



Home



Five reasons



Cash value growth options



Accessing cash value



Features



Interest crediting



Riders



Policy values, fees & charges



Contact us



# Accumulation IUL Producer Guide

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LIFE-4831 7/23





Home



Five reasons



Cash value growth options



Accessing cash value



Features



Interest crediting



Riders



Policy values, fees & charges



Contact us

# Five reasons to offer Accumulation IUL

Accumulation IUL<sup>1</sup> is one of the most competitive products in the industry for cash value accumulation and retirement-income potential — offering the upside potential of equity-linked performance with the downside protection of a guaranteed 0% floor.

1

## Secures clients' death benefit protection for a lifetime

Also offers the security of tax-advantaged growth potential

2

## Features cost-effective premiums and flexible-premium schedules

This includes our Preliminary Funding Account (PFA) premium-funding option

3

## Provides cash value growth potential

Interest credited to the policy value is linked to the performance of up to two financial indices (according to indexed account allocations),<sup>2</sup> while cushioned from market losses with a 0% floor

4

## Offers added financial protection — during life

Clients can help meet their specific needs for living-benefit coverage with innovative riders, including our Long-Term Care<sup>3</sup>, Accelerated Death Benefit for Chronic Illness and Critical Illness Benefit<sup>4</sup> riders.

5

## Provides savings and rewards for healthy living

Policies automatically include John Hancock's Vitality GO, or your clients can choose an enhanced -program version, Vitality PLUS, for as little as \$2 per month — and earn even more rewards and discounts for the everyday steps they do to take to live longer, healthier lives

## Help clients stay on track with LifeTrack

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

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

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

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



Home



Five reasons



Cash value growth options



Accessing cash value



Features



Interest crediting



Riders



Policy values, fees & charges



Contact us

# Cash value growth options

A key reason clients choose Accumulation IUL is that it offers strong cash value growth potential. They can choose several interest-crediting accounts, which can work together to build cash value in the policy. These include:

## Fixed Account

Any premium allocated to the Fixed Account earns interest at a declared rate that is guaranteed never to fall below 1%.

## Indexed accounts

The indexed accounts give clients more opportunities for cash value accumulation by crediting interest to the policy value (i.e., to the policy's Index Appreciation Account) based on the performance of the corresponding financial index.\*

### What is the S&P 500® Index?

Widely regarded as the best single benchmark of the US market, this index includes 500 large cap common stocks actively traded in the United States.

### What is the Barclays Index?

The Barclays Global MA Index (the Index) is designed to track a diversified portfolio of global financial asset components. It 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 through its volatility control mechanism. The index has the ability to rebalance among the components as often as daily.<sup>2</sup>

\*The Base Capped and Base Two Year Capped Indexed Accounts are the only indexed account options available on Accumulation IUL in New York.





Home



Five reasons



Cash value growth options



Accessing cash value



Features



Interest crediting



Riders



Policy values, fees & charges



Contact us

## Cash value growth options, continued

# A diverse range of indexed account options

To help meet their specific goals, clients can choose from a wide range of indexed account options.

### Select Capped Indexed Account

Opportunity for upside potential with downside protection

### Barclays Global MA Bonus Indexed Account

Opportunity for more consistent, stable returns linked to components across multiple asset classes (includes a 0.65% guaranteed fixed bonus with a current 105% participation rate)

### Barclays Global MA Classic Indexed Account

Opportunity for more consistent, stable returns linked to components across multiple asset classes (includes a current 130% participation rate)

### Barclays Global MA Plus Indexed Account

Opportunity for more consistent, stable returns linked to components across multiple asset classes (includes a current 150% participation rate)

### Base Capped Two Year Indexed Account \*

Opportunity for greater upside potential over a two-year segment term

### Capped Indexed Account

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 Capped Indexed Account

Greater opportunity for upside potential

### Enhanced High Capped Indexed Account

The most growth potential in exchange for taking on greater risk

### Base Capped Account

(only available on AIUL in NY)\*  
Opportunity for upside potential with downside protection



Home



Five reasons



Cash value growth options



Accessing cash value



Features



Interest crediting



Riders



Policy values, fees & charges



Contact us

# Accessing cash value

As an Accumulation IUL policy owner, clients can access their policy's cash value (also known as policy value) in one of three forms: Standard loan, Index loan or Fixed Index loan. The difference between these three options lies in how the loans are secured.

