



Home



John Hancock
indexed
universal life



Where does
IUL fit?



Target market
and applications



Other key IUL
features



Indexed
account options



Interest credit
scenarios



Downside
protection



Future
flexibility



Enhance
the sale



Contact us



Indexed UL Portfolio

Seller's guide

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LIFE-4805 10/21





Home



John Hancock indexed universal life



Where does IUL fit?



Target market and applications



Other key IUL features



Indexed account options



Interest credit scenarios



Downside protection



Future flexibility



Enhance the sale



Contact us

John Hancock's Indexed UL Portfolio

Indexed UL (IUL) is one of the fastest-growing product segments in the insurance market today. John Hancock's IUL portfolio¹ offers a combination of simplicity and opportunity that includes:



A competitive suite of IUL product offerings — that can help meet clients' varying needs for cost, coverage and tax-free growth potential



Strong cash value growth potential — linked to the performance of a financial index, while cushioning exposure to market losses with a 0% guaranteed floor



Innovative living benefit riders — that enhance value with added protection such as long-term care coverage² and rewards and savings for living healthier with John Hancock Vitality — or John Hancock Aspire[®] for those living with diabetes



John Hancock's strength and stability — with among the highest financial ratings in the industry and built on close to 160 years' experience, providing life insurance solutions to more than 2.6 million policyholders* and paying over \$5.7 billion in life insurance benefits in 2020**

* Represents inforce John Hancock life insurance policyholders as of December 2020.

** Payments made in 2020 for life insurance death claims.

*** Not available for sale in New York.



John Hancock has three competitive IUL products to help meet their needs

Accumulation IUL

Life insurance protection with strong cash value accumulation potential

Protection IUL***

Cost-efficient permanent protection with cash value accumulation potential

Protection Survivorship IUL***

Cost-efficient permanent survivorship protection with cash value accumulation potential



Home



John Hancock indexed universal life



Where does IUL fit?



Target market and applications



Other key IUL features



Indexed account options



Interest credit scenarios



Downside protection



Future flexibility



Enhance the sale



Contact us

Where does IUL fit?

As you know, recommending life insurance does not work with a “one product fits all” approach. Different clients certainly have different needs and fall on different areas of the risk-reward spectrum. In fact, a key to making the best product recommendation is to know your clients’ investment risk tolerance.

As the chart indicates, most policyholders expect IUL to accumulate more cash value than current assumption UL, but with more potential volatility. They can also expect IUL to accumulate less cash value over the long term than a VUL policy (but with less volatility).

Product risk spectrum

Product type	Guaranteed interest	Potential upside investment return	Potential downside investment risk	Client’s risk tolerance
Term insurance	N/A	N/A	N/A	Low
Current assumption universal life	Typically 2% or less	Tied to current rates, typically 3.5%–5%	Minimum crediting rate (typically 1-2%)	Low
Indexed universal life (IUL)	Typically 0% annually with a cumulative guarantee of 1%–3%	Typically capped at 7%–12%	0% guaranteed floor	Moderate
Variable universal life (VUL)	Fixed account only, typically 2% or lower	Unlimited	Unlimited	High



Home



John Hancock
indexed
universal life



Where does
IUL fit?



Target market
and applications



Other key IUL
features



Indexed
account options



Interest credit
scenarios



Downside
protection



Future
flexibility



Enhance
the sale



Contact us

Target market and applications

Our IUL products provide a valuable combination of death benefit protection and strong cash value accumulation potential — along with the flexibility to access the policy value either through loans³ or withdrawals to help meet other long-term goals, such as:



Supplemental income



Retirement backstop



Estate planning



College funding



Business planning



Premium financing

Target market — protection and growth:

- Ages 35–65
- Looking for life insurance protection along with higher crediting rate potential than a typical universal life product
- Optimistic about the market, but want their life insurance policy to be cushioned from negative returns



Home



John Hancock
indexed
universal life



Where does
IUL fit?



Target market
and applications



Other key IUL
features



Indexed
account options



Interest credit
scenarios



Downside
protection



Future
flexibility



Enhance
the sale



Contact us

Other key IUL features

Indexed universal life insurance is a flexible premium product that gives policyholders an opportunity to capture upside market potential while cushioning them from negative market performance. With a John Hancock IUL policy, customers have the flexibility of choosing their allocation based on the risk exposure they are most comfortable with.

