Protection UL & Protection SUL

Delivering more than just a guarantee

John Hancock's Protection UL and Protection SUL are designed to deliver more than just a guarantee. These products offer lower premiums and higher cash values than most guaranteed UL (GUL)[1] and guaranteed SUL (GSUL) policies — in a wide array of funding designs. This document helps answer key questions about Protection UL and Protection SUL's guaranteed and non-guaranteed elements.

What are the guaranteed elements? What are the non-guaranteed elements?	Protection UL and Protection SUL policies provide a number of guarantees,[2] including maximum policy charges, a minimum interest crediting rate and a no-lapse guarantee feature called "Death Benefit Protection."[3] Two contractual elements currently illustrate more favorable performance than their corresponding contractual guarantees: the interest rate credited to the policy and the Cost of Insurance (COI) rates. Changes to the interest rate credited or the COI would have no impact on the policy's guarantees, but would impact the non-guaranteed performance of the policy.
What is the current interest crediting rate?	The current annualized interest rate credited to the policy is 4.65%. The rate is declared by the company and will change from time to time, but at no time will the annualized interest rate credited to the policy be less than the guaranteed minimum rate of 1.0%. Protection UL and Protection SUL's unique General Account investment strategy has helped John Hancock maintain a stable crediting rate history.
Why is Protection UL and Protection SUL's crediting rate different from other UL policies?	Insurance companies use different investment strategies within their General Accounts to support their UL policies. The General Account segment that we are using to fund Protection UL and Protection SUL currently invests primarily in a diverse mix of fixed income assets, such as high-quality corporate bonds, as well as a number of alternative non-fixed income assets — such as timber land, large-scale infrastructure projects and agriculture. These longer duration non-fixed income assets within our General Account portfolio have traditionally generated higher long-term yields than fixed income investments. As an institutional manager of both its own funds and third-party accounts, John Hancock has a good deal of experience with these asset classes as well as access that cannot be easily replicated. By investing in a broader array of asset classes, we expect to be able to diversify risk and generate returns to help us enhance the policy's long-term performance. As a result of this strategy, it is possible that the direction or degree by which the crediting rate changes at a given time will be different from our other UL policies.

Why isn't this strategy used for other policies?	Given the unique investment strategy, Protection UL requires an innovative policy design — specifically, one that has moderated cash values but ultimately fully reflects changes to the crediting rate. The former allows us to support the product with less liquid General Account assets. The latter allows us to equitably pass General Account performance to policy owners.
How do the cash values perform on Protection UL and Protection SUL?	Cash values are typically significantly higher than GUL/GSUL policies, but may be lower than other current assumption UL policies. In early policy years, cash values are moderated in order to lower overall costs — and, therefore, lower premiums. Cash values typically increase in later years, thereby providing coverage beyond the no-lapse guarantee period.
What is Protection UL's Policy Value Credit?	The Policy Value Credit is an additional amount added to the policy, beginning in year 1. The credit helps to offset the impact of COI rates in later policy years. The Policy Value Credit formula is set at issue and guaranteed not to change. The resulting Policy Value Credit depends upon the interest crediting rate, the current COI rates, and the premiums paid — as well as loans, withdrawals and other contractual changes initiated by the policyholder. One can see the effect that changes to these factors have on the Policy Value Credit by running illustrations at various assumptions.
What is the purpose of Protection UL's Policy Value Credit?	The purpose of the Policy Value Credit is to lower the cost of coverage. It does this by: • Providing more consistent policy performance across all funding patterns. This helps to lower the company's overall costs, and these savings can then be passed on to all Protection UL policyholders • Allowing for strong long-term performance in a policy with moderated early cash surrender values • Allowing for changes in expected investment performance to be delivered into the policy more effectively than with some other policy designs
Is Protection UL's Policy Value Credit Formula guaranteed?	Yes. The formula is guaranteed in the contract. However, the same factors that impact the policy value would also impact the amount of Policy Value Credits applied to the policy. These include changes the company makes to the interest rate credited or COI rates and policyholder actions, such as: • The amount and timing of premium payments • Requests for loans or withdrawals • Changes initiated by the policyholder

For more information, please call your John Hancock sales representative or
National Sales Support at 888-266-7498, option 2.

1. Current assumption universal life and guaranteed universal life insurance policies are different and can be designed to meet different client needs. Please have your clients consult with their professional advisors to find out which type of life insurance is more suitable.
2. Guaranteed product features are dependent upon the claims-paying ability of the issuer. The "Death Benefit Protection" feature is also subject to minimum premium requirements.
3. Protection UL and Protection SUL policies automatically include a no-lapse guarantee called Death Benefit Protection. This feature guarantees that the policy will not default, even if the cash surrender value falls to zero or below, provided that the Death Benefit Protection Value remains greater than zero and policy debt never exceeds the policy value. Once terminated, the Death Benefit Protection feature cannot be reinstated.

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