

JH Solutions ${ }^{\circledR}$
Lifetime gifting to an irrevocable trust
A simple way to transfer wealth and help enhance your legacy

Prepared for

# Valued Client and Valued Client <br> January 7, 2021 

## Presented by

Trusted Financial Professional

One of the best ways to help secure your loved ones' future is to start planning now. As you consider the best way to leave a legacy to your heirs, you may want to consider a strategy that includes lifetime gifting to an irrevocable life insurance trust (ILIT). This strategy can offer several potential benefits including:

- Enhancing your legacy
- Reducing your estate's exposure to estate and GST taxes
- Avoiding probate
- Increasing creditor protection for yourself and your heirs
- Maintaining control and flexibility over how your assets are distributed


## Understanding how estate and gift taxes affect you

The United States federal government imposes tax on the transfer of wealth, including:*
Gift tax - Tax on the transfer of property during life.
Estate tax - Tax on the transfer of property at death.
Gift or estate taxes are due only when total gifts made during life or at death exceed certain limits. These limits include:'

> The clock is ticking
> Under current law, the
> lifetime exemption will be reduced to \$5M (indexed for inflation) in 2026.2

## Annual exclusion

You can give up to $\$ 15,000$ a year (for 2021) to as many individuals as you would like. Spouses have the ability to combine their annual exclusions amounts to give a total of $\$ 30,000$ per person per year. ${ }^{1}$ It is common to use annual exclusion gifts before using lifetime exemption gifts.

## Lifetime exemption

In addition to your annual exclusion gifts you can also give away an amount of money or property during life without incurring any gift tax. This amount is commonly referred to as the "lifetime exemption" and in 2021 is $\$ 11,700,000$ for individuals and doubled for married couples. ${ }^{1}$ Transfers made in excess of this exemption are taxable at a $40 \%$ rate.

## How does lifetime gifting to an ILIT work?




You fund the trust by making gifts. Gifts are generally made by first using annual exclusions and then some (or all) of your lifetime exemption balance.


The ILIT trustee purchases a life insurance policy on your life. The ILIT is the owner and the beneficiary of the policy. The policy's premiums will be paid with the gifted funds.

## Step 4

At your death, the ILIT receives the death benefit free from estate taxes. By funding the trust with insurance, you not only remove the gifted assets from your estate, but the policy's death benefit creates an income-tax free pool of money, potentially increasing the overall benefit you pass on.

[^0]
## Benefits of life insurance

## †

Income tax-free death benefit ${ }^{4}$
These funds provide liquidity when your heirs most need it to help pay estate taxes and/or secure a legacy for your beneficiaries.


Access to tax-free income ${ }^{5}$
The potential cash value that accumulates inside a permanent life insurance policy can be accessed taxfree and distributed to beneficiaries.


## Competitive rate of return ${ }^{6}$

The death benefit on the life insurance can provide a competitive rate of return as compared to other investment options.

## Considerations

Irrevocable gift - once you make gifts to a trust, they become irrevocable and they may not be returned to you without adverse tax consequences.

Too few annual gift exclusions - the desired life insurance policy premium may be higher than your available annual exclusion gifts.
Insurance eligibility - life insurance eligibility will be based on financial and medical underwriting. The actual amount of insurance you qualify for may differ from the illustrated values.

Additional costs - life insurance policies have charges associated with them such as the cost of insurance and potential surrender charges. Please speak with your tax consultant for more information.

The following analysis projects the net amount to your heirs and includes a comparison of your current strategy, gifting to a trust and investing in a side fund, and gifting into a trust and purchasing life insurance. The scenarios shown assume the lifetime exemption sunsets in 2026 according to current legislation.

[^1]Summary for Valued Client and Valued Client
Male, Age 65, Preferred NonSmoker, Vitality Status Bronze
Female, Age 63, Preferred NonSmoker, Vitality Status Bronze
Life expectancy assumed: Valued Client - 23 years, Valued Client - 26 years, Joint life - 30 years*
Please refer to current vs. proposed strategy pages for more detail
Product: Protection SIUL 19
Initial death benefit: $\$ 7,000,000$
Initial premium: $\$ 81,854$
Annual gift option: Premium
Number of annual exclusions per Insured: 2
Index rate for exemption and exclusion amounts: 1\%
Apply first death lifetime exemption to: Credit Shelter Trust

|  | Current strategy | Gift to trust and invest in a side fund | Gift to trust and purchase life insurance |
| :---: | :---: | :---: | :---: |
| Estate value today | 20,000,000 | 20,000,000 | 20,000,000 |
| Summary year 30 |  |  |  |
| Total premiums paid | 0 | 0 | 2,455,620 |
| Total gifts | 0 | 2,455,620 | 2,455,620 |
| Total gift taxes | 0 | 0 | 0 |
| Total estate value | 27,864,800 | 24,644,655 | 24,644,655 |
| Estate taxes | 8,021,920 | 6,907,582 | 6,907,582 |
| Credit Shelter Trust | 8,198,462 | 8,034,807 | 8,034,807 |
| Total trust death benefit | 0 | 0 | 7,000,000 |
| Other trust assets | 0 | 4,011,065 | 0 |
| Net to heirs | 28,041,342 | 29,782,946 | 32,771,881 |
| Potential gain due to planning |  | 1,741,604 | 4,730,539 |

Net to Heirs


[^2]
## Comparison of current strategy vs. proposed strategy

Protection SIUL 19 Initial Death Benefit: $\$ 7,000,000$
Male, Age 65, Preferred NonSmoker, Vitality Status Bronze
Female, Age 63, Preferred NonSmoker, Vitality Status Bronze

|  |  | Current strategy |  |  | Gift to trust and invest in a side fund |  |  | Gift to trust and purchase life insurance |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Year | EOY age | EOY total estate | EOY estate taxes | EOY net to heirs | EOY total estate | EOY estate taxes | EOY net to heirs* | EOY total estate | EOY estate taxes | EOY net to heirs |
| 1 | 66-64 | 20,400,000 | 0 | 20,400,000 | 20,316,509 | 0 | 20,400,819 | 20,316,509 | 0 | 35,872,065 |
| 2 | 67-65 | 20,808,000 | 0 | 20,808,000 | 20,639,348 | 0 | 20,810,497 | 20,639,348 | 0 | 36,194,904 |
| 3 | 68-66 | 21,224,160 | 0 | 21,224,160 | 20,968,644 | 0 | 21,229,237 | 20,968,644 | 0 | 36,524,200 |
| 4 | 69-67 | 21,648,643 | 0 | 21,648,643 | 21,304,526 | 0 | 21,657,246 | 21,304,526 | 0 | 36,860,082 |
| 5 | 70-68 | 22,081,616 | 0 | 22,081,616 | 21,647,125 | 0 | 22,094,736 | 21,647,125 | 0 | 28,647,125 |
| 6 | 71-69 | 22,523,248 | 4,089,299 | 18,433,949 | 21,996,577 | 3,923,080 | 18,618,846 | 21,996,577 | 3,923,080 | 25,073,496 |
| 7 | 72-70 | 22,973,713 | 4,221,485 | 18,752,228 | 22,353,017 | 4,024,798 | 18,974,238 | 22,353,017 | 4,024,798 | 25,328,219 |
| 8 | 73-71 | 23,433,188 | 4,357,275 | 19,075,913 | 22,716,586 | 4,127,767 | 19,338,528 | 22,716,586 | 4,127,767 | 25,588,819 |
| 9 | 74-72 | 23,901,851 | 4,496,741 | 19,405,111 | 23,087,427 | 4,233,645 | 19,710,292 | 23,087,427 | 4,233,645 | 25,853,782 |
| 10 | 75-73 | 24,379,888 | 4,631,955 | 19,747,933 | 23,465,684 | 4,334,490 | 20,097,710 | 23,465,684 | 4,334,490 | 26,131,195 |
| 11 | 76-74 | 24,867,486 | 4,778,994 | 20,088,492 | 23,851,507 | 4,446,360 | 20,484,967 | 23,851,507 | 4,446,360 | 26,405,147 |
| 12 | 77-75 | 25,364,836 | 4,921,934 | 20,442,902 | 24,245,046 | 4,553,318 | 20,888,253 | 24,245,046 | 4,553,318 | 26,691,728 |
| 13 | 78-76 | 25,872,133 | 5,076,853 | 20,795,280 | 24,646,456 | 4,671,423 | 21,291,763 | 24,646,456 | 4,671,423 | 26,975,033 |
| 14 | 79-77 | 26,389,575 | 5,227,830 | 21,161,745 | 25,055,894 | 4,783,140 | 21,713,295 | 25,055,894 | 4,783,140 | 27,272,754 |
| 15 | 80-78 | 26,917,367 | 5,390,947 | 21,526,420 | 25,473,521 | 4,906,132 | 22,135,456 | 25,473,521 | 4,906,132 | 27,567,388 |
| 16 | 81-79 | 27,455,714 | 5,550,286 | 21,905,428 | 25,899,500 | 5,024,466 | 22,574,453 | 25,899,500 | 5,024,466 | 27,875,034 |
| 17 | 82-80 | 28,004,828 | 5,713,931 | 22,290,897 | 26,333,999 | 5,146,207 | 23,022,503 | 26,333,999 | 5,146,207 | 28,187,792 |
| 18 | 83-81 | 28,564,925 | 5,881,970 | 22,682,955 | 26,777,188 | 5,271,424 | 23,479,826 | 26,777,188 | 5,271,424 | 28,505,764 |
| 19 | 84-82 | 29,136,223 | 6,054,489 | 23,081,734 | 27,229,241 | 5,398,587 | 23,948,248 | 27,229,241 | 5,398,587 | 28,830,654 |
| 20 | 85-83 | 29,718,948 | 6,231,579 | 23,487,369 | 27,690,334 | 5,529,366 | 24,426,400 | 27,690,334 | 5,529,366 | 29,160,969 |
| 21 | 86-84 | 30,313,327 | 6,413,331 | 23,899,996 | 28,160,650 | 5,663,834 | 24,914,520 | 28,160,650 | 5,663,834 | 29,496,816 |
| 22 | 87-85 | 30,919,593 | 6,599,837 | 24,319,756 | 28,640,372 | 5,802,064 | 25,412,852 | 28,640,372 | 5,802,064 | 29,838,308 |
| 23 | 88-86 | 31,537,985 | 6,791,194 | 24,746,791 | 29,129,688 | 5,944,132 | 25,921,646 | 29,129,688 | 5,944,132 | 30,185,556 |
| 24 | 87 | 24,743,145 | 6,957,258 | 25,065,887 | 22,351,418 | 6,075,437 | 26,313,143 | 22,351,418 | 6,075,437 | 30,410,660 |
| 25 | 88 | 25,238,008 | 7,123,203 | 25,540,405 | 22,714,956 | 6,205,594 | 26,860,601 | 22,714,956 | 6,205,594 | 30,786,734 |
| 26 | 89 | 25,742,768 | 7,297,107 | 26,019,773 | 23,085,764 | 6,342,659 | 27,416,417 | 23,085,764 | 6,342,659 | 31,166,025 |
| 27 | 90 | 26,257,623 | 7,471,049 | 26,512,168 | 23,463,988 | 6,478,690 | 27,988,890 | 23,463,988 | 6,478,690 | 31,556,676 |
| 28 | 91 | 26,782,776 | 7,653,110 | 27,009,772 | 23,849,776 | 6,621,747 | 28,570,325 | 23,849,776 | 6,621,747 | 31,950,835 |
| 29 | 92 | 27,318,431 | 7,835,373 | 27,520,767 | 24,243,281 | 6,763,090 | 29,169,837 | 24,243,281 | 6,763,090 | 32,357,453 |
| 30 | 93 | 27,864,800 | 8,021,920 | 28,041,342 | 24,644,655 | 6,907,582 | 29,782,946 | 24,644,655 | 6,907,582 | 32,771,881 |
| 31 | 94 | 28,422,096 | 8,216,838 | 28,567,689 | 25,054,057 | 7,059,284 | 30,405,984 | 25,054,057 | 7,059,284 | 33,190,277 |
| 32 | 95 | 28,990,538 | 8,412,215 | 29,108,003 | 25,471,648 | 7,210,262 | 31,047,287 | 25,471,648 | 7,210,262 | 33,620,799 |
| 33 | 96 | 29,570,349 | 8,612,139 | 29,658,483 | 25,897,589 | 7,364,580 | 31,703,203 | 25,897,589 | 7,364,580 | 34,059,611 |
| 34 | 97 | 30,161,756 | 8,816,702 | 30,219,333 | 26,332,050 | 7,521,506 | 32,374,887 | 26,332,050 | 7,521,506 | 34,507,678 |
| 35 | 98 | 30,764,991 | 9,025,996 | 30,790,759 | 26,775,200 | 7,681,908 | 33,061,904 | 26,775,200 | 7,681,908 | 34,964,369 |
| 36 | 99 | 31,380,291 | 9,236,116 | 31,376,975 | 27,227,213 | 7,841,854 | 33,768,627 | 27,227,213 | 7,841,854 | 35,433,857 |
| 37 | 100 | 32,007,896 | 9,455,159 | 31,970,194 | 27,688,266 | 8,009,417 | 34,487,440 | 27,688,266 | 8,009,417 | 35,908,317 |
| 38 | 101 | 32,648,054 | 9,679,222 | 32,574,638 | 28,158,540 | 8,179,869 | 35,223,536 | 28,158,540 | 8,179,869 | 36,392,729 |
| 39 | 102 | 33,301,015 | 9,904,406 | 33,194,531 | 28,638,220 | 8,350,082 | 35,980,517 | 28,638,220 | 8,350,082 | 36,890,477 |
| 40 | 103 | 33,967,036 | 10,138,814 | 33,822,101 | 29,127,493 | 8,528,133 | 36,750,797 | 29,127,493 | 8,528,133 | 37,393,746 |
| 41 | 104 | 34,646,376 | 10,374,551 | 34,465,583 | 29,626,552 | 8,706,098 | 37,542,800 | 29,626,552 | 8,706,098 | 37,910,727 |


|  |  | Current strategy |  |  | Gift to trust and invest in a side fund |  |  | Gift to trust and purchase life insurance |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Year | EOY age | EOY total estate | EOY estate taxes | EOY net to heirs | EOY total estate | EOY estate taxes | EOY net to heirs* | EOY total estate | EOY estate taxes | EOY net to heirs |
| 42 | 105 | 35,339,304 | 10,615,722 | 35,121,215 | 30,135,592 | 8,888,056 | 38,352,960 | 30,135,592 | 8,888,056 | 38,437,615 |
| 43 | 106 | 36,046,090 | 10,866,436 | 35,785,239 | 30,654,813 | 9,077,286 | 39,178,522 | 30,654,813 | 9,077,286 | 38,971,407 |
| 44 | 107 | 36,767,012 | 11,118,805 | 36,465,904 | 31,184,418 | 9,266,669 | 40,027,144 | 31,184,418 | 9,266,669 | 39,519,507 |
| 45 | 108 | 37,502,352 | 11,376,941 | 37,159,462 | 31,724,615 | 9,460,290 | 40,895,295 | 31,724,615 | 9,460,290 | 40,078,118 |
| 46 | 109 | 38,252,399 | 11,640,960 | 37,866,171 | 32,275,617 | 9,658,232 | 41,783,455 | 32,275,617 | 9,658,232 | 40,647,453 |
| 47 | 110 | 39,017,447 | 11,910,979 | 38,586,295 | 32,837,638 | 9,859,782 | 42,692,917 | 32,837,638 | 9,859,782 | 41,228,526 |
| 48 | 111 | 39,797,796 | 12,183,118 | 39,324,101 | 33,410,900 | 10,061,828 | 43,627,387 | 33,410,900 | 10,061,828 | 41,824,755 |
| 49 | 112 | 40,593,752 | 12,465,501 | 40,071,863 | 33,995,626 | 10,272,461 | 44,579,384 | 33,995,626 | 10,272,461 | 42,428,363 |
| 50 | 113 | 41,405,627 | 12,754,251 | 40,833,860 | 34,675,539 | 10,508,426 | 45,531,966 | 34,675,539 | 10,508,426 | 43,106,414 |
| 51 | 114 | 42,233,740 | 13,045,496 | 41,614,377 | 35,369,050 | 10,745,830 | 46,509,625 | 35,369,050 | 10,745,830 | 43,801,307 |
| 52 | 115 | 43,078,414 | 13,343,366 | 42,409,705 | 36,076,431 | 10,988,782 | 47,508,865 | 36,076,431 | 10,988,782 | 44,509,297 |
| 53 | 116 | 43,939,983 | 13,651,993 | 43,216,139 | 36,797,959 | 11,241,394 | 48,526,202 | 36,797,959 | 11,241,394 | 45,226,647 |
| 54 | 117 | 44,818,782 | 13,963,513 | 44,041,982 | 37,533,919 | 11,495,777 | 49,570,166 | 37,533,919 | 11,495,777 | 45,961,625 |
| 55 | 118 | 45,715,158 | 14,282,063 | 44,883,541 | 38,284,597 | 11,756,049 | 50,637,299 | 38,284,597 | 11,756,049 | 46,710,501 |
| 56 | 119 | 46,629,461 | 14,607,784 | 45,741,132 | 39,050,289 | 12,022,326 | 51,728,157 | 39,050,289 | 12,022,326 | 47,473,556 |
| 57 | 120 | 47,562,050 | 14,940,820 | 46,615,075 | 39,831,295 | 12,294,728 | 52,843,310 | 39,831,295 | 12,294,728 | 48,288,965 |
| 58 | 121 | 48,513,291 | 15,281,317 | 47,505,696 | 40,627,921 | 12,573,378 | 53,983,343 | 40,627,921 | 12,573,378 | 49,597,128 |

*Includes trust side fund. See detail pages.
This is a supplemental illustration authorized for distribution only when preceded or accompanied by a basic illustration from the issuer. Benefits and values may not be guaranteed;the assumptions on which they are based are subject to change by the insurer. Actual results may be more or less favorable. Refer to the basic illustration for guaranteed elements and other important information.