Like any flexible premium product, IUL can be funded at any time throughout the lifetime of the policy. Many policyholders pre-select the premium-payment frequency to monthly, quarterly, bi-annually or annually to simplify the ownership experience and achieve the desired financial objective. John Hancock IUL policyholders allocate their premiums across their choice of indexed accounts and our Fixed Account — and earn credits based on the performance of those accounts.

Indexed accounts

Our indexed accounts give your clients an opportunity to capture upside market potential while cushioning the cash value from negative market performance. John Hancock offers a series of indexed accounts for each of our IUL product offerings. The indexed account is linked to a financial index and has a unique set of indexed account parameters (i.e., cap rate, floor rate, participation rate and multiplier). The interest credits earned are based on the amount allocated among the indexed accounts available, as well as the performance of the referenced financial index, subject to the indexed account parameters outlined.

Fixed account

Our Fixed Account option — available on all our IUL product offerings — gives your clients an opportunity to seek more stable performance while earning a competitive interest rate. The interest credits earned are based on the amount allocated to the Fixed Account as well as the prevailing Fixed Account rate.

Access to cash value in the policy

Your clients can access the cash value within their policy via withdrawals or loans.³ They can elect one or a combination of these methods, consistent with their financial objectives.

Key IUL terms

Cap rate: The maximum annual segment growth rate for an indexed account

Floor: The minimum annual segment growth rate for an indexed account

Participation rate: The percentage of the change in the index value that will be recognized when calculating the segment growth rate

Multiplier: Interest credits provided in addition to the segment growth rate

S&P 500® Index: Widely regarded as the best single benchmark of the US market, the S&P 500 Index includes 500 large cap common stocks actively traded in the United States⁴

Barclays Global MA Index: Designed to track a diversified portfolio of global financial assets, the Barclays Global MA Index follows a systematic asset allocation process that aims to optimize the Index's return potential for a given level of risk, as well as to accommodate short-term market trends. The Index has the ability to change its portfolio as often as daily to adapt to shifting market conditions⁴



Home



John Hancock indexed universal life



Where does IUL fit?



Target market and applications



Other key IUL features



Indexed account options



Interest credit scenarios



Downside protection



Future flexibility



Enhance the sale



Contact us

Indexed account options

With a John Hancock IUL policy, you can offer a diverse range of indexed account options with access to the S&P 500 Index or the Barclays Global MA Index.⁴

Your John Hancock IUL clients can benefit from:

- **A guaranteed 0% floor** — ensuring the policy will never experience negative returns
- **A guaranteed indexed account multiplier** — applied to interest earned in the indexed accounts on certain options
- **A competitive Fixed Account** that provides secure and steady growth and is guaranteed never to be below 2% on PIUL/PSIUL and 1% on AIUL
- **Complete flexibility** to allocate among all indexed accounts and the Fixed Account

Indexed account*	Point-to-point measurement	0% guaranteed floor	Guaranteed indexed account multiplier
Base/Select indexed account options			
Base Capped Indexed Account (PSIUL and AIUL NY only). The opportunity for upside potential	✓	✓	N/A
Base Capped Two Year Indexed Account (AIUL and PIUL only). The opportunity for upside potential over a longer investment horizon	✓	✓	N/A
Base High Par Capped Indexed Account (PIUL and PSIUL only). More stable performance linked to the S&P 500 Index (includes a current 160% participation rate)	✓	✓	N/A
Select Capped Indexed Account (AIUL and PIUL only). The opportunity for upside potential with a guaranteed indexed account multiplier	✓	✓	✓
Barclays indexed account options			
Barclays Global MA Bonus Indexed Account (AIUL only). Opportunity for consistent, stable returns (includes a guaranteed fixed bonus of 0.65%)	✓	✓	N/A**
Barclays Global MA Classic Indexed Account (AIUL only). Opportunity for more consistent, stable returns (includes a current 125% participation rate)	✓	✓	N/A**
Core indexed account options			
Capped Indexed Account The opportunity for increased upside potential	✓	✓	✓
High Capped Indexed Account Higher growth potential in exchange for taking on greater risk	✓	✓	✓
High Par Capped Indexed Account More stable performance linked to the S&P 500 Index (includes a current 160% participation rate)	✓	✓	✓
Enhanced indexed account options			
Enhanced Capped Indexed Account (AIUL only). Greater opportunity for upside potential	✓	✓	✓
Enhanced High Capped Indexed Account (AIUL only). The most growth potential in exchange for taking on greater risk	✓	✓	✓

*Indexed account options may not be available on all products or in all jurisdictions. The base indexed account options (Base Capped Indexed Account and Base Capped Two Year Indexed Account) are the only index account options available on AIUL in New York. Please consult each product's producer guide for indexed account option availability.