## Standard loan<sup>5</sup>

At the time the loan is made, the same amount that is borrowed is transferred from the Fixed Account into the Loan Account

- The Loan Account balance serves as collateral for the outstanding loan
- Standard loans are charged an annual interest rate: 3.25% in years 1-10, and 3.00% in years 11+
- Guaranteed loan spread (difference between the loan charge rate and loan crediting rate) will not exceed 2% in all states except New York. In New York, the guaranteed loan spread is 2.00% in years 1-10 and 0.75% in years 11+.
- Current interest crediting rate to the Loan Account: 2% in years 1-10 and 3.00% in years 11+

## Index loan<sup>6</sup>

At the time the loan is made, the policy value remains in the Index Appreciation Account (IAA) to serve as collateral for the loan

- Index loans are charged an interest rate equal to the greater of the current rate of interest credited to the Fixed Account plus 1% and the Moody's Corporate Bond Yield Average — Monthly Average Corporates
- Unlike Standard Loans, no separate rate of interest is credited. The collateral amount in the IAA earns interest credited at each segment maturity (like any other amounts in the IAA)

## Fixed Index loan<sup>7</sup>

At the time of the loan, the amount borrowed is transferred from the Non-Loaned Indexed Accounts to the Loaned Indexed Account (LIA) or the Barclays Global MA Loaned Indexed Account (BLIA).

- The balance in the LIA or BLIA serves as collateral for the loan
- Fixed Index loans are charged an interest rate of 5%
- The collateral amount in the LIA or BLIA earns interest credited at each segment maturity
- Interest credits can be tied to the Barclays Global MA Index (BLIA) or the S&P (LIA)
- Fixed Index Loans are not available in New York



Home



Five reasons



Cash value growth options



Accessing cash value



Features



Interest crediting



Riders



Policy values, fees & charges



Contact us

# Features

<b>Product design</b>	Flexible-premium indexed universal life insurance policy
<b>Minimum face amount</b>	\$50,000
<b>Maximum supplemental face amount (SFA)</b>	<ul style="list-style-type: none"> <li>Up to four times the face amount is allowed at issue</li> <li>Maximum coverage is subject to underwriting and retention limits</li> </ul>
<b>Definition of life insurance</b>	<ul style="list-style-type: none"> <li>Cash Value Accumulation Test (CVAT)</li> <li>Guideline Premium Test (GPT)</li> </ul>
<b>Minimum initial premium (MIP) requirement</b>	<p><math>\frac{1}{12}</math> of no-lapse guarantee (NLG) premium</p> <p><b>Note:</b> A greater amount is required if the policy is backdated.</p>
<b>Target commissionable premium (TCP)</b>	This is the amount of premium that is fully commissionable. The target premium includes all commissionable riders and ratings. This premium will not necessarily keep the policy in force through age 121.
<b>Enhanced target premium</b>	If premium paid in first year exceeds 2 times the basic commissionable premium, then the target commissionable premium will be increased by 20%. The target enhancement will only be paid after the premium threshold has been met. Enhanced target is only available for issue ages 70 and below.
<b>Flat extras</b>	Non-medical flat extras for aviation, avocations and foreign risks are allowed on all fully underwritten risk classes except Super Preferred. Medical flat extras are not allowed on risk classes better than Standard.