## Current strategy

| Year | EOY age | BOY total estate | EOY estate growth @2\% | EOY total estate | EOY estate taxes | EOY credit shelter trust | EOY net to heirs |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 1 | 66-64 | 20,000,000 | 400,000 | 20,400,000 | 0 | 0 | 20,400,000 |
| 2 | 67-65 | 20,400,000 | 408,000 | 20,808,000 | 0 | 0 | 20,808,000 |
| 3 | 68-66 | 20,808,000 | 416,160 | 21,224,160 | 0 | 0 | 21,224,160 |
| 4 | 69-67 | 21,224,160 | 424,483 | 21,648,643 | 0 | 0 | 21,648,643 |
| 5 | 70-68 | 21,648,643 | 432,973 | 22,081,616 | 0 | 0 | 22,081,616 |
| 6 | 71-69 | 22,081,616 | 441,632 | 22,523,248 | 4,089,299 | 0 | 18,433,949 |
| 7 | 72-70 | 22,523,248 | 450,465 | 22,973,713 | 4,221,485 | 0 | 18,752,228 |
| 8 | 73-71 | 22,973,713 | 459,474 | 23,433,188 | 4,357,275 | 0 | 19,075,913 |
| 9 | 74-72 | 23,433,188 | 468,664 | 23,901,851 | 4,496,741 | 0 | 19,405,111 |
| 10 | 75-73 | 23,901,851 | 478,037 | 24,379,888 | 4,631,955 | 0 | 19,747,933 |
| 11 | 76-74 | 24,379,888 | 487,598 | 24,867,486 | 4,778,994 | 0 | 20,088,492 |
| 12 | 77-75 | 24,867,486 | 497,350 | 25,364,836 | 4,921,934 | 0 | 20,442,902 |
| 13 | 78-76 | 25,364,836 | 507,297 | 25,872,133 | 5,076,853 | 0 | 20,795,280 |
| 14 | 79-77 | 25,872,133 | 517,443 | 26,389,575 | 5,227,830 | 0 | 21,161,745 |
| 15 | 80-78 | 26,389,575 | 527,792 | 26,917,367 | 5,390,947 | 0 | 21,526,420 |
| 16 | 81-79 | 26,917,367 | 538,347 | 27,455,714 | 5,550,286 | 0 | 21,905,428 |
| 17 | 82-80 | 27,455,714 | 549,114 | 28,004,828 | 5,713,931 | 0 | 22,290,897 |
| 18 | 83-81 | 28,004,828 | 560,097 | 28,564,925 | 5,881,970 | 0 | 22,682,955 |
| 19 | 84-82 | 28,564,925 | 571,298 | 29,136,223 | 6,054,489 | 0 | 23,081,734 |
| 20 | 85-83 | 29,136,223 | 582,724 | 29,718,948 | 6,231,579 | 0 | 23,487,369 |
| 21 | 86-84 | 29,718,948 | 594,379 | 30,313,327 | 6,413,331 | 0 | 23,899,996 |
| 22 | 87-85 | 30,313,327 | 606,267 | 30,919,593 | 6,599,837 | 0 | 24,319,756 |
| 23 | 88-86 | 30,919,593 | 618,392 | 31,537,985 | 6,791,194 | 0 | 24,746,791 |
| 24 | 87 | 24,257,985 | 485,160 | 24,743,145 | 6,957,258 | 7,280,000 | 25,065,887 |
| 25 | 88 | 24,743,145 | 494,863 | 25,238,008 | 7,123,203 | 7,425,600 | 25,540,405 |
| 26 | 89 | 25,238,008 | 504,760 | 25,742,768 | 7,297,107 | 7,574,112 | 26,019,773 |
| 27 | 90 | 25,742,768 | 514,855 | 26,257,623 | 7,471,049 | 7,725,594 | 26,512,168 |
| 28 | 91 | 26,257,623 | 525,152 | 26,782,776 | 7,653,110 | 7,880,106 | 27,009,772 |
| 29 | 92 | 26,782,776 | 535,656 | 27,318,431 | 7,835,373 | 8,037,708 | 27,520,767 |
| 30 | 93 | 27,318,431 | 546,369 | 27,864,800 | 8,021,920 | 8,198,462 | 28,041,342 |
| 31 | 94 | 27,864,800 | 557,296 | 28,422,096 | 8,216,838 | 8,362,432 | 28,567,689 |
| 32 | 95 | 28,422,096 | 568,442 | 28,990,538 | 8,412,215 | 8,529,680 | 29,108,003 |
| 33 | 96 | 28,990,538 | 579,811 | 29,570,349 | 8,612,139 | 8,700,274 | 29,658,483 |
| 34 | 97 | 29,570,349 | 591,407 | 30,161,756 | 8,816,702 | 8,874,279 | 30,219,333 |
| 35 | 98 | 30,161,756 | 603,235 | 30,764,991 | 9,025,996 | 9,051,765 | 30,790,759 |
| 36 | 99 | 30,764,991 | 615,300 | 31,380,291 | 9,236,116 | 9,232,800 | 31,376,975 |
| 37 | 100 | 31,380,291 | 627,606 | 32,007,896 | 9,455,159 | 9,417,456 | 31,970,194 |
| 38 | 101 | 32,007,896 | 640,158 | 32,648,054 | 9,679,222 | 9,605,805 | 32,574,638 |
| 39 | 102 | 32,648,054 | 652,961 | 33,301,015 | 9,904,406 | 9,797,922 | 33,194,531 |
| 40 | 103 | 33,301,015 | 666,020 | 33,967,036 | 10,138,814 | 9,993,880 | 33,822,101 |
| 41 | 104 | 33,967,036 | 679,341 | 34,646,376 | 10,374,551 | 10,193,758 | 34,465,583 |
| 42 | 105 | 34,646,376 | 692,928 | 35,339,304 | 10,615,722 | 10,397,633 | 35,121,215 |
| 43 | 106 | 35,339,304 | 706,786 | 36,046,090 | 10,866,436 | 10,605,585 | 35,785,239 |
| 44 | 107 | 36,046,090 | 720,922 | 36,767,012 | 11,118,805 | 10,817,697 | 36,465,904 |


| Year | EOY age | BOY total estate | EOY estate growth @2\% | EOY total estate | EOY estate taxes | EOY credit shelter trust | EOY net to heirs |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 45 | 108 | 36,767,012 | 735,340 | 37,502,352 | 11,376,941 | 11,034,051 | 37,159,462 |
| 46 | 109 | 37,502,352 | 750,047 | 38,252,399 | 11,640,960 | 11,254,732 | 37,866,171 |
| 47 | 110 | 38,252,399 | 765,048 | 39,017,447 | 11,910,979 | 11,479,827 | 38,586,295 |
| 48 | 111 | 39,017,447 | 780,349 | 39,797,796 | 12,183,118 | 11,709,423 | 39,324,101 |
| 49 | 112 | 39,797,796 | 795,956 | 40,593,752 | 12,465,501 | 11,943,612 | 40,071,863 |
| 50 | 113 | 40,593,752 | 811,875 | 41,405,627 | 12,754,251 | 12,182,484 | 40,833,860 |
| 51 | 114 | 41,405,627 | 828,113 | 42,233,740 | 13,045,496 | 12,426,134 | 41,614,377 |
| 52 | 115 | 42,233,740 | 844,675 | 43,078,414 | 13,343,366 | 12,674,656 | 42,409,705 |
| 53 | 116 | 43,078,414 | 861,568 | 43,939,983 | 13,651,993 | 12,928,149 | 43,216,139 |
| 54 | 117 | 43,939,983 | 878,800 | 44,818,782 | 13,963,513 | 13,186,712 | 44,041,982 |
| 55 | 118 | 44,818,782 | 896,376 | 45,715,158 | 14,282,063 | 13,450,447 | 44,883,541 |
| 56 | 119 | 45,715,158 | 914,303 | 46,629,461 | 14,607,784 | 13,719,456 | 45,741,132 |
| 57 | 120 | 46,629,461 | 932,589 | 47,562,050 | 14,940,820 | 13,993,845 | 46,615,075 |
| 58 | 121 | 47,562,050 | 951,241 | 48,513,291 | 15,281,317 | 14,273,722 | 47,505,696 |

This is a supplemental illustration authorized for distribution only when preceded or accompanied by a basic illustration from the issuer. Benefits and values may not be guaranteed; the assumptions on which they are based are subject to change by the insurer. Actual results may be more or less favorable. Refer to the basic illustration for guaranteed elements and other important information.

## Gift to trust and invest in a side fund

| Year | EOY age | BOY total estate | Total annual gift | EOY estate growth @2\% | EOY total estate | EOY estate taxes | EOY credit shelter trust | EOY trust side fund @3\% | EOY net to heirs |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 1 | 66-64 | 20,000,000 | 81,854 | 398,363 | 20,316,509 | 0 | 0 | 84,310 | 20,400,819 |
| 2 | 67-65 | 20,316,509 | 81,854 | 404,693 | 20,639,348 | 0 | 0 | 171,149 | 20,810,497 |
| 3 | 68-66 | 20,639,348 | 81,854 | 411,150 | 20,968,644 | 0 | 0 | 260,593 | 21,229,237 |
| 4 | 69-67 | 20,968,644 | 81,854 | 417,736 | 21,304,526 | 0 | 0 | 352,720 | 21,657,246 |
| 5 | 70-68 | 21,304,526 | 81,854 | 424,453 | 21,647,125 | 0 | 0 | 447,611 | 22,094,736 |
| 6 | 71-69 | 21,647,125 | 81,854 | 431,305 | 21,996,577 | 3,923,080 | 0 | 545,349 | 18,618,846 |
| 7 | 72-70 | 21,996,577 | 81,854 | 438,294 | 22,353,017 | 4,024,798 | 0 | 646,019 | 18,974,238 |
| 8 | 73-71 | 22,353,017 | 81,854 | 445,423 | 22,716,586 | 4,127,767 | 0 | 749,709 | 19,338,528 |
| 9 | 74-72 | 22,716,586 | 81,854 | 452,695 | 23,087,427 | 4,233,645 | 0 | 856,510 | 19,710,292 |
| 10 | 75-73 | 23,087,427 | 81,854 | 460,111 | 23,465,684 | 4,334,490 | 0 | 966,515 | 20,097,710 |
| 11 | 76-74 | 23,465,684 | 81,854 | 467,677 | 23,851,507 | 4,446,360 | 0 | 1,079,820 | 20,484,967 |
| 12 | 77-75 | 23,851,507 | 81,854 | 475,393 | 24,245,046 | 4,553,318 | 0 | 1,196,525 | 20,888,253 |
| 13 | 78-76 | 24,245,046 | 81,854 | 483,264 | 24,646,456 | 4,671,423 | 0 | 1,316,730 | 21,291,763 |
| 14 | 79-77 | 24,646,456 | 81,854 | 491,292 | 25,055,894 | 4,783,140 | 0 | 1,440,541 | 21,713,295 |
| 15 | 80-78 | 25,055,894 | 81,854 | 499,481 | 25,473,521 | 4,906,132 | 0 | 1,568,067 | 22,135,456 |
| 16 | 81-79 | 25,473,521 | 81,854 | 507,833 | 25,899,500 | 5,024,466 | 0 | 1,699,419 | 22,574,453 |
| 17 | 82-80 | 25,899,500 | 81,854 | 516,353 | 26,333,999 | 5,146,207 | 0 | 1,834,711 | 23,022,503 |
| 18 | 83-81 | 26,333,999 | 81,854 | 525,043 | 26,777,188 | 5,271,424 | 0 | 1,974,062 | 23,479,826 |
| 19 | 84-82 | 26,777,188 | 81,854 | 533,907 | 27,229,241 | 5,398,587 | 0 | 2,117,594 | 23,948,248 |
| 20 | 85-83 | 27,229,241 | 81,854 | 542,948 | 27,690,334 | 5,529,366 | 0 | 2,265,431 | 24,426,400 |
| 21 | 86-84 | 27,690,334 | 81,854 | 552,170 | 28,160,650 | 5,663,834 | 0 | 2,417,704 | 24,914,520 |
| 22 | 87-85 | 28,160,650 | 81,854 | 561,576 | 28,640,372 | 5,802,064 | 0 | 2,574,544 | 25,412,852 |
| 23 | 88-86 | 28,640,372 | 81,854 | 571,170 | 29,129,688 | 5,944,132 | 0 | 2,736,090 | 25,921,646 |
| 24 | 87 | 21,995,009 | 81,854 | 438,263 | 22,351,418 | 6,075,437 | 7,134,679 | 2,902,483 | 26,313,143 |
| 25 | 88 | 22,351,418 | 81,854 | 445,391 | 22,714,956 | 6,205,594 | 7,277,373 | 3,073,867 | 26,860,601 |
| 26 | 89 | 22,714,956 | 81,854 | 452,662 | 23,085,764 | 6,342,659 | 7,422,920 | 3,250,392 | 27,416,417 |
| 27 | 90 | 23,085,764 | 81,854 | 460,078 | 23,463,988 | 6,478,690 | 7,571,378 | 3,432,214 | 27,988,890 |
| 28 | 91 | 23,463,988 | 81,854 | 467,643 | 23,849,776 | 6,621,747 | 7,722,806 | 3,619,490 | 28,570,325 |
| 29 | 92 | 23,849,776 | 81,854 | 475,358 | 24,243,281 | 6,763,090 | 7,877,262 | 3,812,384 | 29,169,837 |
| 30 | 93 | 24,243,281 | 81,854 | 483,229 | 24,644,655 | 6,907,582 | 8,034,807 | 4,011,065 | 29,782,946 |
| 31 | 94 | 24,644,655 | 81,854 | 491,256 | 25,054,057 | 7,059,284 | 8,195,504 | 4,215,707 | 30,405,984 |
| 32 | 95 | 25,054,057 | 81,854 | 499,444 | 25,471,648 | 7,210,262 | 8,359,414 | 4,426,488 | 31,047,287 |
| 33 | 96 | 25,471,648 | 81,854 | 507,796 | 25,897,589 | 7,364,580 | 8,526,602 | 4,643,592 | 31,703,203 |
| 34 | 97 | 25,897,589 | 81,854 | 516,315 | 26,332,050 | 7,521,506 | 8,697,134 | 4,867,209 | 32,374,887 |
| 35 | 98 | 26,332,050 | 81,854 | 525,004 | 26,775,200 | 7,681,908 | 8,871,077 | 5,097,535 | 33,061,904 |
| 36 | 99 | 26,775,200 | 81,854 | 533,867 | 27,227,213 | 7,841,854 | 9,048,498 | 5,334,771 | 33,768,627 |
| 37 | 100 | 27,227,213 | 81,854 | 542,907 | 27,688,266 | 8,009,417 | 9,229,468 | 5,579,124 | 34,487,440 |
| 38 | 101 | 27,688,266 | 81,854 | 552,128 | 28,158,540 | 8,179,869 | 9,414,057 | 5,830,807 | 35,223,536 |
| 39 | 102 | 28,158,540 | 81,854 | 561,534 | 28,638,220 | 8,350,082 | 9,602,339 | 6,090,041 | 35,980,517 |
| 40 | 103 | 28,638,220 | 81,854 | 571,127 | 29,127,493 | 8,528,133 | 9,794,385 | 6,357,052 | 36,750,797 |
| 41 | 104 | 29,127,493 | 81,854 | 580,913 | 29,626,552 | 8,706,098 | 9,990,273 | 6,632,073 | 37,542,800 |
| 42 | 105 | 29,626,552 | 81,854 | 590,894 | 30,135,592 | 8,888,056 | 10,190,079 | 6,915,345 | 38,352,960 |
| 43 | 106 | 30,135,592 | 81,854 | 601,075 | 30,654,813 | 9,077,286 | 10,393,880 | 7,207,114 | 39,178,522 |
| 44 | 107 | 30,654,813 | 81,854 | 611,459 | 31,184,418 | 9,266,669 | 10,601,758 | 7,507,638 | 40,027,144 |


| Year | EOY age | BOY total estate | Total annual gift | EOY estate growth @2\% | EOY total estate | EOY estate taxes | EOY credit shelter trust | EOY trust side fund @3\% | EOY net to heirs |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 45 | 108 | 31,184,418 | 81,854 | 622,051 | 31,724,615 | 9,460,290 | 10,813,793 | 7,817,176 | 40,895,295 |
| 46 | 109 | 31,724,615 | 81,854 | 632,855 | 32,275,617 | 9,658,232 | 11,030,069 | 8,136,001 | 41,783,455 |
| 47 | 110 | 32,275,617 | 81,854 | 643,875 | 32,837,638 | 9,859,782 | 11,250,670 | 8,464,391 | 42,692,917 |
| 48 | 111 | 32,837,638 | 81,854 | 655,116 | 33,410,900 | 10,061,828 | 11,475,683 | 8,802,632 | 43,627,387 |
| 49 | 112 | 33,410,900 | 81,854 | 666,581 | 33,995,626 | 10,272,461 | 11,705,197 | 9,151,021 | 44,579,384 |
| 50 | 113 | 33,995,626 | 0 | 679,913 | 34,675,539 | 10,508,426 | 11,939,301 | 9,425,551 | 45,531,966 |
| 51 | 114 | 34,675,539 | 0 | 693,511 | 35,369,050 | 10,745,830 | 12,178,087 | 9,708,318 | 46,509,625 |
| 52 | 115 | 35,369,050 | 0 | 707,381 | 36,076,431 | 10,988,782 | 12,421,649 | 9,999,567 | 47,508,865 |
| 53 | 116 | 36,076,431 | 0 | 721,529 | 36,797,959 | 11,241,394 | 12,670,082 | 10,299,555 | 48,526,202 |
| 54 | 117 | 36,797,959 | 0 | 735,959 | 37,533,919 | 11,495,777 | 12,923,483 | 10,608,541 | 49,570,166 |
| 55 | 118 | 37,533,919 | 0 | 750,678 | 38,284,597 | 11,756,049 | 13,181,953 | 10,926,797 | 50,637,299 |
| 56 | 119 | 38,284,597 | 0 | 765,692 | 39,050,289 | 12,022,326 | 13,445,592 | 11,254,601 | 51,728,157 |
| 57 | 120 | 39,050,289 | 0 | 781,006 | 39,831,295 | 12,294,728 | 13,714,504 | 11,592,239 | 52,843,310 |
| 58 | 121 | 39,831,295 | 0 | 796,626 | 40,627,921 | 12,573,378 | 13,988,794 | 11,940,007 | 53,983,343 |
| Totals |  |  | \$4,010,846 |  |  |  |  |  |  |

This is a supplemental illustration authorized for distribution only when preceded or accompanied by a basic illustration from the issuer. Benefits and values may not be guaranteed; the assumptions on which they are based are subject to change by the insurer. Actual results may be more or less favorable. Refer to the basic illustration for guaranteed elements and other important information.

