withdrawal is $500 and a partial surrender charge may apply
- Available once per month after first year if there is a positive net cash value
- To avoid a lock-out period, clients can schedule systematic withdrawals, i.e., those that are pre-scheduled at least 30 days in advance with a schedule of at least two withdrawals
- If a systematic withdrawal schedule is canceled prior to its end date, policy owners will not be able to request a new systematic withdrawal schedule for one year

Persistency Bonus

There is a conditionally guaranteed Persistency Bonus that may be applied to the then current credited interest rate for contracts still inforce at the beginning of Policy Year 6.

- The bonus will be 1.30% provided the current crediting rate is 2.00% or greater at that time.
- If the current crediting rate is less than 2%, the bonus will be reduced proportionally to 0% as the current crediting rate approaches its guaranteed minimum crediting rate of 1.00%.

Premium charge (current and guaranteed)

- **Years 1-10:** 45%
- **Years 11+:** 42%

Administrative charge (current and guaranteed)

All policy years: $10 per month

Face amount charge

- Monthly charge per $1,000 of face amount
- The duration of the charge varies by issue age
- Rate varies by issue age, gender, and risk class

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Cost of insurance charge

A monthly charge per $1,000 of net amount at risk

Current: Varies by issue age, gender policy duration and risk class

Guaranteed: Reflects the *2017 Loaded CSO Smoker and Gender Distinct Ultimate Age Nearest Birthday Mortality Tables, adjusted for any applicable ratings*

Surrender charge

- A surrender charge is deducted in the event of a full surrender and is charged on a pro-rata basis for a withdrawal that results in a base face amount decrease
- Surrender charge varies by issue age, gender, face amount, premiums paid and policy duration
- The charge grades down monthly over 10 years and is 0% in years 11 and after

Inforce illustrations

To ensure that clients' policy continues to meet objectives, we suggest that in addition to reviewing annual statements, you periodically request an inforce illustration to obtain an updated policy projection.

Advance contribution charge

- An advance contribution charge is assessed on each monthly processing date when the cumulative premiums paid exceed the advance contribution limit times the policy year
- Rate varies by issue age, gender, risk class and duration
- The advance contribution charge rates and advance contribution limit are both shown in the policy contract

Strength. Stability. John Hancock.

John Hancock is among the highest-rated companies for financial strength and stability as demonstrated by its A+ rating from A.M. Best.[8] Financial strength ratings are a comprehensive measure of a company's financial strength and stability, and are important as they reflect a life insurance company's ability to pay claims in the future. With 160 years of experience, John Hancock offers customers a diverse range of insurance products and services through its extensive network of employees, agents, and distribution partners.

For more information about Protection UL or our other products:

Contact your **John Hancock sales representative**

Call **National Sales Support at 888-266-7498, option 2**

Visit **JHSalesHub.com**

1. Insurance policies and/or associated riders and features may not be available in all states. Some riders may have additional fees and expenses associated with them.
2. Protection UL policies automatically include a no-lapse guarantee called Death Benefit Protection. This feature guarantees that the policy will not default, even if the cash surrender value falls to zero or below, provided that the Death Benefit Protection Value remains greater than zero and policy debt never exceeds the policy value.
3. Loans and withdrawals will reduce the death benefit, cash surrender value, and may cause the policy to lapse. Lapse or surrender of a policy with a loan may cause the recognition of taxable income. Policies classified as modified endowment contracts may be subject to tax when a loan or withdrawal is made. A federal tax penalty of 10% may also apply if the loan or withdrawal is taken prior to age 59½.
4. The Long-Term Care (LTC) rider is an accelerated death benefit rider and may not be considered long-term care insurance in some states. There are additional costs associated with this rider. The maximum monthly benefit amount is $50,000. When the death benefit is accelerated for long-term care expenses, it is reduced dollar for dollar and the cash value is reduced proportionately. Please go to JHSalesHub.com to verify state availability.
5. The Critical Illness Benefit rider provides a one-time, lump-sum benefit for covered critical illnesses subject to eligibility requirements. The benefit will not be paid for critical illnesses initially diagnosed before the rider effective date or during the waiting period. The rider is not available in all states and state variations may apply.
6. John Hancock anticipates that the Critical Illness Benefit paid under this rider will generally be excludable from income under Internal Revenue Code Section 104(a) (3). However, the benefit may not qualify for this exclusion with certain third-party ownership arrangements. John Hancock will treat the monthly rider charges as distributions from the life insurance policy for federal income tax purposes, and thus such charges may be includable in your client's taxable income if the policy is a MEC or the cost basis is less than the rider charges. If the policy is a MEC, a 10% penalty tax may also apply to the amount includable in income.
7. The benefits provided by the Chronic Illness Rider (ADBCH) are designed to be excludable from gross income under federal tax law; however, there might be situations in which the benefits or charges for this rider are taxable.
8. Second highest of 13 ratings (superior ability to meet ongoing insurance obligations). Financial strength rating is current as of June 30, 2022, is subject to change, and applies to John Hancock Life Insurance Company (U.S.A.) and John Hancock Life Insurance Company of New York as a measure of each company's financial ability to pay claims and to honor any guarantees provided by the contract and any applicable optional riders. These companies have also received additional financial strength ratings from other rating agencies. Financial strength ratings are not an assessment, recommendation, or guarantee of specific products, and their investment returns or value do not apply to individual securities held in any portfolio or the practices of an insurance company, and do not apply to the safety and performance of separate accounts.

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Vitality GO is not available with policies issued in New York and Puerto Rico

The benefits available under Aspire can vary depending on whether the insured has Type 1 or Type 2 diabetes, the type and coverage amount of the life insurance policy purchased and the level of Onduo engagement with the John Hancock Vitality Program. Eligibility for an Onduo membership is also subject to Onduo's qualification requirements. Certain aspects of Aspire may change over time. There is no coordination between Aspire and any health benefits you may receive from an insurance policy, health plan or any other wellness programs the insured may be enrolled in. Aspire is not available in New York, Idaho and Puerto Rico.

Guaranteed product features are dependent upon minimum-premium requirements and the claims-paying ability of the issuer.

Vitality is the provider of the John Hancock Vitality Program in connection with the life insurance policy and Healthy Engagement Rider. Program rewards and discounts are available only to the person insured under the eligible life insurance policy.

This material does not constitute tax or legal advice and neither John Hancock nor any of its agents, employees or registered representatives are in the business of offering such advice. Your clients should consult with their own tax advisor.

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