## Risk classes/issue ages

### Fully underwritten risk classes available by age:

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

### Maximum substandard by age:

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

**Note:** Accumulation IUL with Vitality available for issue ages 20-90.



Home



Five reasons



Cash value growth options



Accessing cash value



Features



Interest crediting



Riders



Policy values, fees & charges



Contact us

## Features, continued

### Death benefit options

#### Option 1:

Total face amount (plus ROP, if elected)

#### Option 2:

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

#### Option change (2 to 1 only):

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

### Face amount increases

#### Base face amount (BFA)

- Increases are not permitted

#### Supplemental face amount (SFA)

- Scheduled SFA increases are available up to attained age 90
- Subject to underwriting approval
- Total increases may not exceed four times total face amount at issue
- Increases in one policy year may not exceed 25% of total face amount at issue
- Scheduled and unscheduled SFA increases will not be allowed if net amount risk (NAR) is higher than it was at issue
- Not allowed with term conversions, increasing SFA, Return of Premium, Long-Term Care, Critical Illness Benefit and Disability Payment of Specified Premium riders

### Face amount decreases

Allowed after first policy year

- Minimum face amount decrease permitted is \$50,000
- BFA may not be decreased below minimum BFA
- Requests to reduce face amount or stop previously scheduled increases will terminate any future scheduled increases

### No-lapse guarantee (NLG)<sup>8</sup>

NLG guarantees that policy will not default during NLG period, provided certain requirements are met.

#### BFA

- BFA coverage guaranteed for up to 15 years based on issue age of insured
- Regardless of age, the guarantee will not be less than seven years

#### SFA

- SFA coverage guaranteed for five years (for all issue ages)
- If increasing SFA is elected, BFA coverage guarantee is also limited to five years

#### Return of Premium (ROP)

- ROP death benefit guaranteed for five years (for all issue ages)
- If ROP is elected, BFA-coverage guarantee is also limited to five years



Home



Five reasons



Cash value growth options



Accessing cash value



Features



Interest crediting



Riders



Policy values, fees & charges



Contact us

## Features, continued

### Coverage beyond age 121

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

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

### Quit Smoking Incentive

The Quit Smoking Incentive allows all Standard and Preferred Smokers to receive Standard Non-Smoker policy charges for the first three policy years. To maintain Non-Smoker policy charges beyond year three, the insured must provide satisfactory evidence\* that he/she has quit smoking for at least 12 consecutive months and his/her microunalysis must be free of nicotine or metabolites. Please note the following:

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

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







Home



Five reasons



Cash value growth options



Accessing cash value



Features



Interest crediting



Riders



Policy values, fees & charges



Contact us

# Interest crediting

## Fixed Account

Policy value in the Fixed Account is deposited in the company's General Account at a declared rate.

- **Current:** As declared
- **Guaranteed:** 1.0%

## Guaranteed indexed account multiplier

A guaranteed indexed account multiplier will be applied to interest earned in the Index Appreciation Account at the beginning of policy year one and continuing through the life of the policy. The multiplier increases the interest earned in each maturing indexed segment, as follows:

- By 5% for the Select Capped Indexed Account
- By 45% for Capped Indexed Account, High Par Capped Indexed Account and the Loaned Indexed Account
- By 30% for the High Capped Indexed Account
- By 106% for the Enhanced Capped Indexed Account
- By 80% for the Enhanced High Capped Indexed Account

**A guaranteed indexed account multiplier is not applicable to the base indexed accounts or the Barclays Global MA Indexed Accounts.**

## Fixed bonus

Segment balances in the Barclays Global MA Bonus Indexed Account and the Barclays Global MA Loaned Indexed Account will be credited a guaranteed fixed bonus rate of 0.65% no less frequently than annually.

## Persistency bonus

A non-guaranteed persistency bonus may be applied to the Fixed Account interest rate beginning in policy year 11.

- The persistency bonus is applied only to the un-loaned portion of policy value allocated to the Fixed Account and any Indexed account holding segments
- In New York, the persistency bonus is guaranteed and will be applied beginning in policy year 11 to the then currently credited Fixed Account interest rate if the rate at that time is equal to or greater than 3.00%.
- Currently an additional 0.35% in years 11+

## Cumulative guarantee

A cumulative guarantee ensures a minimum average annualized rate of return of 2% (less policy charges) over the life of the policy, upon surrender.