## Gift to trust and purchase life insurance

| Year | EOY age | BOY total estate | Total annual gift | EOY estate growth @2\% | EOY total estate | EOY estate taxes | EOY credit shelter trust | EOY death benefit from proposed life insurance in trust | EOY net to heirs |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 1 | 66-64 | 20,000,000 | 81,854 | 398,363 | 20,316,509 | 0 | 0 | 15,555,556 | 35,872,065 |
| 2 | 67-65 | 20,316,509 | 81,854 | 404,693 | 20,639,348 | 0 | 0 | 15,555,556 | 36,194,904 |
| 3 | 68-66 | 20,639,348 | 81,854 | 411,150 | 20,968,644 | 0 | 0 | 15,555,556 | 36,524,200 |
| 4 | 69-67 | 20,968,644 | 81,854 | 417,736 | 21,304,526 | 0 | 0 | 15,555,556 | 36,860,082 |
| 5 | 70-68 | 21,304,526 | 81,854 | 424,453 | 21,647,125 | 0 | 0 | 7,000,000 | 28,647,125 |
| 6 | 71-69 | 21,647,125 | 81,854 | 431,305 | 21,996,577 | 3,923,080 | 0 | 7,000,000 | 25,073,496 |
| 7 | 72-70 | 21,996,577 | 81,854 | 438,294 | 22,353,017 | 4,024,798 | 0 | 7,000,000 | 25,328,219 |
| 8 | 73-71 | 22,353,017 | 81,854 | 445,423 | 22,716,586 | 4,127,767 | 0 | 7,000,000 | 25,588,819 |
| 9 | 74-72 | 22,716,586 | 81,854 | 452,695 | 23,087,427 | 4,233,645 | 0 | 7,000,000 | 25,853,782 |
| 10 | 75-73 | 23,087,427 | 81,854 | 460,111 | 23,465,684 | 4,334,490 | 0 | 7,000,000 | 26,131,195 |
| 11 | 76-74 | 23,465,684 | 81,854 | 467,677 | 23,851,507 | 4,446,360 | 0 | 7,000,000 | 26,405,147 |
| 12 | 77-75 | 23,851,507 | 81,854 | 475,393 | 24,245,046 | 4,553,318 | 0 | 7,000,000 | 26,691,728 |
| 13 | 78-76 | 24,245,046 | 81,854 | 483,264 | 24,646,456 | 4,671,423 | 0 | 7,000,000 | 26,975,033 |
| 14 | 79-77 | 24,646,456 | 81,854 | 491,292 | 25,055,894 | 4,783,140 | 0 | 7,000,000 | 27,272,754 |
| 15 | 80-78 | 25,055,894 | 81,854 | 499,481 | 25,473,521 | 4,906,132 | 0 | 7,000,000 | 27,567,388 |
| 16 | 81-79 | 25,473,521 | 81,854 | 507,833 | 25,899,500 | 5,024,466 | 0 | 7,000,000 | 27,875,034 |
| 17 | 82-80 | 25,899,500 | 81,854 | 516,353 | 26,333,999 | 5,146,207 | 0 | 7,000,000 | 28,187,792 |
| 18 | 83-81 | 26,333,999 | 81,854 | 525,043 | 26,777,188 | 5,271,424 | 0 | 7,000,000 | 28,505,764 |
| 19 | 84-82 | 26,777,188 | 81,854 | 533,907 | 27,229,241 | 5,398,587 | 0 | 7,000,000 | 28,830,654 |
| 20 | 85-83 | 27,229,241 | 81,854 | 542,948 | 27,690,334 | 5,529,366 | 0 | 7,000,000 | 29,160,969 |
| 21 | 86-84 | 27,690,334 | 81,854 | 552,170 | 28,160,650 | 5,663,834 | 0 | 7,000,000 | 29,496,816 |
| 22 | 87-85 | 28,160,650 | 81,854 | 561,576 | 28,640,372 | 5,802,064 | 0 | 7,000,000 | 29,838,308 |
| 23 | 88-86 | 28,640,372 | 81,854 | 571,170 | 29,129,688 | 5,944,132 | 0 | 7,000,000 | 30,185,556 |
| 24 | 87 | 21,995,009 | 81,854 | 438,263 | 22,351,418 | 6,075,437 | 7,134,679 | 7,000,000 | 30,410,660 |
| 25 | 88 | 22,351,418 | 81,854 | 445,391 | 22,714,956 | 6,205,594 | 7,277,373 | 7,000,000 | 30,786,734 |
| 26 | 89 | 22,714,956 | 81,854 | 452,662 | 23,085,764 | 6,342,659 | 7,422,920 | 7,000,000 | 31,166,025 |
| 27 | 90 | 23,085,764 | 81,854 | 460,078 | 23,463,988 | 6,478,690 | 7,571,378 | 7,000,000 | 31,556,676 |
| 28 | 91 | 23,463,988 | 81,854 | 467,643 | 23,849,776 | 6,621,747 | 7,722,806 | 7,000,000 | 31,950,835 |
| 29 | 92 | 23,849,776 | 81,854 | 475,358 | 24,243,281 | 6,763,090 | 7,877,262 | 7,000,000 | 32,357,453 |
| 30 | 93 | 24,243,281 | 81,854 | 483,229 | 24,644,655 | 6,907,582 | 8,034,807 | 7,000,000 | 32,771,881 |
| 31 | 94 | 24,644,655 | 81,854 | 491,256 | 25,054,057 | 7,059,284 | 8,195,504 | 7,000,000 | 33,190,277 |
| 32 | 95 | 25,054,057 | 81,854 | 499,444 | 25,471,648 | 7,210,262 | 8,359,414 | 7,000,000 | 33,620,799 |
| 33 | 96 | 25,471,648 | 81,854 | 507,796 | 25,897,589 | 7,364,580 | 8,526,602 | 7,000,000 | 34,059,611 |
| 34 | 97 | 25,897,589 | 81,854 | 516,315 | 26,332,050 | 7,521,506 | 8,697,134 | 7,000,000 | 34,507,678 |
| 35 | 98 | 26,332,050 | 81,854 | 525,004 | 26,775,200 | 7,681,908 | 8,871,077 | 7,000,000 | 34,964,369 |
| 36 | 99 | 26,775,200 | 81,854 | 533,867 | 27,227,213 | 7,841,854 | 9,048,498 | 7,000,000 | 35,433,857 |
| 37 | 100 | 27,227,213 | 81,854 | 542,907 | 27,688,266 | 8,009,417 | 9,229,468 | 7,000,000 | 35,908,317 |
| 38 | 101 | 27,688,266 | 81,854 | 552,128 | 28,158,540 | 8,179,869 | 9,414,057 | 7,000,000 | 36,392,729 |
| 39 | 102 | 28,158,540 | 81,854 | 561,534 | 28,638,220 | 8,350,082 | 9,602,339 | 7,000,000 | 36,890,477 |
| 40 | 103 | 28,638,220 | 81,854 | 571,127 | 29,127,493 | 8,528,133 | 9,794,385 | 7,000,000 | 37,393,746 |
| 41 | 104 | 29,127,493 | 81,854 | 580,913 | 29,626,552 | 8,706,098 | 9,990,273 | 7,000,000 | 37,910,727 |


| Year | EOY age | BOY total estate | Total annual gift | EOY estate growth @2\% | EOY total estate | EOY estate taxes | EOY credit shelter trust | EOY death benefit from proposed life insurance in trust | EOY net to heirs |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 42 | 105 | 29,626,552 | 81,854 | 590,894 | 30,135,592 | 8,888,056 | 10,190,079 | 7,000,000 | 38,437,615 |
| 43 | 106 | 30,135,592 | 81,854 | 601,075 | 30,654,813 | 9,077,286 | 10,393,880 | 7,000,000 | 38,971,407 |
| 44 | 107 | 30,654,813 | 81,854 | 611,459 | 31,184,418 | 9,266,669 | 10,601,758 | 7,000,000 | 39,519,507 |
| 45 | 108 | 31,184,418 | 81,854 | 622,051 | 31,724,615 | 9,460,290 | 10,813,793 | 7,000,000 | 40,078,118 |
| 46 | 109 | 31,724,615 | 81,854 | 632,855 | 32,275,617 | 9,658,232 | 11,030,069 | 7,000,000 | 40,647,453 |
| 47 | 110 | 32,275,617 | 81,854 | 643,875 | 32,837,638 | 9,859,782 | 11,250,670 | 7,000,000 | 41,228,526 |
| 48 | 111 | 32,837,638 | 81,854 | 655,116 | 33,410,900 | 10,061,828 | 11,475,683 | 7,000,000 | 41,824,755 |
| 49 | 112 | 33,410,900 | 81,854 | 666,581 | 33,995,626 | 10,272,461 | 11,705,197 | 7,000,000 | 42,428,363 |
| 50 | 113 | 33,995,626 | 0 | 679,913 | 34,675,539 | 10,508,426 | 11,939,301 | 7,000,000 | 43,106,414 |
| 51 | 114 | 34,675,539 | 0 | 693,511 | 35,369,050 | 10,745,830 | 12,178,087 | 7,000,000 | 43,801,307 |
| 52 | 115 | 35,369,050 | 0 | 707,381 | 36,076,431 | 10,988,782 | 12,421,649 | 7,000,000 | 44,509,297 |
| 53 | 116 | 36,076,431 | 0 | 721,529 | 36,797,959 | 11,241,394 | 12,670,082 | 7,000,000 | 45,226,647 |
| 54 | 117 | 36,797,959 | 0 | 735,959 | 37,533,919 | 11,495,777 | 12,923,483 | 7,000,000 | 45,961,625 |
| 55 | 118 | 37,533,919 | 0 | 750,678 | 38,284,597 | 11,756,049 | 13,181,953 | 7,000,000 | 46,710,501 |
| 56 | 119 | 38,284,597 | 0 | 765,692 | 39,050,289 | 12,022,326 | 13,445,592 | 7,000,000 | 47,473,556 |
| 57 | 120 | 39,050,289 | 0 | 781,006 | 39,831,295 | 12,294,728 | 13,714,504 | 7,037,895 | 48,288,965 |
| 58 | 121 | 39,831,295 | 0 | 796,626 | 40,627,921 | 12,573,378 | 13,988,794 | 7,553,791 | 49,597,128 |

Totals
\$4,010,846

This is a supplemental illustration authorized for distribution only when preceded or accompanied by a basic illustration from the issuer. Benefits and values may not be guaranteed; the assumptions on which they are based are subject to change by the insurer. Actual results may be more or less favorable. Refer to the basic illustration for guaranteed elements and other important information.

Projected lifetime exemption and annual exclusion amounts based on indexing rate selected

| Year | Calendar year | Lifetime exemption indexed <br> @1\% | Annual exclusion indexed @1\% |
| :---: | :---: | :---: | :---: |
| 1 | 2021 | 11,700,000 | 15,000 |
| 2 | 2022 | 11,820,000 | 16,000 |
| 3 | 2023 | 11,930,000 | 16,000 |
| 4 | 2024 | 12,050,000 | 16,000 |
| 5 | 2025 | 12,170,000 | 16,000 |
| 6 | 2026 | 6,150,000 | 16,000 |
| 7 | 2027 | 6,210,000 | 16,000 |
| 8 | 2028 | 6,270,000 | 17,000 |
| 9 | 2029 | 6,330,000 | 17,000 |
| 10 | 2030 | 6,400,000 | 17,000 |
| 11 | 2031 | 6,460,000 | 17,000 |
| 12 | 2032 | 6,530,000 | 17,000 |
| 13 | 2033 | 6,590,000 | 17,000 |
| 14 | 2034 | 6,660,000 | 18,000 |
| 15 | 2035 | 6,720,000 | 18,000 |
| 16 | 2036 | 6,790,000 | 18,000 |
| 17 | 2037 | 6,860,000 | 18,000 |
| 18 | 2038 | 6,930,000 | 18,000 |
| 19 | 2039 | 7,000,000 | 19,000 |
| 20 | 2040 | 7,070,000 | 19,000 |
| 21 | 2041 | 7,140,000 | 19,000 |
| 22 | 2042 | 7,210,000 | 19,000 |
| 23 | 2043 | 7,280,000 | 19,000 |
| 24 | 2044 | 7,350,000 | 20,000 |
| 25 | 2045 | 7,430,000 | 20,000 |
| 26 | 2046 | 7,500,000 | 20,000 |
| 27 | 2047 | 7,580,000 | 20,000 |
| 28 | 2048 | 7,650,000 | 20,000 |
| 29 | 2049 | 7,730,000 | 21,000 |


| Year | Calendar year | Lifetime exemption indexed @1\% | Annual exclusion indexed @1\% |
| :---: | :---: | :---: | :---: |
| 30 | 2050 | 7,810,000 | 21,000 |
| 31 | 2051 | 7,880,000 | 21,000 |
| 32 | 2052 | 7,960,000 | 21,000 |
| 33 | 2053 | 8,040,000 | 21,000 |
| 34 | 2054 | 8,120,000 | 22,000 |
| 35 | 2055 | 8,200,000 | 22,000 |
| 36 | 2056 | 8,290,000 | 22,000 |
| 37 | 2057 | 8,370,000 | 22,000 |
| 38 | 2058 | 8,450,000 | 23,000 |
| 39 | 2059 | 8,540,000 | 23,000 |
| 40 | 2060 | 8,620,000 | 23,000 |
| 41 | 2061 | 8,710,000 | 23,000 |
| 42 | 2062 | 8,800,000 | 23,000 |
| 43 | 2063 | 8,880,000 | 24,000 |
| 44 | 2064 | 8,970,000 | 24,000 |
| 45 | 2065 | 9,060,000 | 24,000 |
| 46 | 2066 | 9,150,000 | 24,000 |
| 47 | 2067 | 9,240,000 | 25,000 |
| 48 | 2068 | 9,340,000 | 25,000 |
| 49 | 2069 | 9,430,000 | 25,000 |
| 50 | 2070 | 9,520,000 | 25,000 |
| 51 | 2071 | 9,620,000 | 26,000 |
| 52 | 2072 | 9,720,000 | 26,000 |
| 53 | 2073 | 9,810,000 | 26,000 |
| 54 | 2074 | 9,910,000 | 26,000 |
| 55 | 2075 | 10,010,000 | 27,000 |
| 56 | 2076 | 10,110,000 | 27,000 |
| 57 | 2077 | 10,210,000 | 27,000 |
| 58 | 2078 | 10,310,000 | 28,000 |

*2026 is the year that under current law the lifetime exemption reverts to $\$ 5 \mathrm{M}$ indexed for inflation.

## Glossary of column headings and inputs

BOY - values at the beginning of the year
Credit Shelter Trust (CST) - if selected, the presentation will assume that the CST is funded using the deceased spouse's remaining lifetime exemption amount
Death benefit from existing life insurance in estate - the death benefit from previously purchased life insurance owned personally, if any
Death benefit from existing life insurance in trust - the death benefit from previously purchased life insurance owned in the ILIT if any
Death benefit from gifted and existing life insurance in trustthe total death benefit from previously purchased insurance owned in the ILIT plus the insurance illustrated as having been gifted to the ILIT, if any
Death benefit from life insurance gifted to trust - the death benefit from previously purchased insurance that is being illustrated as gifted to the ILIT in the proposed plan, if any
Death benefit from proposed life insurance - the death benefit from the illustrated new purchase of life insurance by the ILIT
EOY - values at the end of the year
Estate growth - growth rate applied to the total estate using the growth rate selected
Estate taxes - the federal estate taxes calculated using the EOY total estate based on current year exemptions and indexed per inflation as selected
Future inheritance - an expected inheritance that is anticipated to be received. The amount is assumed received by the estate at the beginning of year 1 and will grow at the estate growth rate, but capped at 5\%, for the first 10 years, and is then level for all subsequent years
Gift taxes - if the annual gifts you make to the ILIT result in gift taxes due, this column reflects the gift taxes and pays them from the estate assets
Lifetime exemption amount - the full amount of assets that at death can pass to heirs free of gift or estate taxes, based on current year exemptions and indexed per inflation as selected
Net to heirs - the total amount passing to your heirs after estate taxes are paid

Number of annual exclusions - the number of ILIT
beneficiaries used to calculate the annual exclusion gift to the ILIT
Portability amount - if selected, the presentation will assume that the deceased spouse's remaining lifetime exemption amount is added to the lifetime exemption amount of the surviving spouse. If the surviving spouse makes subsequent taxable gifts (ie in excess of surviving spouses, annual exclusions), the deceased spouse's, unused exemption will be applied first until exhausted and then the surviving spouse's, exemption will be used
Premium for existing life insurance in estate - premium paid for an existing policy owned personally, if any
Premium gift for existing life insurance in trust - gifts made to the ILIT for previously purchased life insurance in the ILIT, if any
Premium gift for gifted and existing life insurance in trust

- the gift made for premium for previously purchased insurance owned in the ILIT plus insurance illustrated as having been gifted to the ILIT, if any
Premium gift for life insurance gifted to trust - the gift made for premium for previously purchased insurance owned personally that is illustrated as having been gifted to the ILIT in the proposed plan
Total annual gift - the total gifts to the ILIT a in given year includes gifts of insurance premiums and other assets invested in the trust's side fund
Total estate - assets held in your estate in a given year and which may include personally-owned life insurance and projected future inheritance (if applicable). A growth rate may be applied
Total life insurance death benefit in trust - the total death benefit from all policies (existing and proposed) owned by the ILIT
Total premium paid - the total premium paid for all life insurance policies (existing and proposed) owned by the ILIT
Total trust assets - the total of all assets in the ILIT
Trust side fund - The amount of non-insurance assets in the ILIT growing at the rate selected

Depending on the specific options selected, some glossary terms may not appear in the summary pages.

## Disclosures

The policy contains specific exclusions, limitations, terms for keeping it in force, and termination provisions. Its availability and terms may vary by state. Contact your licensed agent or John Hancock for further details, as well as additional information on policy costs and features.

This presentation is a planning tool designed to assist you in exploring the advantages of life insurance. However, this presentation is not intended to be a retirement/benefit or estate plan, nor is it a specific recommendation for a retirement/benefit or estate plan. This material is for informational purposes only. Although many of the topics presented may also involve legal, tax, accounting or other issues, neither John Hancock nor any of its agents, employees, or registered representatives are in the business of offering such advice, and this presentation and any other oral or written communication should not be construed as such. Individuals interested in these topics should consult their own professional advisors to examine tax, legal, accounting, or financial planning aspects of this topic. As you explore your planning needs with your legal and tax advisors, we hope that you find this analysis useful.

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This presentation assumes that the life insurance policy meets the definition of life insurance per Internal Revenue Code Section 7702(a) and is not taxed as a modified endowment contract. Withdrawals and loans from life insurance policies have the effect of reducing the death benefit and cash surrender value and may cause the policy to lapse. Surrender or lapse of the policy can cause loss of death benefit and adverse income tax consequences.

This material does not constitute tax, legal, investment or accounting advice and is not intended for use by a taxpayer for the purposes of avoiding any IRS penalty. Comments on taxation are based on tax law current as of the time we produced the material.
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Vitality is the provider of the John Hancock Vitality Program in connection with policies issued by John Hancock.

## MLINYO92420230

INSURANCE PRODUCTS :

| Not FDIC Insured | No Bank Guaranteed | May Lose Value |
| :--- | :---: | :--- |
| Not a Deposit |  | Not Insured by Any Federal Government Agency |

## Vitality PLUS

At John Hancock, we believe in helping people live longer, healthier lives. With the John Hancock Vitality Program, you'll be rewarded for the everyday things you do to be healthy, like exercising, eating well, and getting annual check-ups.

## Vitality PLUS offers

- Premium savings or more income potential
- A one-year Amazon Prime membership when you reach Platinum Status three years in a row
- An Apple Watch ${ }^{\circledR}$ for as little as $\$ 25$ by exercising regularly or a complimentary device ${ }^{1}$
- Up to $\$ 600$ in savings on fresh fruit and vegetables ${ }^{2}$
- Exclusive discounts at more than 350,000 eligible properties around the world with Hotels.com
- A free 12-month subscription to Headspace ${ }^{\circledR}$, a top-rated meditation app with millions of users in more than 190 countries $^{3}$
- Entertainment, shopping, and travel rewards

Whether you enjoy healthy living today or simply aspire to live a healthier life, life insurance with Vitality PLUS provides a personalized program just for you.
Once your life insurance policy is issued, you can register for the program on the John Hancock Vitality member website and order your Apple Watch or a complimentary device. Then you'll be ready to get active, get rewarded, and start saving with John Hancock Vitality.

## It's easy and fun



## Earn Vitality Points

for healthy activities like walking, exercising and buying healthy food


Achieve a Vitality Status
(Bronze, Silver, Gold, or Platinum) based on the number of points you earn


Get rewarded
for your healthy habits with savings and discounts

## Protection Survivorship Indexed UL

The table below is a hypothetical comparison of what your premiums would be at each of the Vitality Status levels, keeping all other assumptions constant from your basic illustration.

## Premiums at various status levels

MALE, 65, PREFERRED NONSMOKER, FEMALE, 63, PREFERRED NONSMOKER, \$7,000,000, PREMIUMS PAID FOR 49 YEARS

| Assumed Status | Annualized Premium | Guaranteed Death Benefit Duration |
| :--- | :---: | :---: |
| Bronze / Bronze | $\$ 81,854$ | 29 |
| Silver / Silver | $\$ 79,300$ | 29 |
| Gold / Gold | $\$ 75,372$ | 28 |
| Platinum / Platinum | $\$ 73,918$ | 28 |

This presentation is not intended to predict actual performance, and not all benefits and values are guaranteed. The assumptions on which the nonguaranteed elements are based are subject to change by the insurer, including the Status Qualification requirements. Actual results may be more or less favorable. This presentation is not valid unless presented with a complete basic illustration which explains guaranteed and non-guaranteed elements. Additional illustrations showing various Assumed Statuses can be obtained from your insurance producer. The figures above assume the particular Vitality Status is achieved in all years.

## Meeting policy objectives with LifeTrack

You may also choose one of two billing options for your life insurance policy with Vitality PLUS:

## Traditional billing

With traditional billing, you'll receive a premium notice each year based on the planned premium outlined in your policy. Since this planned premium won't change with interest rates and other policy assumptions, your policy could perform in a way that differs from your insurance objectives.

## LifeTrack

LifeTrack is an optional and complimentary service, where your billed premium automatically adjusts each policy year based on changes in interest rates and other policy assumptions, helping you pay the premium that will keep you on track to achieve your insurance objectives.