** While there is no contractual segment cap rate for these accounts, there is a volatility control mechanism built into the Index rules that will impact the returns on these accounts. The change in the Barclays Global MA Index in up market conditions will not be as high as it would be had there not been the volatility control.



Home



John Hancock indexed universal life



Where does IUL fit?



Target market and applications



Other key IUL features



Indexed account options



Interest credit scenarios



Downside protection



Future flexibility



Enhance the sale



Contact us

Interest credit scenarios

Using our popular Accumulation IUL in various scenarios, here are a few hypothetical examples showcasing how interest credits are determined and how they would change under different market conditions.

Crediting rate

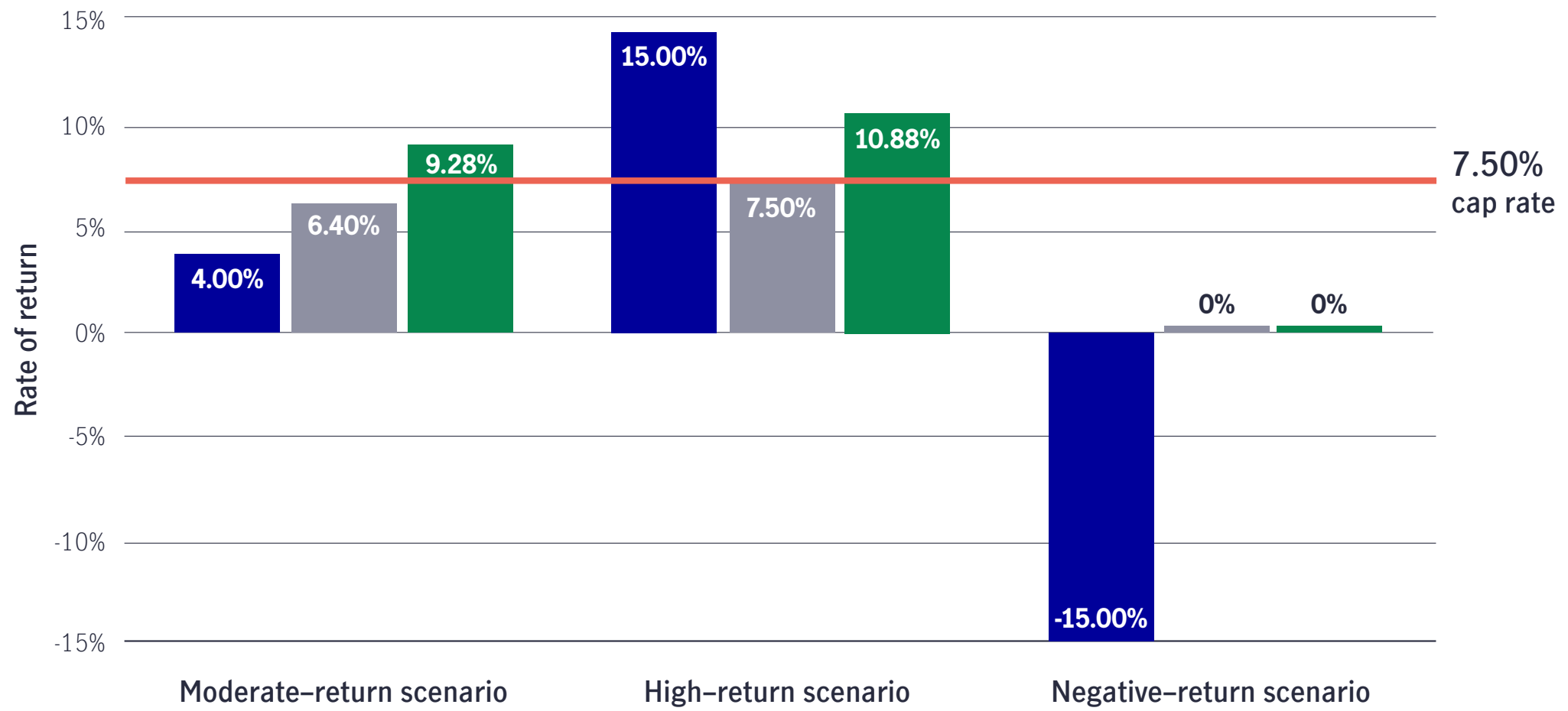
Segment growth rate X (1 + multiplier)

Segment growth rate

Positive index change X participation rate, subject to predetermined cap

Accumulation IUL referencing High Par Indexed Account

Cap rate: 7.5% Participation rate: 160% Floor rate: 0% Multiplier: 45%





Home



John Hancock indexed universal life



Where does IUL fit?