Home



Five reasons



Cash value growth options



Accessing cash value



Features



Interest crediting



Riders



Policy values, fees & charges



Contact us

## Interest crediting, continued

### Index Appreciation Account

Premium allocated to the Index Appreciation Account earns an interest rate linked to each of the respective indexed accounts using a yearly point-to-point method.

- For Base Capped Two Year Indexed Account, up to 24 index segments can exist — one for each month. For all other indexed accounts, up to 12 index segments can exist
- For Base Capped Two Year Indexed Account, each segment matures in 24 months from the initiation date. For all other index accounts, each segment matures in 12 months from the initiation date
- At segment maturity (after one-two years, depending on the indexed account), the segment proceeds are allocated to a new one-year or two-year segment, along with any premium allocated to the same indexed account
- Allocation instructions and payments must be received by 4 p.m. ET, on the third business day prior to the segment initiation (the lock-in date) in order to be included in the next segment
- Index segments are created on the 15th of each month; interest is credited separately to each segment
- Transfers from the Fixed Account and new premiums allocated to the indexed account(s) will earn interest at the Fixed Account rate until they create a new segment
- Automated transfers from the Fixed Account are available with completion of the *Transfer and Allocation Changes Indexed UL Policies* form. Automated transfers will continue until the policy owner requests that they be terminated, or the balance in the Fixed Account is no longer sufficient to complete the transfer
- Requests to cancel a previously requested allocation and/or transfer to the Indexed accounts prior to those amounts being allocated to a new segment must be submitted in writing before the lock-in date
- Policy value will be transferred to the Loaned Indexed Account or Barclays Global MA Loaned Indexed Account only when the policyholder is taking a Fixed Index loan, and depending on their instructions.

### For the Loaned Indexed Account (LIA) and Barclays Global MA Loaned Indexed Account (BLIA)

- Each segment matures 12 months from the initiation date
- At segment maturity (after one year), the segment proceeds will be compared against the prevailing Indexed Loan Principal. If segment proceeds are greater than Indexed Loan Principal, the portion of segment proceeds that is equal to the Indexed Loan Principal will be allocated to a new one-year segment. The excess will be transferred to the Non-Loaned Indexed Accounts on a pro rata basis. If segment proceeds are smaller than the Indexed Loan Principal, we will transfer an amount that is equal to the difference between segment proceeds and Indexed Loan Principal from the Non-loaned Indexed Accounts or Fixed Account to the LIA or BLIA, or the Loan Account, respectively. The amount transferred to the LIA or BLIA will form a new one-year segment.



Home



Five reasons



Cash value growth options



Accessing cash value



Features



Interest crediting



Riders



Policy values, fees & charges



Contact us

## Interest crediting, continued

### Indexed account options

Each indexed account has a one-year capped indexed segment, (except for Base Capped Two Year Indexed Account, which has a two-year capped indexed segment) that earns interest based on positive changes in the corresponding financial index, subject to the current segment cap rate; and provides a guaranteed segment floor of 0% with a current participation rate ranging from 100%-160%, depending on the indexed account selected.

The segment cap rate and the participation rate are established at the beginning of a segment term and will not be changed for an existing segment.

### A diverse range of indexed account options

Indexed account option	Index	Segment cap guarantee	Cap rate	Participation rate	Guaranteed floor	Index performance charge*	Guaranteed multiplier**
<b>Select Capped Indexed Account</b>	S&P 500	3.0%	8.00%	100%	0%	N/A	5%
<b>Barclays Global MA Bonus Indexed Account</b>	Barclays Global MA Index	N/A	N/A***	105% (10% guaranteed)	0%	N/A	N/A****
<b>Barclays Global MA Classic Indexed Account</b>	Barclays Global MA Index	N/A	N/A***	130% (20% guaranteed)	0%	N/A	N/A
<b>Barclays Global MA Plus Indexed Account</b>	Barclays Global MA Index	N/A	N/A***	150% (30% guaranteed)	0%	0.60%	N/A
<b>Base Capped Two Year Indexed Account</b>	S&P 500	3.0%	21% (17% in NY)	100%	0%	N/A	N/A
<b>Capped Indexed Account</b>	S&P 500	3.25%	8.75%	100%	0%	1.98%	45%
<b>High Capped Indexed Account</b>	S&P 500	3.75%	10.00%	100%	0%	1.98%	30%
<b>High Par Capped Indexed Account</b>	S&P 500	3.0%	7.50%	160% (140% guaranteed)	0%	1.98%	45%
<b>Enhanced Capped Indexed Account</b>	S&P 500	3.50%	9.50%	100%	0%	4.98%	106%
<b>Enhanced High Capped Indexed Account</b>	S&P 500	4.25%	12.00%	100%	0%	4.98%	80%
<b>Base Capped Account (only available in NY)</b>	S&P 500	3.0%	8.00%	100%	0%	N/A	N/A