[^3]Premium Savings will apply based on the Status attained by the Life Insured(s).
Rewards and discounts are subject to change and are not guaranteed to remain the same for the life of the policy.
This presentation is not valid unless presented with a complete basic illustration. Insurance products are

# A LIFE INSURANCE POLICY ILLUSTRATION 

A Flexible Premium Survivorship Universal Life Insurance Policy Valuable Information About Your Life Insurance Illustration<br>Protection Survivorship Indexed UL Form: 19PSIUL<br>Presented By: Trusted Financial Professional<br>Illustration Assumptions<br>Valued Client<br>Male - 65 - Preferred NonSmoker Initial Assumed Status: Bronze<br>Valued Client<br>Female - 63-Preferred NonSmoker Initial Assumed Status: Bronze<br>Initial Death Benefit \$7,000,000<br>Base Face Amount \$7,000,000<br>Initial Planned Premium: \$81,854.00 / Billing Mode: Annual<br>Death Benefit Option 1; Cash Value Accumulation Test State: Massachusetts<br>Based on Curr Charges and Initial Assumed Segment Growth Rate of 5.54\%

Protection Survivorship Indexed Universal Life Insurance
The Protection Survivorship Indexed Universal Life Insurance policy which you are considering provides flexible death benefit protection on two lives and premium payment flexibility. The values in the insurance policy are based on several factors, including:

- The amount and timing of each premium payment;
- Interest earned in a Fixed Account (referred to contractually as the Guaranteed Interest Account) or in one of the Indexed Accounts included within the Index Appreciation Account ('Indexed Accounts') for amounts not yet designated to a Segment;
- Index Segment Interest Credits (earned by Segments in the Index Appreciation Account on a Segment Maturity Date); and
- Cost of Insurance and other charges.

Your net premiums are added to your Policy Value. You may allocate premiums to one or more of the Indexed Accounts and/or to the Fixed Account. The Indexed Accounts offered in the policy are:

- Base Capped Indexed Account
- Base High Par Capped Indexed Account
- Capped Indexed Account
- High Capped Indexed Account
- High Par Capped Indexed Account
- Capped Hang Seng Indexed Account

Certain aspects of the policy cannot be predicted with certainty. These nonguaranteed elements are described on the following pages. For example, the interest rate credited to the Fixed Account may exceed its guaranteed rate, Index Segment Interest Credits may exceed the Segment Floor Rate, and monthly charges may be less than the maximum guaranteed charges. These rates and charges may also vary from those illustrated. In addition, we may change the Segment Cap Rate, Participation Rate, and other factors.

This is an illustration only and is not intended to predict actual performance. Capitalized terms throughout the
illustration have specific meanings to the policy and are defined either here or in the policy contract. Descriptions provided in this illustration are meant as a summary of the product and its features; however it does not supersede, nor should it be considered a substitute for the policy contract.

## How a Protection Survivorship Indexed UL Policy Credits Interest

Protection Survivorship Indexed UL policy premium payments may be allocated (after deduction of a Premium Charge) to the Fixed Account, Indexed Account, or any combination of these options. This section outlines basic Protection Survivorship Indexed UL interest crediting; however the policy contract provides full details.

- Amounts held in the Fixed Account (as well as amounts you have allocated to an Indexed Account that have not yet been designated to a Segment) earn a rate of interest as described in the Fixed Account - Interest Rate section.
- Amounts that you allocate to the Indexed Accounts form individual Segments within the Indexed Account(s) chosen. Segments are formed once per calendar month, on a Segment Initiation Date, and may earn an Index Segment Interest Credit at the end of a one year Segment Term. The Index Segment Interest Credit proceeds are calculated and earned at Segment Maturity only. If the policy terminates prior to a Segment Maturity Date, any unmatured Segments will not earn an interest credit. This is further described in the following Indexed Account sections.
- The Index Segment Interest Credit is calculated using a formula described in the policy that references an outside Index (ex. Standard \& Poor's 500 Composite Stock Price Index), excluding dividends and as measured on a point-to-point basis. The policy does not directly participate in any stock or equity investments.
- All of the Indexed Accounts have a guaranteed Segment Floor Rate of 0\%; however each reflects the positive performance of the Index differently. These differences are summarized in the following sections, and described fully in the policy.
- As each Segment matures, you can choose to


## A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Survivorship Universal Life Insurance Policy Protection Survivorship Indexed UL Form: 19PSIUL Valuable Information About Your Life Insurance Illustration (cont'd)<br>Presented By: Trusted Financial Professional

Illustration Assumptions

Valued Client<br>Male - 65-Preferred NonSmoker Initial Assumed Status: Bronze<br>Valued Client<br>Female - 63-Preferred NonSmoker Initial Assumed Status: Bronze<br>allocate the Segment Proceeds to a different account option, or by default have it rollover to a new<br>Segment of the same account type.

Initial Death Benefit \$7,000,000
Base Face Amount \$7,000,000
Initial Planned Premium: \$81,854.00 / Billing Mode: Annual
Death Benefit Option 1; Cash Value Accumulation Test
State: Massachusetts
Based on Curr Charges and Initial Assumed Segment Growth Rate of 5.54\%

Your Policy Value comprises the Fixed Account, the Index Appreciation Account, and a Loan Account, when applicable. We deduct the Monthly Deduction and any other charges from the Fixed Account and the Index Appreciation Account proportionately. Like other types of Universal Life policies, you may also take policy loans or withdrawals from the Policy Value, subject to certain limits and restrictions.

## Base Capped Indexed Account

Segments in the Base Capped Indexed Account may earn an Index Segment Interest Credit based on the performance of the Index, subject to the following:

- $12.5 \%$ current Segment Cap Rate
(guaranteed 3.00\% Segment Minimum Cap Rate);
- 0\% guaranteed Segment Floor Rate;
- S\&P 500® Index, without dividends;
- One year Segment Term;
- $100 \%$ current and guaranteed Participation Rate.


## Base High Par Capped Indexed Account

Segments in the Base High Par Capped Indexed Account may earn an Index Segment Interest Credit based on the performance of the Index, subject to the following:

- $8.75 \%$ current Segment Cap Rate (guaranteed 2.50\% Segment Minimum Cap Rate);
- 0\% guaranteed Segment Floor Rate;
- S\&P 500® Index, without dividends;
- One year Segment Term;
- 160\% current Participation Rate (guaranteed 140\%

Participation Rate).

## Capped Indexed Account

Segments in the Capped Indexed Account may earn an Index Segment Interest Credit based on the performance of the Index, subject to the following:

- $9.0 \%$ current Segment Cap Rate
(guaranteed 3.25\% Segment Minimum Cap Rate);
- 0\% guaranteed Segment Floor Rate;
- S\&P 500® Index, without dividends;
- One year Segment Term;
- $100 \%$ current and guaranteed Participation Rate;
- 65\% guaranteed Capped Indexed Account Multiplier;
- $1.98 \%$ annualized Indexed Performance Charge.


## High Capped Indexed Account

Segments in the High Capped Indexed Account may earn an Index Segment Interest Credit based on the performance of the Index, subject to the following:

- 12.25\% current Segment Cap Rate (guaranteed 3.75\% Segment Minimum Cap Rate);
- 0\% guaranteed Segment Floor Rate;
- S\&P 500® Index, without dividends;
- One year Segment Term;
- $100 \%$ current and guaranteed Participation Rate;
- 38\% guaranteed High Capped Indexed Account Multiplier;
- $1.98 \%$ annualized Indexed Performance Charge.


## High Par Capped Indexed Account

Segments in the High Par Capped Indexed Account may earn an Index Segment Interest Credit based on the performance of the Index, subject to the following:

- $7.5 \%$ current Segment Cap Rate (guaranteed 3.0\% Segment Minimum Cap Rate);
- 0\% guaranteed Segment Floor Rate;
- S\&P 500® Index, without dividends;
- One year Segment Term;
- 160.0\% current Participation Rate (guaranteed 140.0\% Participation Rate);
- 65\% guaranteed High Par Capped Indexed Account Multiplier; and
- $1.98 \%$ annualized Indexed Performance Charge.


## Capped Hang Seng Indexed Account

Segments in the Capped Hang Seng Indexed Account may earn an Index Segment Interest Credit based on the performance of the Index, subject to the following:

# A LIFE INSURANCE POLICY ILLUSTRATION 

A Flexible Premium Survivorship Universal Life Insurance Policy Protection Survivorship Indexed UL Form: 19PSIUL Valuable Information About Your Life Insurance Illustration (cont'd)<br>Presented By: Trusted Financial Professional<br>Illustration Assumptions<br>Valued Client<br>Male - 65 - Preferred NonSmoker Initial Assumed Status: Bronze<br>Valued Client<br>Female - 63 - Preferred NonSmoker Initial Assumed Status: Bronze<br>Initial Death Benefit \$7,000,000<br>Base Face Amount $\$ 7,000,000$<br>Initial Planned Premium: $\$ 81,854.00$ / Billing Mode: Annual<br>Death Benefit Option 1; Cash Value Accumulation Test<br>State: Massachusetts<br>Based on Curr Charges and Initial Assumed Segment Growth Rate of 5.54\%

- 0\% guaranteed Segment Floor Rate;
- Hang Seng Index $®$, without dividends;
- One year Segment Term;
- $100 \%$ current and guaranteed Participation Rate;
- 65\% guaranteed Capped Hang Seng Indexed Account Multiplier;
- $1.98 \%$ annualized Indexed Performance Charge.

How the Segment Growth Rate is Calculated
On its Segment Maturity Date, each Segment earns an Index Segment Interest Credit based on the Segment Growth Rate, multiplied by one plus the guaranteed Indexed Account Multiplier, where applicable. The Segment Growth Rate is the greater of (a) and (b) where (a) is the lesser of the Index Change multiplied by the Participation Rate, and the Segment Cap Rate for the Segment, and (b) is the Segment Floor Rate. The Segment Growth Rate will not be less than the 0\% Segment Floor Rate and capped at the Segment Cap Rate. The rate in effect on the Segment Initiation Date is guaranteed for the full duration of that Segment Term.

## Changes we may make to the Indexed Accounts

We may change the current Segment Cap Rate and the current Participation Rate for future Segments; however, it will never be less than the Segment Minimum Cap Rate and the guaranteed Participation Rate, respectively. If these rates are lower than illustrated, the amount of Indexed Segment Interest Credit applied to your Policy Value will be less. This may affect the long-term performance of your policy and you may need to make additional premium payments in order to keep your policy in force. We recommend that you request illustrations using various Indexed Accounts and hypothetical Segment Growth Rates to better understand the range of potential Index Segment Interest Credit outcomes as well as how these ranges of potential outcomes may affect the Policy Value and premium payment schedule. Your financial professional can help you choose the Indexed Account that is best for you given your financial objectives, time horizon and personal risk tolerance.

Customer Risk Disclosure

You may allocate your Policy Value among the Fixed
Account and the following six Indexed Accounts:
Base Indexed Accounts

- Base Capped Indexed Account
- Base High Par Capped Indexed Account

Core Indexed Accounts

- Capped Indexed Account
- High Capped Indexed Account
- High Par Capped Indexed Account
- Capped Hang Seng Indexed Account

The Indexed Performance Charge will reduce your Policy Value in the following manner:

- Policy Value allocated to the Core Indexed Accounts will incur a monthly Indexed Performance Charge of 0.165\%.
- Policy Value allocated to the Base Indexed Accounts or the Fixed Account will not incur a monthly Indexed Performance Charge.

Each Indexed Account presents a different range of potential interest credit outcomes, and your choice of allocation among the Indexed Account options should be made taking into account your financial objectives, time horizon and personal risk tolerance. Your financial professional can help you make the choice that is best for you.

The Fixed Account credits interest daily at a declared rate (subject to a Minimum Guaranteed Interest Account Annual Rate of $2 \%$ ) and is not linked to the gains of any index. As such, the Fixed Account may be expected to have the highest return, when equity indexes decline, the lowest return over the long-term, and the least volatility among all allocation options.

John Hancock reserves the right to add Indexed Accounts or cease offering one or more of the Indexed Accounts at any time. We also reserve the right for any Indexed Account to substitute an Index with another Index for any reason. If we substitute an Index for another Index, the Indexed Account will continue to offer the same guaranteed indexed account multiplier and guaranteed indexed account parameters. We will give you notice when we do so. Depending on what we

# A LIFE INSURANCE POLICY ILLUSTRATION 

A Flexible Premium Survivorship Universal Life Insurance Policy Protection Survivorship Indexed UL Form: 19PSIUL Valuable Information About Your Life Insurance Illustration (cont'd)<br>Presented By: Trusted Financial Professional<br>Illustration Assumptions<br>Valued Client<br>Male - 65 - Preferred NonSmoker Initial Assumed Status: Bronze<br>Valued Client<br>Female - 63 -Preferred NonSmoker Initial Assumed Status: Bronze<br>Initial Death Benefit \$7,000,000<br>Base Face Amount $\$ 7,000,000$<br>Initial Planned Premium: $\$ 81,854.00$ / Billing Mode: Annual<br>Death Benefit Option 1; Cash Value Accumulation Test State: Massachusetts<br>Based on Curr Charges and Initial Assumed Segment Growth Rate of 5.54\%

add, substitute, or remove, the expected return and volatility relationship among Indexed Accounts might change. You should contact your financial professional to select an allocation that is best for you.

You should consider all your allocation options carefully and review your options over time with your financial professional as your needs change.

## Death Benefit Protection

This policy illustration shows the Death Benefit Protection feature guaranteeing the policy death benefit to the younger Life Insured's attained age 92.

As long as the Death Benefit Protection feature is in effect and no loan is outstanding, your policy cannot lapse even if the Net Cash Surrender Value falls to zero or below. The Death Benefit Protection feature will stay in effect as long as the reference value called the Net Death Benefit Protection Value is greater than zero.

The Death Benefit Protection Value is a reference value and is only used to determine whether or not the Death Benefit Protection feature will stay in effect. The policy owner cannot access this reference value.

Like your Policy Value, the Death Benefit Protection Value is directly affected by the timing and amounts of premiums paid. To ensure that you have the Death Benefit Protection feature in effect for the period illustrated, it is important that premium payments are paid when they are due, otherwise your policy may lapse.

For purposes of calculating your Death Benefit Protection Value, we will apply premiums retroactively to the beginning of the policy month in which they are received.

Death benefit option changes, loans, withdrawals, rider termination or change, and/or face amount decreases will also affect the Death Benefit Protection feature.

If a policy loan is outstanding, the Death Benefit Protection feature will not prevent your policy from lapsing if the Net Policy Value falls to zero.

If you pay only the illustrated Death Benefit Protection Premium, you may be foregoing the advantage of building significant value in this policy, and your Policy Value may be insufficient to keep this policy in force beyond the Death Benefit Protection period. In this event, premiums significantly higher than the Death Benefit Protection Premium may be required to keep your policy from lapsing. The financial consequences of having little or no Policy Value also include a potentially lower death benefit (under death benefit option 2), less available loan value, and less net surrender value available for partial withdrawals or a surrender of the policy. Death Benefit Protection Feature cannot be reinstated after it lapses.

## Net Death Benefit

The life insurance provided in this illustration reflects a Total Initial Death Benefit of $\$ 7,000,000$. The Death Benefit is composed of $\$ 7,000,000$ in Face Amount (Option 1). The Net Death Benefit reflects any Policy Debt (total loans plus any loan interest due).

## Planned Premium Outlay

One of the advantages of Survivorship Universal Life Insurance is premium payment flexibility, allowing you to vary the amount of your payments. This illustration assumes an Initial Planned Premium Outlay of $\$ 81,854.00$ and that all subsequent premium payments are made at the beginning of each modal period. Reduced or discontinued premiums in future years are only possible if the premiums paid and amounts credited are sufficient to cover the cost of insurance and administrative expenses. These factors, as well as any outstanding policy loans or withdrawals, could necessitate additional premiums to maintain your insurance coverage. Paying less than the planned premium can have a negative impact on the policy and its guarantees. Payments in excess of the planned premium are subject to underwriting approval.

## Premium Outlay Based on Guaranteed Assumptions

Based on the initial death benefit shown in the illustration, the level annual premium to guarantee coverage for life is $\$ 180,390.79$. Death benefit option

# A LIFE INSURANCE POLICY ILLUSTRATION 

A Flexible Premium Survivorship Universal Life Insurance Policy Protection Survivorship Indexed UL Form: 19PSIUL Valuable Information About Your Life Insurance Illustration (cont'd)<br>Presented By: Trusted Financial Professional<br>Illustration Assumptions<br>Valued Client<br>Male - 65 - Preferred NonSmoker Initial Assumed Status: Bronze<br>Valued Client<br>Female - 63 -Preferred NonSmoker Initial Assumed Status: Bronze<br>Initial Death Benefit \$7,000,000<br>Base Face Amount \$7,000,000<br>Initial Planned Premium: $\$ 81,854.00$ / Billing Mode: Annual<br>Death Benefit Option 1; Cash Value Accumulation Test<br>State: Massachusetts<br>Based on Curr Charges and Initial Assumed Segment Growth Rate of 5.54\%

changes, loans, withdrawals, policy changes, and face
amount changes will cause this premium to be recalculated. Premiums are subject to maximum guidelines allowed by the Internal Revenue Code.

## Minimum Initial Premium

The Minimum Initial Premium shown on the Basic Illustration Summary page is the minimum premium needed to put the policy in force.

## Premium and Maturing Segment Allocations

This policy illustration uses the following (initial) allocations for new premium.

## Premium Allocation

| Base Capped Indexed Account | $0 \%$ |
| :--- | ---: |
| Base High Par Capped Indexed Account | $0 \%$ |
| Capped Indexed Account | $100 \%$ |
| High Capped Indexed Account | $0 \%$ |
| High Par Capped Indexed Account | $0 \%$ |
| Capped Hang Seng Indexed Account | $0 \%$ |
| Fixed Account | $0 \%$ |

Amounts allocated to the Index Appreciation Account only form new Segments on the Segment Initiation Date (the 15th day of the month), subject to a Lock In Date of three Business Days prior to the Segment Initiation Date; which means that depending on the date that we receive your premium, there will be a delay of up to one month between that date and the date that any allocated portion of the premium is included in a new Segment. The policy illustration does not take this delay into account.

Proceeds from maturing Index Appreciation Account Segments are illustrated rolling over to new Segments of the same Indexed Account type (the default); however policy owners may elect to allocate maturing Segment Proceeds to any combination of the accounts by Written Request.

Illustrated Segment Growth Rate
This Illustration assumes a hypothetical Segment

Growth Rate that is subject to a maximum hypothetical rate of return that is determined by regulation (Maximum Segment Growth Rate). This regulation sets a limit based upon the historical returns of the S\&P 500 Index for the 25 -year periods over the last 65 years, excluding dividends, of each Indexed Account.

The table below shows the 25 -year geometric average annual Segment Growth Rate, as well as its minimum and maximum.
Maximum Segment Growth Rate

|  | Min Average | Max |  |
| :--- | ---: | ---: | ---: |
| Benchmark Indexed Account | $4.66 \%$ | $7.54 \%$ | $9.52 \%$ |
| Base Capped Indexed Account <br> (12.5\% Cap) | $4.49 \%$ | $7.25 \%$ | $9.15 \%$ |
| Base High Par Capped Indexed Account <br> (160\% Current Participation Rate and 8.75\% Cap) | $4.13 \%$ | $5.87 \%$ | $7.57 \%$ |
| Capped Indexed Account <br> (9.0\% Cap) | $3.64 \%$ | $5.63 \%$ | $7.15 \%$ |
| High Par Capped Indexed Account <br> (160\% Current Participation Rate and 7.5\% Cap) | $3.57 \%$ | $5.07 \%$ | $6.53 \%$ |
| Capped Hang Seng Indexed <br> Account (11.0\% Cap) | $4.68 \%$ | $6.69 \%$ | $8.29 \%$ |
| High Capped Indexed Account <br> (12.25\% Cap) | $4.39 \%$ | $7.10 \%$ | $9.00 \%$ |

We recommend that you review additional illustrations using various hypothetical Segment Growth Rates to better understand how changes in index performance may affect the policy value and premium payment schedule.