Target market and applications



Other key IUL features



Indexed account options



Interest credit scenarios



Downside protection



Future flexibility



Enhance the sale



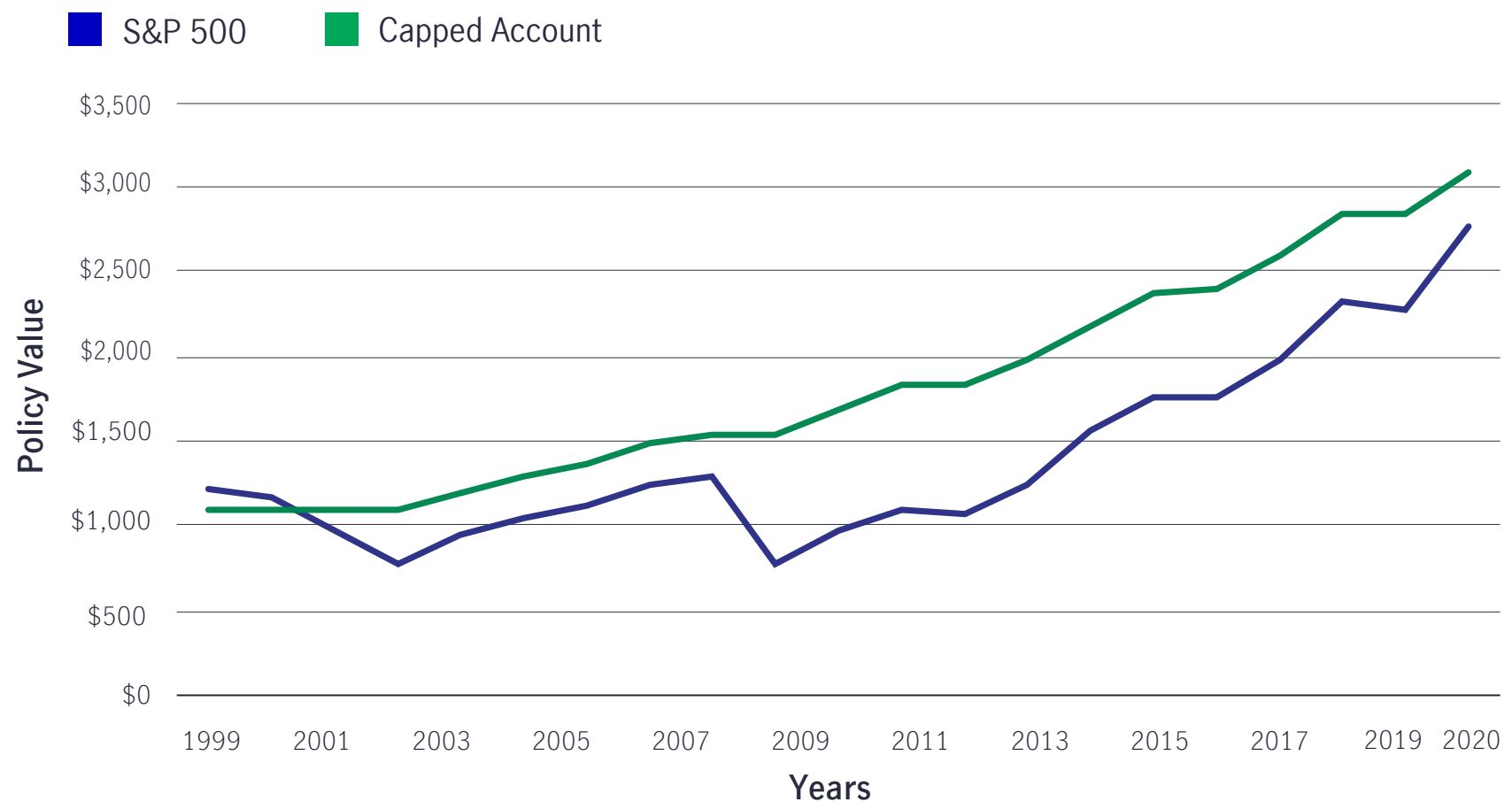
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Downside protection

IUL allows the potential for significant cash value accumulation because clients can allocate their premiums to indexed accounts that follow a financial index.