\* Indexed performance charge is annualized, but assessed monthly.

\*\* Beginning in policy year one.

\*\*\* 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.

\*\*\*\* This indexed account includes a guaranteed fixed bonus of 0.65%.



Home



Five reasons



Cash value growth options



Accessing cash value



Features



Interest crediting



Riders



Policy values, fees & charges



Contact us

# Riders (separate charges may apply)

## Long-Term Care (LTC)<sup>3</sup> rider

Provides funds to help pay for qualified long-term care expenses by accelerating the death benefit. The maximum monthly benefit amount is based on 1%, 2% or 4% of the accelerated benefit amount elected at issue. The rider is available on Option 1 (level) and Option 2 (increasing) death benefit options.\*

- Not available with increasing SFA, ROP rider, ADBCH rider, foreign residency or any flat extras
- The long-term care benefit can differ from the death benefit, but can never be greater\*
- In New York, the LTC rider is available only when the Accelerated Benefit rider has also been elected
- A separate charge is deducted if this optional rider is selected

*Note:* If the LTC rider is selected, the maximum monthly benefit is \$50,000 per insured.

## Critical Illness Benefit<sup>4</sup> rider

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

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

## John Hancock Vitality PLUS (Also referred to as the Healthy Engagement Rider)

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

- Available for issue ages 20–90
- Available on policies of any size. For large policies, credits will be applied to the first \$30 million of death benefit
- If elected, a monthly charge of \$2 is deducted through the later of attained age 80 or policy year 10
- **John Hancock Aspire<sup>®</sup>:** Provides an opportunity for insureds living with diabetes to earn savings and rewards for the things they do every day to take care of their health

\*Not available in all states.

\*\*For a complete definition of each covered critical illness, refer to the rider. Not available in all states.



Home



Five reasons



Cash value growth options



Accessing cash value



Features



Interest crediting



Riders



Policy values, fees & charges



Contact us

## Riders, continued

### Return of Premium (ROP) rider

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

- ROP increases cease at age 100, at which point the death benefit becomes level
- Available only at issue with death benefit Option 1
- Not available in conjunction with Disability Payment of Specified Premium (DPSP) Rider, LTC rider, ADBCH rider, Critical Illness Benefit rider, foreign residency or increasing SFA

### Cash Value Enhancement (CVE) rider

Enhances the cash surrender value for the first 10 policy years. While this rider is in effect, the cash surrender value is equal to the policy value, less the surrender charge, plus the CVE benefit. Conditions apply, including that the surrender cannot be done with the intention of exchanging the policy under IRS Section 1035.

- The charge is 6% of each premium paid in years 1-10
- Rider can impact compensation and extend the chargeback period, depending on which commission option is elected
- Issue ages 0-90