Historical Performance of the S\&P 500 and the corresponding hypothetical Index Segment Interest Credit for an Indexed Account that references the S\&P 500
The table below shows the actual historical performance of the S\&P 500 Index change and corresponding hypothetical interest rates using the current Indexed Account parameters for the most recent 20 -year period. These values should not be considered a representation of past or future performance of the Indexed Accounts available in a policy. The table assumes the current indexed account parameters for the applicable Indexed Account shown above.

John Hancock Life Insurance Company (U.S.A.)

## A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Survivorship Universal Life Insurance Policy Protection Survivorship Indexed UL Form: 19PSIUL Valuable Information About Your Life Insurance Illustration (cont'd)

Presented By: Trusted Financial Professional

## Illustration Assumptions

## Valued Client

Male - 65-Preferred NonSmoker Initial Assumed Status: Bronze Valued Client
Female - 63 - Preferred NonSmoker Initial Assumed Status: Bronze

Initial Death Benefit \$7,000,000
Base Face Amount \$7,000,000 Initial Planned Premium: $\$ 81,854.00$ / Billing Mode: Annual Death Benefit Option 1; Cash Value Accumulation Test State: Massachusetts Based on Curr Charges and Initial Assumed Segment Growth Rate of 5.54\%

| Historical Performance of an Index |  |  |  | 2006-2007 | 2.98\% | 4.92\% | 4.11\% | 7.87\% |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | S\&P 500 | Base Capped | Base High | 2007-2008 | -40.07\% | 0.00\% | 0.00\% | 0.00\% |
| Years* | Index Point-to-Point | Indexed Account | Par Capped Indexed | 2008-2009 | 26.64\% | 14.85\% | 16.91\% | 12.38\% |
|  | Performance | (12.5\% Cap) | Account <br> (8.75\% Cap) | 2009-2010 | 11.44\% | 14.85\% | 15.79\% | 12.38\% |
| 1999-2000 | -4.44\% | 0.00\% | 0.00\% | 2010-2011 | -2.40\% | 0.00\% | 0.00\% | 0.00\% |
| 2000-2001 | -16.25\% | 0.00\% | 0.00\% | 2011-2012 | 16.65\% | 14.85\% | 16.91\% | 12.38\% |
| 2001-2002 | -20.80\% | 0.00\% | 0.00\% | 2012-2013 | 25.59\% | 14.85\% | 16.91\% | 12.38\% |
| 2002-2003 | 20.76\% | 12.50\% | 8.75\% | 2013-2014 | 12.79\% | 14.85\% | 16.91\% | 12.38\% |
| 2003-2004 | 12.03\% | 12.03\% | 8.75\% | 2014-2015 | 0.98\% | 1.62\% | 1.35\% | 2.59\% |
| 2004-2005 | 5.76\% | 5.76\% | 8.75\% | 2015-2016 | 11.44\% | 14.85\% | 15.79\% | 12.38\% |
| 2005-2006 | 12.00\% | 12.00\% | 8.75\% | 2016-2017 | 17.70\% | 14.85\% | 16.91\% | 12.38\% |
| 2006-2007 | 2.98\% | 2.98\% | 4.77\% | 2017-2018 | -1.96\% | 0.00\% | 0.00\% | 0.00\% |
| 2007-2008 | -40.07\% | 0.00\% | 0.00\% | 2018-2019 | 21.88\% | 14.85\% | 16.91\% | 12.38\% |
| 2008-2009 | 26.64\% | 12.50\% | 8.75\% | *Source: S\&P 500 Index Data from 12/14/1999 to 12/14/2019 |  |  |  |  |

Historical Performance of the Hang Seng Index and the corresponding hypothetical Indexed Segment Interest Credit for the Capped Hang Seng Indexed Account
The table below shows the actual historical Index Change in the Hang Seng Index and the corresponding hypothetical Index Segment Interest Credit for the Capped Hang Seng Indexed Account over the most recent 20-year period. These values should not be considered a representation of past or future performance of the Indexed Account available in a policy. The table assumes the current indexed account parameters for the Capped Hang Seng Indexed Account shown above.
Historical Performance of the Hang Seng Index
$\left.\begin{array}{rrr}\text { Years * } & \begin{array}{r}\text { Hang Seng } \\ \text { Point-to-Point } \\ \text { Performance }\end{array} & \begin{array}{r}\text { Capped Hang } \\ \text { Seng Indexed } \\ \text { Account }\end{array} \\ (11.0 \% \text { Cap) }\end{array}\right\}$

## A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Survivorship Universal Life Insurance Policy Protection Survivorship Indexed UL Form: 19PSIUL Valuable Information About Your Life Insurance Illustration (cont'd)<br>Presented By: Trusted Financial Professional

Illustration Assumptions

Valued Client
Male-65-Preferred NonSmoker Initial Assumed Status: Bronze
Valued Client
Female - 63 - Preferred NonSmoker Initial Assumed Status: Bronze

Initial Death Benefit \$7,000,000
Base Face Amount \$7,000,000
Initial Planned Premium: \$81,854.00 / Billing Mode: Annual
Death Benefit Option 1; Cash Value Accumulation Test State: Massachusetts Based on Curr Charges and Initial Assumed Segment Growth Rate of 5.54\%

| $2007-2008$ | $-46.46 \%$ | $0.00 \%$ |
| :--- | ---: | ---: |
| $2008-2009$ | $49.65 \%$ | $18.15 \%$ |
| $2009-2010$ | $6.09 \%$ | $10.05 \%$ |
| $2010-2011$ | $-21.67 \%$ | $0.00 \%$ |
| $2011-2012$ | $23.16 \%$ | $18.15 \%$ |
| $2012-2013$ | $2.83 \%$ | $4.67 \%$ |
| $2013-2014$ | $0.01 \%$ | $0.02 \%$ |
| $2014-2015$ | $-8.34 \%$ | $0.00 \%$ |
| $2015-2016$ | $5.38 \%$ | $8.88 \%$ |
| $2016-2017$ | $29.88 \%$ | $18.15 \%$ |
| $2017-2018$ | $-10.53 \%$ | $0.00 \%$ |
| $2018-2019$ | $6.10 \%$ | $10.07 \%$ |

*Source: Hang Seng Index Data from 12/14/1999 to 12/14/2019

## Fixed Account - Interest Rate

Interest on amounts in the Fixed Account is illustrated at an initial assumed effective annual rate of $4.10 \%$.

We determine the rate of interest to be credited to the based on our assessment of investment yields and other considerations as outlined in the policy. The current rate may increase or decrease, but at no point will the interest credited on amounts in the Fixed Account be lower than the Minimum Guaranteed Interest Account Annual Rate of 2.00\%.

Illustrations show interest applied to the Fixed Account at the Minimum Guaranteed Interest Account Annual Rate, and an assumed rate (or rates). The assumed illustrated rate will never be higher than the current rate, or lower than the Minimum Guaranteed Interest Account Annual Rate. Values illustrated at the current or assumed rate are not guarantees or estimates, but merely illustrate results on the basis of the selected assumption.

The illustrated current rate shows the rate of interest increasing for policies that are still in force at the beginning of Policy Year 11. We may credit your policy with a "persistency bonus," which is illustrated here to be an annual increase of $0.65 \%$. We do not guarantee that there will be an increase in the Fixed Account interest rate due to a persistency bonus. If there is an increase, it will be applied only to the un-loaned portion
of Policy Value allocated to the Fixed Account, and to any amount allocated to an Indexed Account but not yet designated to a Segment.

## Accessing Policy Value

After your policy has been in force for one year, you can make partial cash withdrawals. You can surrender your policy for cash at any time. We will pay you the policy value less a Surrender Charge and any policy debt you may have. You can also borrow the available cash value at any time.

## Policy Loans

Policy loans may be taken against the Policy Value at any time, and if projected on an illustration, are assumed to be taken at the beginning of the year. The maximum loan amount available is the policy's Cash Surrender Value at time of request, less any existing Policy Debt, less Monthly Deductions through the remainder of the Policy Year, all multiplied by one minus the rate of Loan Interest Charged for an Index Loan.

Loan Interest Charged is added to the Policy Debt in arrears on the Annual Processing Date. The loan interest rate used in this policy illustration is shown in the Policy Summary. Loan interest rates are variable and subject to change annually on the Annual Processing Date.

You may choose between a Standard Loan and an Index Loan. Each of these options is described below. Only one loan option may be utilized at a time. However, you may also request to change your policy's loan option up to once per policy year, on the Policy Anniversary. The current rate of Loan Interest Charged may differ depending on whether the policy owner elects a Standard Loan or an Index Loan. During the first three Policy Years only the Standard Loan option is available.

> The choice of a Standard or an Index Loan can have a significant effect on future Policy Values and the ultimate net cost of a loan. Please review the section of this illustration entitled Understanding

# A LIFE INSURANCE POLICY ILLUSTRATION 

A Flexible Premium Survivorship Universal Life Insurance Policy Protection Survivorship Indexed UL Form: 19PSIUL Valuable Information About Your Life Insurance Illustration (cont'd)<br>Presented By: Trusted Financial Professional<br>Illustration Assumptions<br>Valued Client<br>Male - 65 - Preferred NonSmoker Initial Assumed Status: Bronze<br>Valued Client<br>Female - 63 - Preferred NonSmoker Initial Assumed Status: Bronze<br>Initial Death Benefit \$7,000,000<br>Base Face Amount \$7,000,000<br>Initial Planned Premium: $\$ 81,854.00$ / Billing Mode: Annual<br>Death Benefit Option 1; Cash Value Accumulation Test State: Massachusetts<br>Based on Curr Charges and Initial Assumed Segment Growth Rate of 5.54\%

## Standard Loan

Under the Standard Loan option, loan proceeds and any capitalized loan interest are, to the extent possible, secured by amounts you have in the Fixed Account. Amounts from the Fixed Account used to secure a loan are transferred to a Loan Account. Any amount borrowed in excess of the Fixed Account is secured by the Index Appreciation Account, similar to an Index Loan (see below); however as Indexed Account Segments mature, those proceeds will be transferred to the Loan Account until the loan is fully-capitalized as a Standard Loan.

For a Standard Loan, the Loan Interest Charged Rate is guaranteed not to exceed $15.0 \%$. Loan interest is payable in arrears. The Loan Interest Credited Differential is guaranteed not to exceed $1.25 \%$ in years $1-10$ and $0.25 \%$ in years $11+$

## Index Loan

Under the Index Loan option, loan proceeds and any capitalized loan interest are, to the extent possible, secured by amounts you have in the Index Appreciation Account. Amounts from the Index Appreciation Account used to secure a loan remain in Index Appreciation Account Segments, where those Segments may earn a Segment Interest Credit upon Segment Maturity. Any amount borrowed in excess of the Index Appreciation Account is secured by the Fixed Account, similar to a Standard Loan (see above).

Index Loan interest rates are variable and subject to change annually on the Annual Processing Date.

If there is an Index Loan, the illustrated values for the guaranteed assumption illustrations reflect the Maximum Loan Interest Charged Annual Rate of 15\% and Indexed Segment Interest Credits of $0 \%$, in addition to other applicable maximum charges and minimum credits under the policy. If there is an Index Loan, illustrative values for all non-guaranteed assumption illustrations reflect a credited rate that is no greater than the Loan Interest Charged rate plus $0.5 \%$, in addition to other applicable current charges and a 0\% Indexed

Performance Charge. This is a hypothetical treatment of the Index Loan. Policy value allocated to the Indexed Accounts, excluding the Base Capped and Base High
Par Capped Indexed Accounts, will be subject to a $1.98 \%$ annualized Indexed Performance Charge.

Net Effect of a Standard Loan vs. an Index Loan on Policy Value
The net effect of a loan on Policy Value varies depending on which Loan Option you choose.

Standard Loan. The net cost of a Standard Loan equals the Loan Interest Charged less the sum of the Loan Interest Credited to the Loan Account and any Index Segment Interest Credits earned for portions of the loan that may be secured by the Index Appreciation Account. The difference between the rate of Loan Interest Charged and the rate of Loan Interest Credited to the Loan Account is guaranteed to be no greater than 2.00\%.

Index Loan. The cost of an Index Loan can vary much more substantially than that of a Standard Loan. The net cost of an Index Loan equals the Loan Interest Charged less the sum of any Index Segment Interest Credits earned for portions of the loan that are secured by the Index Appreciation Account and the Loan Interest Credited to the Loan Account. For instance, assuming there is no Loan Account, an Index Loan scenario with a loan rate of 6\% and Index Segment Interest Credit(s) of $0 \%$ would result in a net loan cost of $6 \%$ - much higher than the cost of a Standard Loan. Conversely, a Ioan rate of $6 \%$ and Index Segment Interest Credit(s) of $10 \%$ would result in a net loan gain of $4 \%$ to the policy.

Index Loans can have the effect of amplifying - both positively and negatively - the impact that Index Appreciation Account performance has on the policy.
Therefore, the risk of policy lapse with an Index Loan is greater than it would be with a Standard Loan.

## Annual Loan Interest

This is the interest charged on the outstanding Policy Debt. In the event that you do not pay the loan interest

## A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Survivorship Universal Life Insurance Policy Protection Survivorship Indexed UL Form: 19PSIUL Valuable Information About Your Life Insurance Illustration (cont'd)<br>Presented By: Trusted Financial Professional<br>Illustration Assumptions<br>Valued Client<br>Male - 65 - Preferred NonSmoker Initial Assumed Status: Bronze<br>Valued Client<br>Female - 63 -Preferred NonSmoker Initial Assumed Status: Bronze<br>Initial Death Benefit \$7,000,000<br>Base Face Amount \$7,000,000<br>Initial Planned Premium: $\$ 81,854.00$ / Billing Mode: Annual<br>Death Benefit Option 1; Cash Value Accumulation Test<br>State: Massachusetts<br>Based on Curr Charges and Initial Assumed Segment Growth Rate of 5.54\%

charged in any Policy Year, it will be borrowed against the policy and added to the Policy Debt in arrears at the Policy Anniversary.

## Withdrawals

Withdrawals reduce the Policy Value and the Death Benefit. If illustrated, withdrawals are assumed taken at the beginning of the Policy Year. Withdrawals and any related Surrender Charge amounts are first deducted from the Fixed Account and then from Segments in the Indexed Accounts on a proportionate basis.

Note that a withdrawal from the Index Appreciation Account which was not pre-scheduled using the Systematic Withdrawal program will initiate a one-year Lock Out Period during which no new Segments in either Indexed Account (except for those resulting from a maturing Segment) may be created.

## Healthy Engagement Rider and Vitality

## Overview

The Healthy Engagement Rider and Vitality provide the opportunity each year, beginning in policy year 2 , to add a Rider Credit to your Policy Value based on the Status of each Life Insured. There are four Status levels: Bronze, Silver, Gold and Platinum. The achievement of a Status beyond Bronze is dependent upon each Life Insured meeting certain Status Qualification requirements in each year.

Current Status Qualification requirements can be found on www.johnhancockvitality.com.

## Rider Charge

The rider is available for an additional charge of $\$ 4$ per month deducted from your Policy Value. This charge will be deducted regardless of whether or not the Life Insureds participate in the program and whether or not the policy earns any Rider Credits. If you elect this rider, you may cancel it at any time, and the rider charge will no longer be deducted from your Policy Value. The rider charge will cease after Policy Year 17. At the earlier of Policy Year 17 or when you discontinue this rider, no new Rider Credits will be earned, no new

Status levels will be achieved, and all previously earned Rider Credits will continue to apply as described in the policy.

## Rider Credits

During the time the rider charge is in effect, on each Annual Processing Date, John Hancock will use the current status as of that date of each Life Insured to determine a schedule of Rider Credits that will be applied in the current policy year and the subsequent 19 policy years.

The formula for determining Rider Credits is described in the policy and guaranteed not to change. The Status Qualification requirements may be changed, as described in the policy.

## Assumed Status in this Illustration

This illustration assumes that both Life Insureds are living and that each year Life Insured 1 achieves a Status of Bronze, and Life Insured 2 achieves a Status of Bronze. Achieving a different Status will affect the amount of Rider Credits applied. As the Rider Credits are applied to increase the Policy Value, they may be used to reduce the amount of premium required to maintain coverage.

This table shows how achieving different Statuses could affect the continuation of coverage, keeping other assumptions constant (including planned premiums, issue age, risk class, current charges, and assumed interest crediting rate):

| Assumed Insured 1 | Assumed Insured 2 <br> Status (all years) | Policy Year at <br> Status (all years) <br> Lapse |
| :--- | :---: | :---: |
| Platinum | Platinum | N/A | | Gold | Gold | N/A |
| :--- | :--- | :--- |
| Silver | Silver | N/A |
| Bronze | Bronze | N/A |

*The policy year at lapse is hypothetical and based on the same assumed premium payments and non-guaranteed factors shown on the Basic Illustration Summary page.

This illustration also includes a hypothetical scenario that assumes each Life Insured remains at Bronze status in all years and the policy receives no Rider

## A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Survivorship Universal Life Insurance Policy Protection Survivorship Indexed UL Form: 19PSIUL Valuable Information About Your Life Insurance Illustration (cont'd)<br>Presented By: Trusted Financial Professional<br>Illustration Assumptions<br>Valued Client<br>Male - 65-Preferred NonSmoker Initial Assumed Status: Bronze<br>Valued Client<br>Female - 63-Preferred NonSmoker Initial Assumed Status: Bronze<br>Initial Death Benefit \$7,000,000<br>Base Face Amount \$7,000,000<br>Initial Planned Premium: \$81,854.00 / Billing Mode: Annual<br>Death Benefit Option 1; Cash Value Accumulation Test<br>State: Massachusetts<br>Based on Curr Charges and Initial Assumed Segment Growth Rate of 5.54\%

Credits.
You may request additional illustrations with different assumptions to understand how a Status change can affect your policy.

## Important Reminders

- Actions you or the insureds take can affect your policy and the premium required to maintain coverage, such as:
- Achieving, or not achieving, a certain Status
- The timing and amount of premiums you pay
- Any loans, withdrawals, or material changes you make to your policy
- Your policy can also be affected by:
- Changes to the current declared interest rate of the Fixed Account
- Changes to the current Cost of Insurance rates
- Changes to the qualification requirements for a Status
- Changes in the Index Segment Interest Credits earned by the Segments in an Index Appreciation Account on a Segment Maturity Date

Tax Disclosure - Healthy Engagement Rider

- John Hancock will treat the monthly rider charges as distributions from your life insurance policy for federal income tax purposes, and thus such charges may be includible in your taxable income if the policy is a MEC or the cost basis is $\$ 0$. If the policy is a MEC, a $10 \%$ penalty tax also may apply. See the "Taxation of Life Insurance" section of this illustration for additional information.
- The value of some of the rewards such as gift cards and other cash equivalents may be includible in your taxable income and John Hancock would have to report them to the IRS on Form 1099-MISC if the combined value totals at least $\$ 600$ per year. Since the tax treatment of such benefits is subject to some uncertainty, you should consult your own tax advisor.
- 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. You should consult with your own tax advisor.


## Life Expectancy

The estimated joint life expectancy is 30 years assuming 2015 VBT Smoker/Nonsmoker Mortality Table. It does not predict when the second life will die. It is expected that more than half of the insureds will live longer than the average.

## Estate Preservation Rider

This benefit helps eliminate the worry that the proceeds from the policy may be included in the surviving insured's estate. It is included at no extra charge, subject to certain age, risk classification and amount limits, providing additional term insurance and payable during the first four years of the policy. The coverage could be equal to a maximum of $122.22 \%$ of the total death benefit you select at issue.