When zero is hero

The 0% floor offered on our indexed IUL portfolio can be your clients' hero by protecting the policy cash value during volatile equity markets. Take a look below to see how \$1,000 — subject to the parameters of the applicable John Hancock indexed account — would have grown over 20 years, all while protecting policyholders from the effects of major market downturns.



Source: S&P 500 from 1999-2020. Annual S&P 500 returns (with dividends) and the returns of the Capped Indexed Account on AIUL. Based upon Capped Indexed Account rate of 9.0%; cap and 0% floor. All returns do not reflect any multipliers associated with any of the indexed accounts. The above information is hypothetical and provided for illustrative purposes only. The first Index Appreciation Account segments were available beginning October 2011. The example shown reflects an indexed account option that is not available in New York. The comparison and values shown in this communication are not applicable in New York.



Home



John Hancock indexed universal life



Where does IUL fit?



Target market and applications



Other key IUL features



Indexed account options



Interest credit scenarios



Downside protection



Future flexibility



Enhance the sale



Contact us

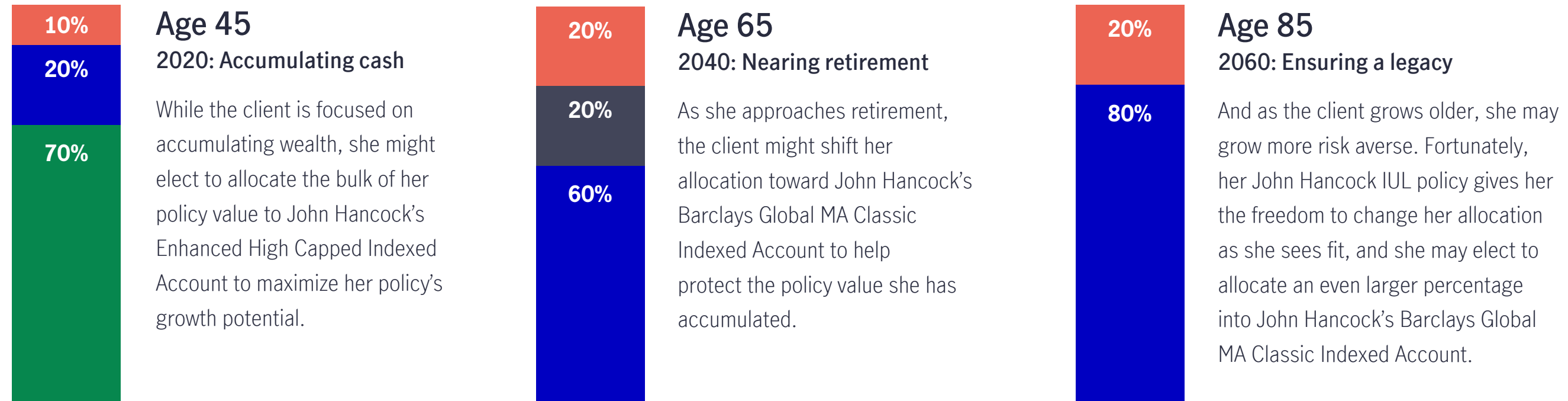
Future flexibility

By offering a full suite of competitive indexed account options, our IUL products give clients the flexibility to adjust their allocations as needed, ensuring they can continue to meet their goals as they change over time. The following example shows how a John Hancock IUL policyholder might change their indexed account allocations over a 40-year period.

IUL life cycle

Female, age 45, purchases an IUL policy in 2020

■ Enhanced High Capped Indexed Account ■ Capped Indexed Account ■ Barclays Global MA Classic Indexed ■ Fixed Account





Home



John Hancock indexed universal life



Where does IUL fit?



Target market and applications



Other key IUL features



Indexed account options



Interest credit scenarios



Downside protection



Future flexibility



Enhance the sale



Contact us

Enhance the sale

John Hancock's IUL portfolio offers a full suite of living benefits that can create the ideal product solution for your clients' future needs, including our:

- **Critical Illness Benefit (CIB) rider⁵**
- **Long-Term Care (LTC) rider²**
- **John Hancock Vitality Program**