### Preliminary Funding Account (PFA)

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

- Guaranteed crediting rate of 4.25%
- Policyholders can terminate the PFA at any time. Refund of the PFA balance is subject to the early termination fee
- Early termination fee is equal to prevailing PFA value multiplied by the early termination fee rate, which is 5% in year one and grades down to 0% over nine years
- Preliminary Funding Account can be used only on non-MEC
- PFA cannot be used with DPSP rider, ADBTI rider, ADBCH rider or LTC rider
- PFA cannot be used with LifeTrack
- Premium mode must be set to annual
- No policy changes (e.g., DBO change, face amount change, etc.) are allowed when PFA is in force
- Minimum amount to fund the PFA is \$5,000 plus the annual scheduled premium
- Maximum amount to fund the PFA is 10 times the annual scheduled premium
- Minimum PFA period is three years; maximum PFA period is 10 years
- PFA can be funded only on or after the policy has been issued. Policyholders have up to 90 calendar days to fund the PFA after the policy has been issued
- Interest earned in the PFA will be taxable. Partial withdrawals are not available from the PFA and if a full withdrawal is requested, the PFA will terminate, and an early termination fee will apply. Refer to the PFA agreement for more information



Home



Five reasons



Cash value growth options



Accessing cash value



Features



Interest crediting



Riders



Policy values, fees & charges



Contact us

## Riders, continued

### Overloan Protection Rider (OPR)

Creates a paid-up policy in those situations where the policy has incurred excessive indebtedness. Waives future monthly deductions so that the policy does not lapse, thus possibly preventing a taxable event.

- Issue ages 0–90
- Exercise of the rider must meet stipulated conditions, including:
  - Policy must have been in force at least 15 years
  - Insured must have attained age 75 or older
  - Policy debt must exceed total face amount

There must be sufficient policy value to cover the rider charge. Additional conditions are described in the rider form.

### Disability Payment of Specified Premium (DPSP) rider

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

- Issue ages 20–60
- \$5,000,000 maximum face amount on all policies
- Not available with ROP, ADBCH or increasing SFA
- A separate monthly charge is deducted up to age 65 if this optional rider is selected

### Accelerated Death Benefit for Terminal Illness (ADBTI) rider

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

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

### Accelerated Death Benefit for Chronic Illness (ADBCH) rider<sup>10</sup>

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

death of the insured. This is calculated at time of payment and will reduce the:

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



Home



Five reasons



Cash value growth options



Accessing cash value



Features



Interest crediting



Riders



Policy values, fees & charges



Contact us

# Policy value, fees & charges

## Standard loan rates

	Interest charged (rate)	Interest credited (rate)
<b>Current</b>		
Years 1-10	3.25%	2.00%
Years 11+:	3.00%	3.00%
<b>Guaranteed:</b>		
Years 1-10:	3.25%	1.25%
Years 11+:	3.00%	1.00% (2.25% for NY)

## Index loan rates

**Interest charged (rate):** Maximum of current Fixed Account rate +1% and Moody's Corporate Bond Yield subject to a 15% maximum

**Interest credited (rate):** A minimum return of 0% and a maximum return that is governed by the parameters specified under each indexed account

## Fixed Index loan rates

**Interest charged (rate):** 5% (guaranteed)

**Interest credited (rate):** A minimum return of 0% and a maximum return that is governed by the parameters specified under the Loaned Indexed Account or the Barclays Global MA Loaned Indexed Account

## Policy loans<sup>9</sup>

- Policy loans are available at any time after the policy is in force
- Only Standard loans are available in the first policy year
- Minimum loan is \$500
- Loan interest charged may be higher for index loans. Loan interest charged rate is 5% for Fixed Index loan
- Loan option changes are permitted once a year (on the policy anniversary)
- The ability to take an additional Fixed Index loan may be restricted if the request for such a loan is made within 12 months of repaying all or a portion of a Fixed Index loan. If the limitation on Fixed Index loans is in effect, clients may still take a Standard loan or an Index loan by requesting a loan option change, if applicable

## Withdrawals<sup>9</sup>

- Available after the first policy year
- Minimum withdrawal is \$500
- Available once per month after the first year if there is a positive net cash value
- Withdrawals are first deducted from the Fixed Account, then from amounts in any indexed account holding segments and then proportionately from the indexed account segments