## Policy Continuation at Age 121

Provided your coverage is in effect on the policy anniversary nearest the date on which the younger life insured would have reached, or if surviving reaches attained age 121, coverage will continue after age 121 and interest will be credited. No additional charges, other than those for any outstanding policy loans, will be deducted.

The tax implications with respect to policies that continue beyond age 121 are not clear at the present time. We urge you to consult your tax advisor regarding this issue if there are questions about what happens after age 121.

## Taxation of Life Insurance

The information contained in this illustration is based on certain tax and legal assumptions. We suggest that you seek professional counsel regarding the interpretation of current tax laws and accounting practices as they relate to your actual situation. The Technical and Miscellaneous Revenue Act (TAMRA) of 1988 classifies some policies as Modified Endowment Contracts (MECs). Distributions from these policies (excluding death benefits but including policy loans and withdrawals) are taxed differently and may be subject to an IRS 10\% penalty tax. TAMRA testing has been

# A LIFE INSURANCE POLICY ILLUSTRATION 

A Flexible Premium Survivorship Universal Life Insurance Policy Protection Survivorship Indexed UL Form: 19PSIUL Valuable Information About Your Life Insurance Illustration (cont'd)<br>Presented By: Trusted Financial Professional<br>Illustration Assumptions<br>Valued Client<br>Male - 65 - Preferred NonSmoker<br>Initial Assumed Status: Bronze<br>Valued Client<br>Female - 63 -Preferred NonSmoker Initial Assumed Status: Bronze<br>Initial Death Benefit \$7,000,000<br>Base Face Amount \$7,000,000<br>Initial Planned Premium: $\$ 81,854.00$ / Billing Mode: Annual<br>Death Benefit Option 1; Cash Value Accumulation Test State: Massachusetts<br>Based on Curr Charges and Initial Assumed Segment Growth Rate of 5.54\%

performed on the assumed scale only.

- The initial annual 7-pay premium for this policy is \$333,317.00.
- Based on our interpretation of TAMRA, this policy as illustrated would not be considered a Modified Endowment Contract (MEC).
- Employer-owned Life Insurance.

Where the owner of the policy is the employer of the life insured, Section 101(j) of the Internal Revenue Code specifies a number of requirements that must be satisfied in order for life insurance death benefits to be excluded from income taxation. The life insureds must be the employer's directors and "highly compensated" employees (as is defined by law). If the life insured is not a director or highly compensated employee then the policy's death benefit must be paid out to the life insured (or to the life insured's designated beneficiary) or used to redeem an equity interest in the employer. Before the issuance of the policy, the insured must (1) be notified in writing that the employer/policy owner intends to insure the employee's life and the maximum face amount for which the employee could be insured; (2) give his/her written consent to being insured under the policy and agree that such coverage may continue after the life insured terminates employment; and (3) be informed in writing that the employer/policy owner will be a beneficiary of any proceeds payable upon the death ot the life insured. Finally, the employer/policy owner is required to keep records and make an annual report concerning its employer-owned life insurance policies. Taxpayers should seek the counsel of qualified tax advisors to determine the applicability of IRC Section 101(j) or other provisions of federal tax law and/or compliance with the requirements of any such law or regulation.

## Important Disclosure

No information provided by John Hancock to you or your advisors in connection with this sale is intended as tax, legal, or investment advice. This illustration and all other information and materials provided by John Hancock as part of this sale are not intended to be nor shall they be construed as providing impartial advice or recommendations as to the sale of and/or investment in

John Hancock products and services. John Hancock and its representatives will receive compensation derived from such sales or services.

## Other Considerations

This is an illustration only. An illustration is not intended to predict actual performance. Unless otherwise stated, amounts credited and other values set forth in the illustration are not guaranteed.

This illustration assumes that the currently illustrated nonguaranteed elements will continue unchanged for all years shown. This is not likely to occur, and the actual results may be more or less favorable. Future credits and deductions can vary at the company's discretion depending upon factors such as death claims, investment earnings and expenses, as well as policy owner actions such as the timing and amount of premium payments, policy lapse and reinstatement, loans and withdrawals, and contractual changes.

To ensure that your policy continues to meet your objectives, we suggest that in addition to reviewing annual statements, you periodically request in force illustrations. In force illustrations will provide an updated projection of policy performance.

Protection Survivorship Indexed UL is issued by John Hancock Life Insurance Company (U.S.A.) of Boston, MA 02117. John Hancock Life Insurance Company (U.S.A.) consistently receives high financial strength ratings from independent rating agencies. For more information, please visit our website at www.JohnHancock.com.

For more than a century, John Hancock has offered security and high quality products to its customers. The company's experience and resources allow it to provide first class financial solutions to customers in every market in which it operates.

# John Hancock Life Insurance Company (U.S.A.) 

## A LIFE INSURANCE POLICY ILLUSTRATION

| A Flexible Premium Survivorship Universal Life Insurance Policy | Protection Survivorship Indexed UL Form: 19PSIUL |
| :--- | ---: |
| Basic Illustration Summary | Presented By: Trusted Financial Professional |
| Illustration Assumptions |  |
| Valued Client |  |
| Male - 65 - Preferred NonSmoker | Base Face Amount $\$ 7,000,000$ |
| Initial Assumed Status: Bronze | Initial Planned Premium: $\$ 81,854.00 /$ Billing Mode: Annual |
| Valued Client | Death Benefit Option 1; Cash Value Accumulation Test |
| Female - 63 - Preferred NonSmoker | State: Massachusetts |
| Initial Assumed Status: Bronze | Based on Curr Charges and Initial Assumed Segment Growth Rate of $5.54 \%$ |


|  | Coverage Summary |  |
| :--- | ---: | ---: |
| Coverage Description | Initial <br> Amount | Initial <br> Premium |
| Base Face Amount - Level for all years |  |  |
| Healthy Engagement Rider |  |  |
| Additional Coverage On Insureds |  |  |
| Estate Preservation Rider | Policy Summary |  |


| State | Massachusetts |  |
| :---: | :---: | :---: |
| Death Benefit Option | 1 | From 1 Thru 58 |
| Definition of Life Insurance | CVAT |  |
| Payment Mode | Annual |  |
| Charges | Current |  |
| Assumed Segment Growth Rate**** |  |  |
| Assumed Base Capped Indexed Segment Growth Rate $\dagger$ | 7.16\% | From 1 Thru 56 |
| Assumed Base High Par Capped Indexed Segment Growth Rate $\dagger$ | 5.87\% | From 1 Thru 56 |
| Assumed Capped Indexed Segment Growth Rate $\dagger$ | 5.54\% | From 1 Thru 56 |
| Assumed High Capped Indexed Segment Growth Rate $\dagger$ | 6.62\% | From 1 Thru 56 |
| Assumed High Par Capped Indexed Segment Growth Rate $\dagger$ | 5.07\% | From 1 Thru 56 |
| Assumed Capped Hang Seng Indexed Segment Growth Rate $\dagger$ | 5.54\% | From 1 Thru 56 |
| Assumed Fixed Account Rate $\dagger$ (includes non-guaranteed persistency bonus) | $\begin{aligned} & 4.10 \% \\ & 4.75 \% \end{aligned}$ | From 1 Thru 10 From 11 Thru 56 |
| Loan Interest Rate | 2.75\% | From 1 Thru 58 |
| Initial 7-Pay Premium | \$333,317.00 |  |
| Target Premium | \$109,261.86 |  |
| Minimum Initial Premium | \$2,054.54 |  |
| Death Benefit Protection Period Based on Illustrated Assumptions | 29 Years |  |
| Assumed Status Insured 1 | Bronze |  |
| Assumed Status Insured 2 | Bronze |  |
| LifeTrack Billing | No |  |
| Illustration Serial Number | A0BCC5B72 |  |

# John Hancock Life Insurance Company (U.S.A.) 

## A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Survivorship Universal Life Insurance Policy Basic Illustration Summary (cont'd)

Protection Survivorship Indexed UL Form: 19PSIUL
Presented By: Trusted Financial Professional
Illustration Assumptions
Valued Client
Male - 65 - Preferred NonSmoker
Initial Assumed Status: Bronze
Valued Client
Female - 63 - Preferred NonSmoker
Initial Assumed Status: Bronze

Initial Death Benefit \$7,000,000
Base Face Amount \$7,000,000
Initial Planned Premium: $\$ 81,854.00$ / Billing Mode: Annual
Death Benefit Option 1; Cash Value Accumulation Test State: Massachusetts
Based on Curr Charges and Initial Assumed Segment Growth Rate of 5.54\%

|  | Initial <br> Premium <br> Allocation | Non-Guaranteed |
| :--- | ---: | ---: |
| InitialSegment Growth Rate <br> /Fixed Account Rate |  |  |
| Base Capped Indexed Account | $0 \%$ | $7.16 \%$ |
| Base High Par Capped Indexed Account | $0 \%$ | $5.87 \%$ |
| Capped Indexed Account | $100 \%$ | $5.54 \%$ |
| High Capped Indexed Account | $0 \%$ | $6.62 \%$ |
| High Par Capped Indexed Account | $0 \%$ | $5.07 \%$ |
| Capped Hang Seng Indexed Account | $0 \%$ | $5.54 \%$ |
| Fixed Account | $0 \%$ | $4.10 \%$ |

Interest Adjusted Indexes on Insured at 5\%

|  | ------ Payment------- |  | ---------- Cost--------- |  |
| :--- | ---: | ---: | ---: | ---: |
|  | 10 Year | 20 Year |  |  |
|  |  |  |  |  |
| Guaranteed | 11.69 | 11.69 | 9.02 | 11.64 |
| Current | 11.69 | 11.69 | 6.65 | 4.92 |
| Non-guaranteed Element | 0.00 | 0.00 | 2.37 | 6.72 |

$$
\begin{array}{cl}
\text { Interest } & \text { These indexes provide a means for evaluating the comparative cost of the policy under stated assumptions. They } \\
\text { Adjusted } & \text { can be useful in comparing similar plans of insurance, a lower index being better than a higher one. These indexes } \\
\text { Indexes } & \text { reflect the time value of money. Indexes are approximate because they involve assumptions, including the rate of } \\
\text { interest used. }
\end{array}
$$

$\dagger$ An Asset Bonus will be credited to policy values beginning in policy year 11, as described in your policy.
**** Illustrated values for all non-guaranteed assumption illustrations reflect the application of the guaranteed Indexed Account Multiplier, where applicable, to the Segment Growth Rate and, as a result, such illustrated values will be greater than if the illustrated values only reflected the Segment Growth Rate. The guaranteed Indexed Account Multiplier for the Capped Indexed Account, the High Par Capped Indexed Account and the Capped Hang Seng Indexed Account is $65 \%$. The Base Capped Indexed Account and Base High Par Capped Indexed Account do not have an Indexed Account Multiplier. The guaranteed Indexed Account Multiplier for High Capped Indexed Account is 38\%. The Indexed Segment Interest Credit on the Segment Maturity Date is equal to the Adjusted Segment Crediting Balance, multiplied by ( $1+$ the guaranteed Indexed Account Multiplier, where applicable ) multiplied by the Segment Growth Rate. Illustrated values include any Indexed Segment Interest Credit.

# John Hancock Life Insurance Company (U.S.A.) 

## A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Survivorship Universal Life Insurance Policy Numeric Summary

Protection Survivorship Indexed UL Form: 19PSIUL
Presented By: Trusted Financial Professional

## Illustration Assumptions

## Valued Client

Initial Death Benefit \$7,000,000
Male - 65 - Preferred NonSmoker
Initial Assumed Status: Bronze
Base Face Amount \$7,000,000

## Valued Client

Female - 63 - Preferred NonSmoker
Initial Planned Premium: $\$ 81,854.00$ / Billing Mode: Annual
Death Benefit Option 1; Cash Value Accumulation Test State: Massachusetts
Initial Assumed Status: Bronze
GUARANTEED ASSUMPTIONS
These policy benefits and values are based on the guaranteed interest of $0.00 \%$ and guaranteed charges. Based on your Planned Premium Outlay, the policy would remain in force until policy year 30 , month $12^{*}$.
NON-GUARANTEED ASSUMPTIONS
These policy benefits and values are based on non-guaranteed elements that are subject to change by the insurer.
Actual results may be more or less favorable.
ASSUMED SCALE:
Policy benefits and values are based on the initial assumed Segment Growth Rate of $5.54 \%$ and current charges. Based on your Planned Premium Outlay, the policy would remain in force until younger insured age 121*.
MIDPOINT SCALE:
Assumes the midpoint interest rate and charges which are halfway between assumed and guaranteed. Based on your Planned Premium Outlay, the policy would remain in force until policy year 30 , month $12^{*}$.

Premiums are assumed to be paid at the beginning of each modal period. Policy values, including surrender values and death benefits, are illustrated as of the end of the year, unless otherwise noted.

* See Policy Continuation at Age 121 on "Valuable Information" page.

Representative's Address: Trusted Financial Professional

| SUMMARY YEARS | GUARANTEED ASSUMPTIONS | NON-GUARANTEED ASSUMPTIONSMidpoint Scale $\quad$ Assumed Scale |  |
| :---: | :---: | :---: | :---: |
| Years Premium Paid in Cash | 30 | 30 | 49 |
| Summary Year 5 <br> Net Surrender Value <br> Net Death Benefit | $\begin{array}{r} 47,962 \\ 7,000,000 \end{array}$ | $\begin{array}{r} 66,551 \\ 7,000,000 \end{array}$ | $\begin{array}{r} 98,247 \\ 7,000,000 \end{array}$ |
| Summary Year 10 <br> Net Surrender Value <br> Net Death Benefit | $\begin{array}{r} 246,402 \\ 7,000,000 \end{array}$ | $\begin{array}{r} 325,989 \\ 7,000,000 \end{array}$ | $\begin{array}{r} 466,283 \\ 7,000,000 \end{array}$ |
| Summary Year 20 <br> Net Surrender Value <br> Net Death Benefit | $\begin{array}{r} 13,245 \\ 7,000,000 \end{array}$ | $\begin{array}{r} 608,662 \\ 7,000,000 \end{array}$ | $\begin{array}{r} 1,644,220 \\ 7,000,000 \end{array}$ |
| Summary Year 30 <br> Net Surrender Value <br> Net Death Benefit | 0 | 0 | $\begin{aligned} & 3,070,992 \\ & 7,000,000 \end{aligned}$ |

We recommend that you review additional illustrations using various assumed, hypothetical Rates of Return to understand how changes in the Index performance may affect the Policy Value and premium payment schedule.

I have received a copy of this illustration and understand that any non-guaranteed elements illustrated are subject to change and could be either higher or lower. The representative has told me they are not guaranteed.

| Applicant: |  | Date: | (mm/dd/yyyy) |
| :---: | :---: | :---: | :---: |
|  | (Signature) |  |  |
| Applicant: |  | Date: |  |
|  | (Signature) |  | (mm/dd/yyyy) |
| I certify that this illustration has been presented to the applicant and that I have explained that any nonguaranteed elements illustrated are subject to change. I have made no statements that are inconsistent with the illustration. |  |  |  |

Representative: $\qquad$ Date: $\qquad$
(Signature)
(mm/dd/yyyy)

# John Hancock Life Insurance Company (U.S.A.) 

A LIFE INSURANCE POLICY ILLUSTRATION
A Flexible Premium Survivorship Universal Life Insurance Policy Guaranteed and Nonguaranteed Values

Protection Survivorship Indexed UL Form: 19PSIUL
Presented By: Trusted Financial Professional
Illustration Assumptions
Valued Client
Initial Death Benefit \$7,000,000
Male - 65-Preferred NonSmoker
Initial Assumed Status: Bronze
Base Face Amount \$7,000,000
Valued Client
Initial Planned Premium: $\$ 81,854.00$ / Billing Mode: Annual
Female - 63-Preferred NonSmoker
Death Benefit Option 1; Cash Value Accumulation Test
State: Massachusetts
Initial Assumed Status: Bronze

| Policy Year | $\begin{aligned} & \text { EOY } \\ & \text { Age } \\ & \hline \end{aligned}$ | Planned Premium | End of Year Guaranteed Assumptions 0.00\% Minimum Rate, Maximum Charges |  |  |  | End of Year Non-Guaranteed Assumptions 5.54\% Initial Assumed Rate, Current Charges |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | Policy Value | Net Surrender Value |  | IRR on Death Benefit | Policy Value | Net Surrender Value |  | IRR on Death Benefit |
| 1 | 6664 | 81,854 | 29,939 | 0 | 15,555,556 | 18,904.03\% | 34,074 | 0 | 15,555,556 | 18,904.03\% |
| 2 | 6765 | 81,854 | 58,692 | 0 | 15,555,556 | 1,229.46\% | 70,556 | 0 | 15,555,556 | 1,229.46\% |
| 3 | 6866 | 81,854 | 86,124 | 0 | 15,555,556 | 437.99\% | 109,590 | 4,927 | 15,555,556 | 437.99\% |
| 4 | 6967 | 81,854 | 112,079 | 17,339 | 15,555,556 | 241.07\% | 151,336 | 50,126 | 15,555,556 | 241.07\% |
| 5 | 7068 | 81,854 | 136,360 | 47,962 | 7,000,000 | 115.90\% | 195,947 | 98,247 | 7,000,000 | 115.90\% |
| 6 | 7169 | 81,854 | 158,706 | 94,358 | 7,000,000 | 85.19\% | 243,588 | 166,722 | 7,000,000 | 85.19\% |
| 7 | 7270 | 81,854 | 178,779 | 139,018 | 7,000,000 | 66.23\% | 294,431 | 238,617 | 7,000,000 | 66.23\% |
| 8 | 7371 | 81,854 | 196,124 | 179,762 | 7,000,000 | 53.49\% | 348,629 | 312,445 | 7,000,000 | 53.49\% |
| 9 | 7472 | 81,854 | 210,139 | 215,852 | 7,000,000 | 44.40\% | 406,308 | 388,297 | 7,000,000 | 44.40\% |
| 10 | 7573 | 81,854 | 220,069 | 246,402 | 7,000,000 | 37.63\% | 467,591 | 466,283 | 7,000,000 | 37.63\% |
| Totals: |  | 818,540 |  |  |  |  |  |  |  |  |
| 11 | 7674 | 81,854 | 249,809 | 280,875 | 7,000,000 | 32.41\% | 559,096 | 559,096 | 7,000,000 | 32.41\% |
| 12 | 7775 | 81,854 | 273,141 | 307,728 | 7,000,000 | 28.28\% | 656,420 | 656,420 | 7,000,000 | 28.28\% |
| 13 | 7876 | 81,854 | 288,711 | 326,703 | 7,000,000 | 24.94\% | 759,710 | 759,710 | 7,000,000 | 24.94\% |
| 14 | 7977 | 81,854 | 294,880 | 335,906 | 7,000,000 | 22.18\% | 869,063 | 869,063 | 7,000,000 | 22.18\% |
| 15 | 8078 | 81,854 | 289,409 | 332,775 | 7,000,000 | 19.88\% | 984,476 | 984,476 | 7,000,000 | 19.88\% |
| 16 | 8179 | 81,854 | 269,342 | 313,948 | 7,000,000 | 17.94\% | 1,105,825 | 1,105,825 | 7,000,000 | 17.94\% |
| 17 | 8280 | 81,854 | 230,597 | 274,804 | 7,000,000 | 16.27\% | 1,232,828 | 1,232,828 | 7,000,000 | 16.27\% |
| 18 | 8381 | 81,854 | 176,618 | 217,735 | 7,000,000 | 14.83\% | 1,365,252 | 1,365,252 | 7,000,000 | 14.83\% |
| 19 | 8482 | 81,854 | 97,564 | 132,511 | 7,000,000 | 13.57\% | 1,502,476 | 1,502,476 | 7,000,000 | 13.57\% |
| 20 | 8583 | 81,854 | 0 | 13,245 | 7,000,000 | 12.46\% | 1,644,220 | 1,644,220 | 7,000,000 | 12.46\% |

Totals: $\quad 1,637,080$

| 21 | 8684 | 81,854 | 0 | 0 | $7,000,000$ | $11.49 \%$ | $1,787,977$ | $1,787,977$ | $7,000,000$ | $11.49 \%$ |
| :--- | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: |
| 22 | 8785 | 81,854 | 0 | 0 | $7,000,000$ | $10.62 \%$ | $1,933,975$ | $1,933,975$ | $7,000,000$ | $10.62 \%$ |
| 23 | 8886 | 81,854 | 0 | 0 | $7,000,000$ | $9.84 \%$ | $2,080,034$ | $2,080,034$ | $7,000,000$ | $9.84 \%$ |
| 24 | 8987 | 81,854 | 0 | 0 | $7,000,000$ | $9.14 \%$ | $2,225,396$ | $2,225,396$ | $7,000,000$ |  |
| 25 | 9088 | 81,854 | 0 | 0 | $7,000,000$ | $8.51 \%$ | $2,369,137$ | $2,369,137$ | $7,000,000$ |  |
| 26 | 9189 | 81,854 | 0 | 0 | $7,000,000$ | $7.94 \%$ | $2,510,673$ | $2,510,673$ | $7,000,000$ |  |
| 27 | 9290 | 81,854 | 0 | 0 | $7,000,000$ | $7.42 \%$ | $2,650,447$ | $2,650,447$ | $7,000,000$ | $7.51 \%$ |
| 28 | 9391 | 81,854 | 0 | 0 | $7,000,000$ | $6.94 \%$ | $2,789,180$ | $2,789,180$ | $7,000,000$ | $7.42 \%$ |
| 29 | 9492 | 81,854 | 0 | 0 | $7,000,000$ | $6.51 \%$ | $2,928,478$ | $2,928,478$ | $7,000,000$ | $6.94 \%$ |
| 30 | 9593 | 81,854 | $\# \#$ | $\# \#$ | $\# \#$ | $\# \#$ | $3,070,992$ | $3,070,992$ | $7,000,000$ | $6.1 \%$ |

Totals: 2,455,620

The IRR on death benefit is equivalent to an interest rate at which an amount equal to the illustrated premiums could have been invested outside the policy to arrive at the net death benefit of the policy.
\#\# Indicates that the policy has lapsed under the illustrated assumption. Additional premium would be required to maintain policy benefits.

