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# Protection Term

## Producer Guide

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LIFE-6162 8/23







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# Five reasons to offer Protection Term

John Hancock's Protection Term provides level-premium protection with the option to convert to a permanent product until attained age 70 or the entire level-term period, along with a range of features and riders<sup>1</sup> that offer additional flexibility to help meet your clients' needs.

- 1 Level premiums** — clients can select guaranteed level premiums for 10-, 15-, 20- or 30-years\*
- 2 A robust guaranteed conversion feature** up to age 70 — providing access within a generous time frame to the strength and stability of John Hancock's permanent portfolio
- 3 Coverage** for face amounts up to \$65 million<sup>1</sup>
- 4 Rewards** for living healthy with **John Hancock Vitality GO** — automatically added at no cost
- 5 Total Disability and Accelerated Benefit riders for extra protection<sup>2</sup>**

\*30-Year Term is not available in New York.







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# John Hancock Vitality

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

Protection Term gives your clients access to the basic version of the program — Vitality GO.

## Vitality GO

Vitality GO is included with Protection Term — at no additional cost. It gives your clients the opportunity to take advantage of rewards and discounts, including:

- **Savings on fitness devices and healthy gear** including Fitbit®, Garmin, Oura® and REI
- **Save on eligible healthy foods** at the grocery store<sup>3</sup>
- **An easy-to-use app and website with health-related resources**, including the *Tufts Health & Nutrition Letter* and *Live More* magazine, plus personalized health goals

Please note: Vitality GO is not available with policies issued in New York & Puerto Rico.





# Features<sup>2</sup>

Product design	10-, 15-, 20- or 30-year term durations available <b>Please note:</b> 30-year term is not available in New York.
Flat extras	Flat extras (temporary and permanent) are allowed on all risk classes except Super Preferred.
Minimum face amount	\$250,000 (digital submissions required for face amounts ranging from \$250,000 - \$749,999)*
Maximum face amount	None; however, the maximum face amount is subject to underwriting, retention limits and reinsurance considerations. The maximum illustrated rate is \$65 million.
Face amount increases	Face amount increases are not permitted.
Face amount decreases	<b>Years 1 – 3:</b> No face amount reductions are allowed during the first three policy years. <b>Years 4 – 6:</b> Reductions allowed up to 50% of the initial face amount, as long as the remaining face amount is at least equal to the Minimum Face Amount stated in the contract. <b>Years 7+:</b> Beginning in policy year seven, any reduction is allowed as long as the remaining face amount is at least the Minimum Face Amount stated in the contract. <b>Note:</b> Decreases are processed only at the policy owner’s request.
Face amount banding	<b>Band 1:</b> \$100,000 – \$249,999** <b>Band 2:</b> \$250,000 – \$499,999 <b>Band 3:</b> \$500,000 – \$999,999 <b>Band 4:</b> \$1,000,000 – \$1,999,999 <b>Band 5:</b> \$2,000,000+

\*A digital submission via the John Hancock flex complete process on iPipeline iGO or through our JH eApp is required for term applications for face amounts ranging from \$250,000–\$749,999 (ticket submissions not eligible). Digital submissions are not available in NY.  
\*\* Band 1 is not currently available for new business.



## Risk classes/issue ages

### Issue ages:

Year	Age
10 – year	18 – 80
15 – year	18 – 75
20 – year	18 – 65
30 – year	18 – 55 (18 – 50 for Smokers)

Renewability through age 94

### Fully underwritten risk classes available by age:

Risk class	
<b>Non-Smoker</b>	<b>Smoker</b>
Super Preferred	Preferred
Preferred	Standard
Standard Plus	Substandard
Standard	
Substandard	



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## Features, continued

### Modal factors

Premiums may be paid annually, semi-annually, quarterly, or monthly.\* For premiums paid other than annually, the following modal factors apply:

**Semi-annually:** 0.51

**Quarterly:** 0.26

**Monthly:** 0.0865

### Policy fee

**Annually:** \$70

**Semi-Annually:** \$35.70

**Quarterly:** \$18.20

**Monthly:** \$6.06

**Note:** Policy fee is non-commissionable.

### First year Vitality Term policy reissue

During the first policy year, the policyholder is allowed to have their Protection Term policy reissued as Vitality Term to obtain the Healthy Engagement rider and start participating in the John Hancock Vitality PLUS program. The terms of the new contract, including policy year date, expiry date, risk class and face amount will remain the same, though the policy will have premiums that take into account the Vitality status earned and will give insureds access to the Vitality PLUS benefits.



\*Monthly payment mode requires electronic funds transfer.



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# Convertibility guidelines

Conversions are available until the sooner of end of the level term period or attainment of age 70. Furthermore, the conversion option is separated into the following two time periods:

- 1. an initial “any product” time period when the product can be converted fully underwritten to any single-life, John Hancock permanent life policy available for sale and
- 2. a subsequent time period where conversion is limited to a designated permanent product available for conversion.

The following chart outlines the years during which conversion is available:

Term duration	Any product conversion period	Product dedicated for conversion period
Term 10	1–6	7–10
Term 15	1–8	9–15
Term 20	1–10	11–20
Term 30	1–12	13–30

- Clients whose Protection Term premiums are being waived under the Total Disability Waiver may convert their policy to a permanent plan; however, they cannot purchase the Disability Payment of Specified Premium rider on the permanent policy unless certain conditions are met. Please see the contract for more details.
- If an insured has multiple term policies, they may convert each to separate permanent policies subject to the regular conversion rules. Multiple term policies cannot be combined and converted to one permanent individual policy.
- There is no conversion option for issue ages 70 and above.





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## Convertibility, continued

### Underwriting guidelines for conversions

- A term policy within the contractual conversion period can only be converted to a permanent policy with the same or lesser face amount.
- No new riders or benefits can be added on the new permanent policy and no changes to the policy owner or beneficiary are allowed. The risk classification for the permanent policy will be the same as the original term policy
- Requests to add a new rider ( e.g., Critical Illness Benefit rider) or increase the death benefit with the issuance of the permanent policy will require full underwriting and be considered a new application with a new suicide and contestability period with respect to the additional coverage. This transaction will also be considered a replacement if the term coverage is to be canceled as a result of issuing the new permanent coverage.
- Requests to add the LTC rider with the issuance of a permanent policy will be subject to a new risk classification on the LTC rider, as well as a new suicide and contestability period. The risk classification for the permanent policy will be the same as the original term policy.
- A request to increase the total coverage above the original term policy will result in two policies being issued — one as a result of exercising the term conversion privilege with the original risk classification and one for the additional face amount and new risk classification resulting from the new underwriting and evidence of insurability submitted. Any new coverage issued must meet the minimum face amount guidelines for the new permanent product
- For conversion to a survivorship policy, underwriting is required for the insured who is added (see next page for additional details)





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## Convertibility, continued

### Converting to a survivorship policy

During the “any product” conversion period or attainment of age 70, your client also has the option to convert a Protection Term policy to a permanent survivorship policy.

- The face amount of the new survivorship policy can be up to the face amount of the term contract subject to available retention limits not to exceed \$20M
- Underwriting is required only on the life not previously covered under the original term contract
- The new life must be underwritten for the full face amount, found insurable, and be age 75 or younger

### Estate Preservation rider (EPR) and term conversions

The Estate Preservation rider (EPR) is not a term product rider, but is an extra death benefit feature available with our permanent survivorship products.

The right to receive the EPR on a term conversion to a permanent survivorship product is not part of the conversion provision.