- An unscheduled withdrawal taken from an Indexed account will trigger a one year lockout period, during which no new indexed account segments can be created
- To avoid a lock out period, clients can schedule systematic withdrawals, i.e., withdrawals that are pre-scheduled at least 30 days in advance with a schedule of at least two withdrawals
- If a systematic withdrawal schedule is cancelled prior to its end date, policy owners will not be able to request a new systematic-withdrawal schedule for one year

## Premium charge

Policy years	Percentage
<b>Current</b>	
Year 1	7%
Years 2-10	6%
Years 11+	2%
<b>Guaranteed</b>	
<b>1-20</b>	7%
<b>21+</b>	2%



Home



Five reasons



Cash value growth options



Accessing cash value



Features



Interest crediting



Riders



Policy values, fees & charges



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## Policy value, fees & charges, continued

### Administrative charge (current and guaranteed)

All policy years: \$20 per month

#### Per \$1,000 face amount charge

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

#### Cost of insurance charge

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

**Current:** Mortality charge varies by issue age, gender, policy duration and risk class

**Guaranteed:** Reflect the charges based on the 2017 CSO table, age nearest birthday ultimate mortality rates

#### Indexed performance charge

- A monthly charge per \$1 of total value in the indexed account segment balance. A charge of 0.165% (1.98% annually) on account segment balances of the Capped, High Capped, High Par Capped, and Loaned Indexed Accounts, 0.05% on segment balances of the Barclays Global MA Plus Indexed Account, and 0.415% on segment balances of the Enhanced Capped and Enhanced High Capped Indexed Accounts

- The Indexed Performance Charge is not assessed against any policy value in the Fixed Account, Select Capped Indexed Account, Base Indexed Accounts, the Barclays Global MA Classic/Bonus/Loaned Indexed Accounts or Loan Account

#### Surrender charge

A Surrender charge is deducted in the event of a full surrender

- Surrender charge rates vary by issue age, gender, face amount, premiums paid and policy duration
- Surrender charge period is 12 years

#### Advance contribution charge

- An advance contribution charge is assessed on each monthly processing date when the cumulative premiums paid exceed the advance contribution limit times the policy year
- The advance contribution charge rates and advance contribution limit are both shown in the policy contract







Home



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3. 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.

4. 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. John Hancock anticipates that the Critical Illness Benefit paid under this rider will generally be excludable from income under Internal Revenue Code Section 104(a)(3). However, the benefit may not qualify for this exclusion with certain third-party ownership arrangements.

5. Standard loan requests in excess of the Fixed Account balance can be taken from the indexed accounts. Amounts borrowed from the indexed accounts will be transferred to the Loan Account at segment maturity. See the Accumulation IUL policy contract for more information.

6. Index loan requests in excess of the Index Appreciation Account will be secured by balances transferred from the Fixed Account to a Loan Account.

7. Fixed Index loan requests in excess of the Index Appreciation Account will be secured by balances transferred from the Fixed Account to a Loan Account.

8. The No-Lapse Guarantee (NLG) is automatically included with Accumulation IUL. It guarantees that the policy will not default, even if the cash surrender value falls to zero or below, provided the NLG cumulative premium test (performed at the point of lapse) is satisfied. Once lapsed, the guarantee cannot be reinstated. The policy owner can catch-up to the NLG premium requirement — interest free — at any time during the NLG period. The NLG duration varies by issue age.

9. 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.

10. The benefits provided by the Chronic Illness Rider (ADBCH) are designed to be excludable from gross income under federal tax law; however, there might be situations in which the benefits or charges for this rider are taxable.

11. Second highest of 13 ratings (superior ability to meet ongoing insurance obligations). Financial strength rating is current as of March 31, 2023, is subject to change, and applies to John Hancock Life Insurance Company (U.S.A.) and John Hancock Life Insurance Company of New York as a measure of each company’s financial ability to pay claims and to honor any guarantees provided by the contract and any applicable optional riders. These companies have also received additional financial strength ratings from other rating agencies. Financial strength ratings are not an assessment, recommendation, or guarantee of specific products and their investment returns or value, do not apply to individual securities held in any portfolio or the practices of an insurance company, and do not apply to the safety and performance of separate accounts.

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