# John Hancock Life Insurance Company (U.S.A.) 

A LIFE INSURANCE POLICY ILLUSTRATION
A Flexible Premium Survivorship Universal Life Insurance Policy Guaranteed and Nonguaranteed Values (cont'd)

Protection Survivorship Indexed UL Form: 19PSIUL
Presented By: Trusted Financial Professional
Illustration Assumptions
Valued Client
Initial Death Benefit \$7,000,000
Male - 65 - Preferred NonSmoker
Initial Assumed Status: Bronze
Base Face Amount \$7,000,000
Valued Client
Initial Planned Premium: $\$ 81,854.00$ / Billing Mode: Annual
Death Benefit Option 1; Cash Value Accumulation Test
State: Massachusetts
Initial Assumed Status: Bronze

| Policy Year | $\begin{aligned} & \text { EOY } \\ & \text { Age } \end{aligned}$ | Planned Premium | End of Year Guaranteed Assumptions 0.00\% Minimum Rate, Maximum Charges |  |  |  | End of Year Non-Guaranteed Assumptions 5.54\% Initial Assumed Rate, Current Charges |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | Policy Value | Net Surrender Value | Net <br> Death Benefit | IRR on Death Benefit | Policy Value | $\begin{array}{r} \text { Net } \\ \text { Surrender } \\ \text { Value } \end{array}$ |  | IRR on Death Benefit |
| 31 | 9694 | 81,854 |  |  |  |  | 3,176,876 | 3,176,876 | 7,000,000 | 5.74\% |
| 32 | 9795 | 81,854 |  |  |  |  | 3,278,696 | 3,278,696 | 7,000,000 | 5.40\% |
| 33 | 9896 | 81,854 |  |  |  |  | 3,377,926 | 3,377,926 | 7,000,000 | 5.08\% |
| 34 | 9997 | 81,854 |  |  |  |  | 3,473,531 | 3,473,531 | 7,000,000 | 4.79\% |
| 35 | 10098 | 81,854 |  |  |  |  | 3,566,494 | 3,566,494 | 7,000,000 | 4.52\% |
| 36 | 10199 | 81,854 |  |  |  |  | 3,652,930 | 3,652,930 | 7,000,000 | 4.27\% |
| 37 | 102100 | 81,854 |  |  |  |  | 3,734,656 | 3,734,656 | 7,000,000 | 4.03\% |
| 38 | 103101 | 81,854 |  |  |  |  | 3,814,913 | 3,814,913 | 7,000,000 | 3.81\% |
| 39 | 104102 | 81,854 |  |  |  |  | 3,902,342 | 3,902,342 | 7,000,000 | 3.60\% |
| 40 | 105103 | 81,854 |  |  |  |  | 4,008,132 | 4,008,132 | 7,000,000 | 3.40\% |
| Totals: |  | 3,274,160 |  |  |  |  |  |  |  |  |
| 41 | 106104 | 81,854 |  |  |  |  | 4,036,144 | 4,036,144 | 7,000,000 | 3.22\% |
| 42 | 107105 | 81,854 |  |  |  |  | 4,056,648 | 4,056,648 | 7,000,000 | 3.05\% |
| 43 | 108106 | 81,854 |  |  |  |  | 4,069,112 | 4,069,112 | 7,000,000 | 2.89\% |
| 44 | 109107 | 81,854 |  |  |  |  | 4,081,068 | 4,081,068 | 7,000,000 | 2.73\% |
| 45 | 110108 | 81,854 |  |  |  |  | 4,095,874 | 4,095,874 | 7,000,000 | 2.59\% |
| 46 | 111109 | 81,854 |  |  |  |  | 4,115,184 | 4,115,184 | 7,000,000 | 2.45\% |
| 47 | 112110 | 81,854 |  |  |  |  | 4,140,452 | 4,140,452 | 7,000,000 | 2.32\% |
| 48 | 113111 | 81,854 |  |  |  |  | 4,208,091 | 4,208,091 | 7,000,000 | 2.20\% |
| 49 | 114112 | 81,854 |  |  |  |  | 4,320,185 | 4,320,185 | 7,000,000 | 2.08\% |
| 50 | 115113 | 0 |  |  |  |  | 4,419,000 | 4,419,000 | 7,000,000 | 2.01\% |

Totals:
4,010,846

| 51 | 116114 | 0 | $4,606,516$ | $4,606,516$ | $7,000,000$ | $1.94 \%$ |
| :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- |
| 52 | 117115 | 0 | $4,941,339$ | $4,941,339$ | $7,000,000$ | $1.88 \%$ |
| 53 | 118116 | 0 | $5,303,497$ | $5,303,497$ | $7,000,000$ | $1.82 \%$ |
| 54 | 119117 | 0 | $5,692,212$ | $5,692,212$ | $7,000,000$ | $1.77 \%$ |
| 55 | 120118 | 0 | $6,109,431$ | $6,109,431$ | $7,000,000$ | $1.72 \%$ |
| 56 | 121119 | 0 | $6,557,244$ | $6,557,244$ | $7,000,000$ | $1.67 \%$ |
| 57 | 122120 | 0 | $7,037,895$ | $7,037,895$ | $7,037,895$ | $1.64 \%$ |
| 58 | 123121 | 0 | $7,553,791$ | $7,553,791$ | $7,553,791$ | $1.79 \%$ |
| 59 | 124122 | 0 | $8,261,083$ | $8,261,083$ | $8,261,083$ | $1.98 \%$ |
| 60 | 125123 | 0 | $9,033,029$ | $9,033,029$ | $9,033,029$ | $2.15 \%$ |

Totals:
4,010,846

The IRR on death benefit is equivalent to an interest rate at which an amount equal to the illustrated premiums could have been invested outside the policy to arrive at the net death benefit of the policy.
\#\# Indicates that the policy has lapsed under the illustrated assumption. Additional premium would be required to maintain policy benefits.
This is your Basic Illustration and is valid only if all illustration pages are included.

## John Hancock Life Insurance Company (U.S.A.)

A LIFE INSURANCE POLICY ILLUSTRATION
$\begin{array}{lr}\text { A Flexible Premium Survivorship Universal Life Insurance Policy } & \text { Protection Survivorship Indexed UL Form: 19PSIUL } \\ \text { Guaranteed and Nonguaranteed Values (cont'd) } & \text { Presented By: Trusted Financial Professional }\end{array}$
Illustration Assumptions
Valued Client Initial Death Benefit \$7,000,000
Male - 65 - Preferred NonSmoker Base Face Amount \$7,000,000
Initial Assumed Status: Bronze
Valued Client
Female - 63 - Preferred NonSmoker
Initial Planned Premium: $\$ 81,854.00$ / Billing Mode: Annual
Death Benefit Option 1; Cash Value Accumulation Test
State: Massachusetts
Initial Assumed Status: Bronze

| Policy Year | $\begin{aligned} & \text { EOY } \\ & \text { Age } \end{aligned}$ | Planned Premium | End of Year Guaranteed Assumptions 0.00\% Minimum Rate, Maximum Charges |  |  |  | End of Year Non-Guaranteed Assumptions 5.54\% Initial Assumed Rate, Current Charges |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | Policy Value | Net Surrender Value |  | IRR on Death Benefit | Policy Value | Net Surrender Value | Net Death Benefit | IRR on Death Benefit |
| 61 | 126124 | 0 |  |  |  |  | 9,875,538 | 9,875,538 | 9,875,538 | 2.32\% |
| 62 | 127125 | 0 |  |  |  |  | 10,795,061 | 10,795,061 | 10,795,061 | 2.48\% |

Totals: 4,010,846

[^4]This is your Basic Illustration and is valid only if all illustration pages are included.

# John Hancock Life Insurance Company (U.S.A.) 

A LIFE INSURANCE POLICY ILLUSTRATION
A Flexible Premium Survivorship Universal Life Insurance Policy Alternate Assumptions

Protection Survivorship Indexed UL Form: 19PSIUL
Presented By: Trusted Financial Professional
Illustration Assumptions
Valued Client
Initial Death Benefit \$7,000,000
Male - 65 - Preferred NonSmoker
Initial Assumed Status: Bronze
Valued Client
Female - 63-Preferred NonSmoker
Base Face Amount \$7,000,000
Initial Planned Premium: \$81,854.00 / Billing Mode: Annual
Death Benefit Option 1; Cash Value Accumulation Test
State: Massachusetts
Initial Assumed Status: Bronze

| Policy Year | $\begin{aligned} & \text { EOY } \\ & \text { Age } \end{aligned}$ | Planned Premium | End of Year Guaranteed Assumptions 0.00\% Minimum Rate, Maximum Charges |  |  | End of Year Alternate Assumptions 4.10\% Initial Assumed Rate, Current Charges |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | Policy Value | Net Surrender Value |  | Policy Value | Net Surrender Value |  |
| 1 | 6664 | 81,854 | 29,939 | 0 | 15,555,556 | 33,066 | 0 | 15,555,556 |
| 2 | 6765 | 81,854 | 58,692 | 0 | 15,555,556 | 67,688 | 0 | 15,555,556 |
| 3 | 6866 | 81,854 | 86,124 | 0 | 15,555,556 | 103,917 | 0 | 15,555,556 |
| 4 | 6967 | 81,854 | 112,079 | 17,339 | 15,555,556 | 141,806 | 40,596 | 15,555,556 |
| 5 | 7068 | 81,854 | 136,360 | 47,962 | 7,000,000 | 181,395 | 83,696 | 7,000,000 |
| 6 | 7169 | 81,854 | 158,706 | 94,358 | 7,000,000 | 222,728 | 145,862 | 7,000,000 |
| 7 | 7270 | 81,854 | 178,779 | 139,018 | 7,000,000 | 265,841 | 210,027 | 7,000,000 |
| 8 | 7371 | 81,854 | 196,124 | 179,762 | 7,000,000 | 310,746 | 274,562 | 7,000,000 |
| 9 | 7472 | 81,854 | 210,139 | 215,852 | 7,000,000 | 357,415 | 339,403 | 7,000,000 |
| 10 | 7573 | 81,854 | 220,069 | 246,402 | 7,000,000 | 405,803 | 404,496 | 7,000,000 |
| Totals: |  | 818,540 |  |  |  |  |  |  |
| 11 | 7674 | 81,854 | 249,809 | 280,875 | 7,000,000 | 481,905 | 481,905 | 7,000,000 |
| 12 | 7775 | 81,854 | 273,141 | 307,728 | 7,000,000 | 560,886 | 560,886 | 7,000,000 |
| 13 | 7876 | 81,854 | 288,711 | 326,703 | 7,000,000 | 642,595 | 642,595 | 7,000,000 |
| 14 | 7977 | 81,854 | 294,880 | 335,906 | 7,000,000 | 726,797 | 726,797 | 7,000,000 |
| 15 | 8078 | 81,854 | 289,409 | 332,775 | 7,000,000 | 813,121 | 813,121 | 7,000,000 |
| 16 | 8179 | 81,854 | 269,342 | 313,948 | 7,000,000 | 900,983 | 900,983 | 7,000,000 |
| 17 | 8280 | 81,854 | 230,597 | 274,804 | 7,000,000 | 989,510 | 989,510 | 7,000,000 |
| 18 | 8381 | 81,854 | 176,618 | 217,735 | 7,000,000 | 1,077,770 | 1,077,770 | 7,000,000 |
| 19 | 8482 | 81,854 | 97,564 | 132,511 | 7,000,000 | 1,164,268 | 1,164,268 | 7,000,000 |
| 20 | 8583 | 81,854 | 0 | 13,245 | 7,000,000 | 1,247,599 | 1,247,599 | 7,000,000 |

Totals:
1,637,080

| 21 | 8684 | 81,854 | 0 | 0 | 7,000,000 | 1,323,644 | 1,323,644 | 7,000,000 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 22 | 8785 | 81,854 | 0 | 0 | 7,000,000 | 1,390,601 | 1,390,601 | 7,000,000 |
| 23 | 8886 | 81,854 | 0 | 0 | 7,000,000 | 1,443,239 | 1,443,239 | 7,000,000 |
| 24 | 8987 | 81,854 | 0 | 0 | 7,000,000 | 1,476,553 | 1,476,553 | 7,000,000 |
| 25 | 9088 | 81,854 | 0 | 0 | 7,000,000 | 1,490,330 | 1,490,330 | 7,000,000 |
| 26 | 9189 | 81,854 | 0 | 0 | 7,000,000 | 1,489,067 | 1,489,067 | 7,000,000 |
| 27 | 9290 | 81,854 | 0 | 0 | 7,000,000 | 1,458,279 | 1,458,279 | 7,000,000 |
| 28 | 9391 | 81,854 | 0 | 0 | 7,000,000 | 1,390,546 | 1,390,546 | 7,000,000 |
| 29 | 9492 | 81,854 | 0 | 0 | 7,000,000 | 1,276,392 | 1,276,392 | 7,000,000 |
| 30 | 9593 | 81,854 | \#\# | \#\# | \#\# | 1,103,273 | 1,103,273 | 7,000,000 |

Totals: 2,455,620
\#\# Indicates that the policy has lapsed under the illustrated assumption. Additional premium would be required to maintain policy benefits.
This is your Basic Illustration and is valid only if all illustration pages are included.

## John Hancock Life Insurance Company (U.S.A.)

A LIFE INSURANCE POLICY ILLUSTRATION

## A Flexible Premium Survivorship Universal Life Insurance Policy Alternate Assumptions (cont'd) <br> Protection Survivorship Indexed UL Form: 19PSIUL <br> Presented By: Trusted Financial Professional

Illustration Assumptions
Valued Client Initial Death Benefit \$7,000,000

Male - 65-Preferred NonSmoker
Initial Assumed Status: Bronze
Valued Client
Female - 63-Preferred NonSmoker
Base Face Amount \$7,000,000
Initial Planned Premium: $\$ 81,854.00$ / Billing Mode: Annual
Death Benefit Option 1; Cash Value Accumulation Test State: Massachusetts
Initial Assumed Status: Bronze

| Policy Year | $\begin{aligned} & \text { EOY } \\ & \text { Age } \end{aligned}$ | Planned Premium | End of Year Guaranteed Assumptions 0.00\% Minimum Rate, Maximum Charges |  |  | End of Year Alternate Assumptions 4.10\% Initial Assumed Rate, Current Charges |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | Policy Value | Net Surrender Value | Net <br> Death <br> Benefit | Policy Value | Net Surrender Value |  |
| 31 | 9694 | 81,854 |  |  |  | 788,380 | 788,380 | 7,000,000 |
| 32 | 9795 | 81,854 |  |  |  | 344,836 | 344,836 | 7,000,000 |
| 33 | 9896 | \#\# |  |  |  | \#\# | \#\# | \#\# |

Totals:
2,619,328

# John Hancock Life Insurance Company (U.S.A.) 

## A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Survivorship Universal Life Insurance Policy Understanding Potential Loan Costs

Protection Survivorship Indexed UL Form: 19PSIUL
Presented By: Trusted Financial Professional

## Illustration Assumptions

## Valued Client

Male - 65 - Preferred NonSmoker
Initial Assumed Status: Bronze
Valued Client
Female - 63 - Preferred NonSmoker
Initial Assumed Status: Bronze

Initial Death Benefit \$7,000,000
Base Face Amount \$7,000,000
Initial Planned Premium: $\$ 81,854.00$ / Billing Mode: Annual
Death Benefit Option 1; Cash Value Accumulation Test
State: Massachusetts
Based on Curr Charges and Initial Assumed Segment Growth Rate of 5.54\%

Below are hypothetical examples of the net loan cost (and in some cases gain) associated with taking either a Standard Loan or an Index Loan. Example 1 assumes that the Standard Loan is fully secured by the Fixed Account, and uses a Fixed Loan Charge Rate of $2 \%$. Examples 2 and 3 assume that the Index Loans are fully secured by the Capped Indexed Account which has a guaranteed Indexed Account Multiplier of $65 \%$, and a hypothetical Loan Charge Rate of $5.5 \%$. All three scenarios assume a $\$ 100,000$ Policy Value at the beginning of the loan period and annual loans of $\$ 10,000$ are taken at the beginning of the Policy Year. In order to isolate the impact of the loan option and assumed crediting rate, no policy charges are assumed.

## Example 1 - Standard Loan- Current Loan Charge Rate \& Current Loan Account Crediting Rate

| Assumed Assumed | Rate | $\begin{aligned} & 4.10 \% \\ & 2.00 \% \end{aligned}$ | Loan Rate Charged <br> Net Loan Cost |  | $\begin{aligned} & 2.00 \% \\ & 0.00 \% \end{aligned}$ |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Policy | Annual Loan | Annual Loan | Loan Account | Loan Charged | Cumulative Net | Net Cash |
| Year | Requested | Amount | Credited Amount | Amount | Loan Cost | Surrender Value |
| 11 | $(10,000)$ | 10,000 | 200 | 200 |  | 93,890 |
| 12 | $(10,000)$ | 10,200 | 400 | 400 |  | 87,525 |
| 13 | $(10,000)$ | 10,404 | 612 | 612 |  | 80,895 |
| 14 | $(10,000)$ | 10,612 | 824 | 824 |  | 73,989 |
| 20 | $(10,000)$ | 11,951 | 2,190 | 2,190 | - | 26,079 |

Under current assumptions, the rate of interest credited to the policy's Loan Account equals the rate of interest charged for the loan after Policy Year 10. Therefore, in this example the net cost of the Standard Loan is zero.