The Estate Preservation rider can be added to the permanent survivorship policy, subject to the following conditions:

#### Availability — attained age

- 20–65: Up to Substandard rating of 500%
- 66–75: Up to Substandard rating of 200%
- The existing life insured must continue to qualify for the same risk class as the original policy.
- EPR is subject to available retention

#### In order to add the EPR, follow these rules:

- Complete an *Application for Life Insurance and a HIPAA Compliant Authorization for Release of Health- Related Information*
- In the “Special Requests” section, indicate this is a conversion of survivorship term and provide the policy number of the term policy. Do not complete a term conversion application. Both the plan and the EPR are selected on page 2 of the application
- Regular survivorship underwriting requirements based on the policy face amount must be submitted for each insured





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# Riders, *separate charges may apply*

## Total Disability Waiver rider

- The Total Disability Waiver (TDW) rider provides for a waiver of required premiums should:
  - The insured become totally disabled while the benefit is in force and before the policy anniversary nearest to the insured's 65th birthday, and
  - The total disability lasts at least six months, without interruption, during the insured's lifetime
- Maximum face amount is \$5 million
- Issue ages 20 – 55
- Maximum benefit \$5,000 per month
- This rider is available only at issue
- If disability occurs before age 60, the premiums are waived until the earlier of age 94 or recovery from disability; if disability occurs after age 60, premiums are waived until age 65
- Not available with annualized premium greater than \$60,000

- The cost for this rider is based on age at issue, sex, underwriting status, smoking status and total face amount
- Clients with Protection Term insurance premiums that are currently waived under the TDW rider may still convert their policy to a permanent plan; however, they cannot purchase the Boston, MA rider on the permanent policy unless certain conditions are met. Please see the contract for more details
- This rider terminates at age 65. If disability occurs at or after age 65, no premium will be waived

## Accelerated Benefit rider

The Accelerated Benefit rider (ABR) allows a portion of the death benefit to 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 up to 50% of the eligible death benefit to a maximum of \$1 million:

- Available to all issue age.
- This benefit may be added at any time, regardless of current health, provided that the following conditions are met:
  - There must be a least one year remaining in the benefit period
  - The consent of the irrevocable beneficiary (if any) is required
  - The consent of the assignee (if any) is required
- The death benefit is reduced by the rider benefit amount plus one year's interest at current loan rates on the benefit paid, and an 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 the Accelerated Benefit rider

**Note:** The Accelerated Benefit rider is required in New York.





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# 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.<sup>4</sup> 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 160 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.

## For more information about Protection Term or our other products:



Contact your **John Hancock sales representative**



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



Visit **JHSalesHub.com**

1. Subject to underwriting, retention and reinsurance considerations.
2. 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. Guaranteed product features are dependent upon minimum premium requirements and the claims-paying ability of the issuer.
3. HealthyFood 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.
4. Second highest of 13 ratings (superior ability to meet ongoing insurance obligations). Financial strength rating is current as of June 30, 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.

REI is not affiliated with the John Hancock Vitality Program. REI does not sponsor, endorse or have any responsibility for this promotion.

Vitality is the provider of the John Hancock Vitality Program in connection with policies issued by John Hancock. **John Hancock Vitality Program rewards and discounts are available only to the person insured under the eligible life insurance policy, may vary based on the type of insurance policy purchased and the state where the policy was issued, are subject to change and are not guaranteed to remain the same for the life of the policy.**

For conversions, unlike term insurance, variable universal life insurance has fluctuating returns and death benefits, and because variable universal life insurance policies offer investment options, there are investment fees in addition to the cost of maintaining an insurance policy. Please refer to the contract for details of the conversion provision.

The merchants represented are not sponsors of John Hancock Vitality or otherwise affiliated with John Hancock Vitality. Please visit each company's website for additional terms and conditions.

To be eligible to earn rewards and discounts by participating in the Vitality program, the insured must register for Vitality and in most instances also complete the Vitality Healthy Review (VHR).

**For agent use only. Not for use with the public.**

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. MLINY080223764-1