Top 10 selling points for our IUL products

1. Industry-leading **low cost — and cash value accumulation** potential
2. **Premium savings and rewards** with the John Hancock Vitality PLUS Program plus option of **added financial protection** during life with Long-Term Care rider² and Critical Illness Benefit riders⁵
3. **Rolling targets** for an extra boost to compensation
4. **High Capped & Enhanced High Capped Indexed Accounts** available on Accumulation IUL for greater **competitive upside potential**
5. **Barclays Global MA Indexed Accounts**, available on Accumulation IUL, can provide **more stable performance** across different market environments
6. **Base Capped Two Year Indexed Account** available on Protection IUL and Accumulation IUL for clients seeking upside potential with a longer investment horizon
7. Competitive Fixed Account that provides **safe and steady growth**
8. **Guaranteed multipliers offered** for all John Hancock IUL products
9. **LifeTrack Billing — an innovative policy management tool** that helps clients achieve their coverage goals
10. **Guaranteed protection** with a no-lapse guarantee and 0% floor

John Hancock Vitality

At John Hancock, we believe life insurance should help people live longer, healthier lives. That's why we introduced **John Hancock Vitality**, life insurance that rewards people for living healthy.

There are two versions of the John Hancock Vitality Program to support your clients along the way, **Vitality GO** and **Vitality PLUS**.





Home



John Hancock indexed universal life



Where does IUL fit?



Target market and applications



Other key IUL features



Indexed account options



Interest credit scenarios



Downside protection



Future flexibility



Enhance the sale



Contact us

Strength. Stability. John Hancock.

John Hancock is among the highest-rated companies for financial strength and stability as demonstrated by its A+ rating from A.M. Best.⁶ Financial strength ratings are a comprehensive measure of a company’s financial strength and stability and are important as they reflect a life insurance company’s ability to pay claims in the future. With over 155 years of experience, John Hancock offers clients a diverse range of insurance products and services through its extensive network of employees, agents and distribution partners.

About Vitality

To help in your clients’ pursuit of a longer, healthier life, John Hancock is working with Vitality, the global leader in integrating wellness benefits with life insurance products. Vitality has an established track record of creating interactive, personalized programs. Millions of Vitality members worldwide use their online tools to identify and work towards health and lifestyle goals.

For more information about any of our life insurance products:



Contact your **John Hancock sales representative**



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



Visit us online

1. Insurance policies and/or associated riders and features may not be available in all states. Some riders may have additional fees and expenses associated with them.

2. The Long-Term Care (LTC) rider is an accelerated death benefit rider and may not be considered long-term care insurance in some states. There are additional costs associated with this rider. The maximum monthly benefit amount is \$50,000. When the death benefit is accelerated for long-term care expenses, it is reduced dollar for dollar, and the cash value is reduced proportionately. Please go to JHSalesHub.com to verify state availability.

3. 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 may be subject to tax when a loan or withdrawal is made. A federal tax penalty of 10% may also apply if the loan or withdrawal is taken prior to age 59½. Cash value available for loans and withdrawals may be more or less than originally invested. Withdrawals are available after the first policy year.

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5. The Critical Illness Benefit Rider provides a one-time, lump-sum benefit for covered critical illnesses subject to eligibility requirements. The benefit will not be paid for critical illnesses initially diagnosed before the rider effective date or during the waiting period. The rider is not available in all states and state variations may apply.

6. Second highest of 13 ratings (superior ability to meet ongoing insurance obligations). Financial strength rating is current as of February 10, 2021, is subject to change, and applies to John Hancock Life Insurance Company (U.S.A.) and John Hancock Life Insurance Company of New York as a measure of each company’s financial ability to pay claims and to honor any guarantees provided by the contract and any applicable optional riders. These companies have also received additional financial strength ratings from other rating agencies. Financial strength ratings are not an assessment, recommendation or guarantee of specific products and their investment returns or value, do not apply to individual securities held in any portfolio or the practices of an insurance company, and do not apply to the safety and performance of separate accounts.

Guaranteed product features are dependent upon minimum-premium requirements and the claims-paying ability of the issuer. This material does not constitute tax or legal advice and neither John Hancock nor any of its agents, employees or registered representatives are in the business of offering such advice. Your clients should consult with their own tax advisor.

John Hancock’s death benefit guarantees are product specific and are intended to prevent policy default. The durations of the guarantees may vary, and are subject to meeting policy-funding requirements. Please see the producer guide for additional details.

Vitality is the provider of the John Hancock Vitality Program in connection with policies issued by John Hancock.

Vitality GO is not available with policies issued in New York & Puerto Rico. Aspire is not available in New York, Idaho and Puerto Rico.

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Insurance products are issued by John Hancock Life Insurance Company (U.S.A.), Boston, MA 02116 (not licensed in New York) and John Hancock Life Insurance Company of New York, Valhalla, NY 10595.

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