Example 2 - Index Loan - Current Loan Charge Rate \& an Assumed 2.0\% Segment Growth Rate

| Assumed Segment Growth Rate | $2.00 \%$ | Loan Rate Charged | $5.50 \%$ |
| :--- | :--- | :--- | :--- |
| Assumed Loan Account Crediting Rate | N/A | Net Loan Cost | $\mathbf{2 . 2 0 \%}$ |


| Policy | Annual Loan | Annual Loan | Indexed Account | Loan Charged | Cumulative Net | Net Cash |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Year | Requested | Amount | Credited Amount | Amount | Loan Cost | Surrender Value |
| 11 | $(10,000)$ | 10,000 | 200 | 400 | 200 | 103,500 |
| 12 | $(10,000)$ | 10,200 | 350 | 400 | 200 | 97,123 |
| 13 | $(10,000)$ | 10,404 | 719 | 612 | 611 | 90,322 |
| 14 | $(10,000)$ | 10,612 | 1,109 | 824 | 1,245 | 83,072 |
| 20 | $(10,000)$ | 11,951 | 3,940 | 2,190 | 10,456 | 38,497 |

Under an Index Loan, when the rate of interest charged for that loan exceeds the Segment Growth Rate earned in the Indexed Account,
the net cost of holding that loan can be substantial.

Example 3 - Index Loan - Current Loan Charge Rate \& an Assumed 9.0\% Segment Growth Rate
Assumed Segment Growth Rate $\quad 9.00 \%$ Loan Rate Charged $5.50 \%$
$\begin{array}{lll}\text { Assumed Loan Account Crediting Rate N/A } & \text { Net Loan Gain } & 9.40 \%\end{array}$

| Policy | Annual Loan | Annual Loan | Indexed Account | Loan Charged | Cumulative Net <br> Requested | Amount |
| ---: | ---: | ---: | ---: | ---: | ---: | ---: | | Credited Amount |
| ---: |

Under an Index Loan, when the Segment Growth Rate earned in the Indexed Account exceeds the rate charged for that loan, the result would be a net loan gain to the policy.
You should consider the potential effect that each type of loan can have on your policy before taking a loan.

# A LIFE INSURANCE POLICY ILLUSTRATION 

A Flexible Premium Survivorship Universal Life Insurance Policy Glossary of Terms<br>Protection Survivorship Indexed UL Form: 19PSIUL<br>Presented By: Trusted Financial Professional

Illustration Assumptions

Valued Client
Male-65-Preferred NonSmoker Initial Assumed Status: Bronze
Valued Client
Female - 63 - Preferred NonSmoker Initial Assumed Status: Bronze

Initial Death Benefit \$7,000,000
Base Face Amount \$7,000,000
Initial Planned Premium: $\$ 81,854.00$ / Billing Mode: Annual
Death Benefit Option 1; Cash Value Accumulation Test
State: Massachusetts
Based on Curr Charges and Initial Assumed Segment Growth Rate of 5.54\%

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 current Policy Year. It is deducted for the first 10 Policy Years. The Advance Contribution Charge rates and Advance Contribution Limit are both shown in the policy contract.

## Asset Bonus

Beginning in Policy Year 11 and continuing beyond Age 121, we apply an Asset Bonus at the Asset Bonus Annual Rate to any balances in your Fixed Account, Indexed Account Holding Segments, and the Index Appreciation Account as described in your policy. The Asset Bonus Rates vary by issue age, gender, and policy duration.

## Contract Charge

The Contract Charge is a rate of $\$ 16.7327$ per $\$ 1,000$ of the Premium Charge Limit, and deducted each policy month. This charge varies by each insured's issue age, gender, risk classification, and the policy duration.

## Cost of Insurance

Current insurance charges are based on Company experience. The current rates may change, but are guaranteed never to exceed the maximum rates.
Maximum rates reflect the 2017 Loaded CSO Composite Ultimate Age Nearest Birthday mortality tables, adjusted for any applicable ratings.

## Index Change

The Index Change is the difference in the index from the beginning to the end of a Segment.

## Indexed Performance Charge

The Indexed Performance Charge is equal to $0.165 \%$ multiplied by the Policy Value in the Index Appreciation Account excluding the Base Capped and Base High Par Capped Indexed Accounts. The charge is deducted monthly on a pro-rata basis from the Non-Loaned Indexed Accounts.

## Death Benefit Option

Death Benefit Option 1 provides a level amount of coverage. It will increase only when necessary to maintain the definition of life insurance. Death Benefit Option 2 provides coverage equal to the Face Amount plus the Policy Value plus any amount necessary to maintain the definition of life insurance.

## Total Face Amount

The Face Amount is the coverage provided by the base policy. Any decreases to the Face Amount must fall within policy minimums, and are only allowed after the first Policy Year.

## Monthly Administrative Charge

A monthly Administrative Charge of $\$ 15$ will be assessed in all years, current and guaranteed.

## Net Death Benefit

The Death Benefit illustrated is the Base Face Amount plus any Required Additional Death Benefit. This is the value that is payable upon the death of the surviving insured as stated on the front page of the policy. The actual amount payable may be decreased by loans or increased by additional insurance benefits. Death Benefits are illustrated as of the end of the year. Net Death Benefit reflects the total loan plus any loan interest due.

## Net Income

Net Income reflects any illustrated withdrawal, policy loan and/or loan interest due.

## Net Surrender Value

The Net Surrender Value is the Policy Value less Surrender Charge(s), and is illustrated as of end of the year. This amount is shown net of withdrawals and total loans plus loan interest due. During the Surrender Charge period, there is a Surrender Charge assessed if all or part of the Base Face Amount is reduced. If the policy terminates for any reason, the amount of any outstanding loan (that was not previously considered income) could result in a considerable tax. Under certain situations involving large amounts of

# A LIFE INSURANCE POLICY ILLUSTRATION 

A Flexible Premium Survivorship Universal Life Insurance Policy Glossary of Terms (cont'd)<br>Protection Survivorship Indexed UL Form: 19PSIUL<br>Presented By: Trusted Financial Professional

Illustration Assumptions

Valued Client
Male - 65 - Preferred NonSmoker Initial Assumed Status: Bronze
Valued Client
Female - 63 - Preferred NonSmoker Initial Assumed Status: Bronze

Initial Death Benefit \$7,000,000
Base Face Amount \$7,000,000
Initial Planned Premium: \$81,854.00 / Billing Mode: Annual
Death Benefit Option 1; Cash Value Accumulation Test
State: Massachusetts
Based on Curr Charges and Initial Assumed Segment Growth Rate of 5.54\%
outstanding loans, you might find yourself having to choose between high premium requirements to keep your policy from lapsing and a significant tax burden if you allow the lapse to occur. Please consult your tax advisor for further information.

## Participation Rate

The Participation Rate is the percentage of the Index Change (change in the value of the Index over the Segment Term) that will be recognized in the calculation of the Segment Growth Rate.

## Planned Premium Outlay

The Planned Premium Outlay is the amount which the policyholder plans to pay. This illustration assumes that Planned Premiums are paid at the beginning of each modal period indicated. Additional premiums may be paid while the policy is In Force, subject to our minimum and maximum limits.

## Policy Value

The Policy Value is the sum of all amounts held in the policy including the Fixed Account, the Index Appreciation Account, and any value in the Loan Account. When premiums are paid, the balance, after a premium charge is deducted, is allocated between the Fixed Account and the Index Appreciation Account, per your instructions. The Fixed Account is credited daily with a guaranteed interest rate of $2.00 \%$ or the current rate, whichever is greater. Segments in the Index Appreciation Account may earn an Index Segment Interest Credit at each Segment Maturity Date, subject to a guaranteed Segment Floor Rate of 0\%. Also, once each month, Cost of Insurance and any other charges are deducted proportionately from both the Fixed Account and the Index Appreciation Account.

Cumulative Guarantee. Protection Survivorship Protection Survivorship Indexed UL policies also include a Cumulative Guarantee used for purposes of calculating Minimum Death Benefit, Insurance Benefit and the Cash Surrender Value. The Policy Value used for these purposes (only) is the greater of the Policy Value described above and the Cumulative Guaranteed Policy Value which is determined in the same manner
as the Policy Value except that:

- Net Premiums accumulate at interest in the manner applicable to amounts accumulated in the Fixed Account;
- Monthly Deductions and withdrawals, including any applicable charges, are made from the amount accumulated as described above, in the manner applicable to the Fixed Account;
- The Indexed Performance Charge, if applicable, that is deducted will be determined by multiplying the Indexed Performance Charge deducted from the Policy Value in that month by the ratio of the Cumulative Guarantee Policy Value in that Month immediately before the Monthly Deduction, divided by the Policy Value in that month immediately before the Monthly Deduction;
- A $2 \%$ Cumulative Guaranteed Interest Rate is used to credit this amount.

The Cumulative Guarantee does not increase the amount available for withdrawals or policy loans, and does not affect the amount available for transfers or allocations.

## Policy Value Credit

An additional credit provided to the Policy Value on a monthly basis. The amount of the Policy Value Credit varies based on the insureds age, gender, risk class, policy value, and face amount.

## Premium Charge Limit

The policy's Premium Charge Limit is $\$ 109,261.86$. This value is used in the calculation of the Surrender Charge and Contract Charge.

## Premium Charge

A Premium Charge of $35.0 \%$ is deducted from each premium in years 1-10. In years 11+, the charge is 32.0\%.

## Required Additional Death Benefit

The death benefit will automatically be increased if necessary to maintain the minimum amount of insurance needed to comply with current federal tax law

# A LIFE INSURANCE POLICY ILLUSTRATION 

A Flexible Premium Survivorship Universal Life Insurance Policy Glossary of Terms (cont'd)<br>Protection Survivorship Indexed UL Form: 19PSIUL<br>Presented By: Trusted Financial Professional

Illustration Assumptions
Valued Client
Male-65-Preferred NonSmoker Initial Assumed Status: Bronze
Valued Client
Female - 63 - Preferred NonSmoker Initial Assumed Status: Bronze

Initial Death Benefit \$7,000,000
Base Face Amount \$7,000,000
Initial Planned Premium: \$81,854.00 / Billing Mode: Annual
Death Benefit Option 1; Cash Value Accumulation Test State: Massachusetts
(Section 7702 of the Internal Revenue Code). This will ensure that your policy maintains the favorable tax treatment associated with being a life insurance policy.

## Risk Class

Classifications represent groups of people with similar risk characteristics and help to determine the Cost of Insurance. Final risk classification for a proposed insured is determined upon completion of the underwriting process, and may vary from what is shown on this illustration. If so, you will receive a Revised Basic Illustration prior to or upon delivery of your insurance contract.

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# John Hancock Life Insurance Company (U.S.A.) 

## A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Survivorship Universal Life Insurance Policy Protection Survivorship Indexed UL Form: 19PSIUL
Glossary of Terms (cont'd)
Presented By: Trusted Financial Professional
Illustration Assumptions

Valued Client
Male - 65-Preferred NonSmoker Initial Assumed Status: Bronze Valued Client
Female - 63-Preferred NonSmoker Initial Assumed Status: Bronze

Initial Death Benefit \$7,000,000
Base Face Amount \$7,000,000
Initial Planned Premium: \$81,854.00 / Billing Mode: Annual
Death Benefit Option 1; Cash Value Accumulation Test State: Massachusetts
Based on Curr Charges and Initial Assumed Segment Growth Rate of 5.54\%

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## A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Survivorship Universal Life Insurance Policy Protection Survivorship Indexed UL Form: 19PSIUL Input Summary ~~ Agent Use Only ~~

Presented By: Trusted Financial Professional
Illustration Assumptions

Valued Client
Male - 65 - Preferred NonSmoker
Initial Assumed Status: Bronze
Valued Client
Female - 63 - Preferred NonSmoker
Initial Assumed Status: Bronze

| Product \& Concept |  | Insured 2 Sex | Female |
| :---: | :---: | :---: | :---: |
| Concept | Estate Planning | Insured 2 Issue Age / | 63 |
| Approved in | Massachusetts | Birthdate |  |
| Product Type | All Products | Insured 2 Risk Class | Preferred NonSmoker |
| Product | Protection SIUL 19 | Insured 2 Assumed | Bronze |
| Concept Design |  | Policy Allocation |  |
| Estate Planning Plan Option | Gifting | Allocation Option | Custom Allocation and Rate |
| Total Estate Value | 20,000,000 | Base Capped Rate | 7.16\% |
| Estate After-Tax Growth Rate | 2\% | Base High Par Capped Rate | 5.87\% |
| Index Rate for | 1\% | Capped Rate | 5.54\% |
| Exemption \&\& |  | High Capped Rate | 6.62\% |
| Exclusion Amounts |  | High Par Capped Rate | 5.07\% |
| Number of Annual Exclusions Per Insured | 2 | Hang Seng Rate | 5.54\% |
| Apply First Death | Credit Shelter Trust | Fixed Rate | Current |
| Lifetime Exemption to |  | Allocation Base Capped Rate | 0\% |
| Annual Gift Option | Premium | Allocation Base High | 0\% |
| Trust Growth Rate | 3\% | Par Capped Rate |  |
| Policy Design |  | Allocation Capped Rate | 100\% |
| Insured Name | Valued Client | Allocation High Capped | 0\% |
| Sex | Male | Rate |  |
| Issue Age / Birthdate | 65 | Allocation High Par | 0\% |
| State | Massachusetts | Capped Rate |  |
| Risk Class | Preferred NonSmoker | Allocation Hang Seng Rate | 0\% |
| Vitality PLUS | Yes | Fixed Rate Allocation | 0\% |
| Assumed Vitality PLUS Status | Bronze | Policy Options |  |
| Total Face Amount | 7,000,000 | Estimated Policy Issue Date | Today + 1 Month |
| Death Benefit Option | Option 1 | Charges | Current |
| Premium | Schedule | Lump Sum Month Year | 1 |
| -- Solve | 1 Lifetime | 1 Sum |  |
| Premium Duration | Lifetime | Lump Sum Month | 1 |
| Premium Mode | Annual | Years 2+ |  |
| Target Cash Value | Endow | MEC Testing | Avoid MEC |
| Target Year | Lifetime | Target Cash Value | Endow |
| Agent Name | Trusted Financial Professional | Target Year | Lifetime |
| Insured 2 Insured | Valued Client | Withdrawal Cap | Basis |
| Name |  | Loan Cap | None |

John Hancock used the fully allocated expense method to test and verify all products for compliance with the NAIC Life Insurance Illustration Model Regulation.

## A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Survivorship Universal Life Insurance Policy Protection Survivorship Indexed UL Form: 19PSIUL Input Summary ~~ Agent Use Only ~~ (cont'd) Presented By: Trusted Financial Professional
Illustration Assumptions

Valued Client
Male-65-Preferred NonSmoker
Initial Assumed Status: Bronze
Valued Client
Female - 63 - Preferred NonSmoker
Initial Assumed Status: Bronze

Initial Death Benefit \$7,000,000
Base Face Amount \$7,000,000
Initial Planned Premium: \$81,854.00 / Billing Mode: Annual Death Benefit Option 1; Cash Value Accumulation Test State: Massachusetts

| Loan Type | Standard Loan |
| :--- | :--- |
| Loan Interest Payment | Borrow |
| Type |  |
| Variable Loan Interest <br> Rate | $2.75 \%$ |
| Riders |  |
| Estate Preservation | Yes |
| Rider |  |
| Amount | Maximum |
| Optional Reports |  |
| Optional Presentations | Estate Planning |
| Summary Year | 20 |
| Optional Reports | Yes |
| Input Summary | Yes |
| Vitality PLUS | Yes |
| Presentation |  |
| Summary Year | 20 |


[^0]:    * This presentation will not cover the Generation-Skipping Transfer (GST) tax, a tax on the transfer of property (during life or at death) to individuals who are more than one generation removed from the donor - commonly referred to as "skip persons" (e.g., a grandchild). The GST tax exemption is also \$11,700,000 per individual. Transfers that exceed this exemption are taxable at a $40 \%$ rate

    1. Note, these numbers are indexed for inflation annually.
    2. The IRS has clarified that there will be no "clawback" of exemption used before 2026.
    3. Trusts should be drafted by an attorney familiar with such matters in order to take into account income- and estate-tax laws (including the generation-skipping transfer tax). Failure to do so could result in adverse tax treatment of trust proceeds. There can be costs associated with drafting a trust.
[^1]:    4.Life insurance death benefit proceeds are generally excludable from the beneficiary's gross income for income tax purposes. There are few exceptions such as when a life insurance policy has been transferred for valuable consideration.
    5. Loans and withdrawals will reduce the death benefit and the 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. Withdrawals in excess of the cost basis (premiums paid) will be subject to tax and certain withdrawals within the first 15 years may be subject to recapture tax. Additionally, policies classified as modified endowment contracts maybe 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 $591 / 2$. Withdrawals are available after the first policy year.
    6. The IRR on the death benefit is equivalent to an interest rate at which an amount equal to the illustrated premiums could have been invested outside the policy to arrive at the net death benefit of the policy.

[^2]:    * Life Expectancy is based on 2015 Valuation Basic Table, Select and Ultimate. The LE data provided in this presentation is not necessarily indicative of your own personal life expectancy, and you may live longer than indicated by the table.
    This is a supplemental illustration authorized for distribution only when preceded or accompanied by a basic illustration from the issuer. Benefits and values may not be guaranteed;the assumptions on which they are based are subject to change by the insurer. Actual results may be more or less favorable. Refer to the basic illustration for guaranteed elements and other important information.

[^3]:    1. Apple Watch program is not available in New York or Puerto Rico. Apple Watches ordered through John Hancock Vitality may not be shipped to addresses in Guam. Once you become a Vitality PLUS member and complete the Vitality Health Review (VHR), you can order Apple Watch by electronically signing, at checkout, a Retail Installment Agreement with the Vitality Group, for the retail price of the watch. After an initial payment of $\$ 25$ plus tax, over the next two years, monthly out of pocket payments are based on the number of Standard Workouts (10,000 to 14,999 steps) and Advanced Workouts ( 15,000 steps) or the applicable Active Calorie thresholds. The step counts required for Standard and Advanced Workouts are reduced for members beginning at age $71+$. One-time upgrade fees plus taxes apply if you choose (GPS + Cellular) versions of Apple Watch, larger watch case sizes, certain bands and case materials. For more information, please visit www.JohnHancockInsurance.com. Apple is not a participant in or sponsor of this promotion. Apple Watch is a registered trademark of Apple Inc. All rights reserved.
    2. HealthFood savings are based on qualifying purchases and may vary based on the terms of the John Hancock Vitality Program. The HealthyFood program is currently not available in Guam.
    3. Based on internal data from Headspace.com, About Us, accessed from: https://www.headspace.com/about-us.

    Please consult your financial representative as to how premium savings may affect the policy you purchase.
    The life insurance policy describes coverage under the policy, exclusions and limitations, what you must do to keep your policy inforce, and what would cause your policy to be discontinued. Your John Hancock representative can provide you additional information to help you determine if this policy is suitable for your needs.
    For the purposes of this presentation it is assumed that you are both the Policy Owner(s) and Life Insured(s). If you are not both the Policy Owner(s) and Life Insured(s), the discounts, rewards, and Fitbit will be provided only to the Life Insured(s) to encourage participation in the program. Status is attained based on the actions of the Life Insured(s) only.
    "Vitality" refers collectively to the benefits provided by John Hancock's Healthy Engagement feature. The Vitality Group is the company that John Hancock has partnered with to administer these benefits.

[^4]:    The IRR on death benefit is equivalent to an interest rate at which an amount equal to the illustrated premiums could have been invested outside the policy to arrive at the net death benefit of the policy.
    \#\# Indicates that the policy has lapsed under the illustrated assumption. Additional premium would be required to maintain policy benefits.

