



*JH Solutions*®

## **IRA Maximization Strategy**

Enhancing your legacy with  
Life Insurance

**Prepared for**

**Mr Ira Max**

November 3, 2021

**Presented by**

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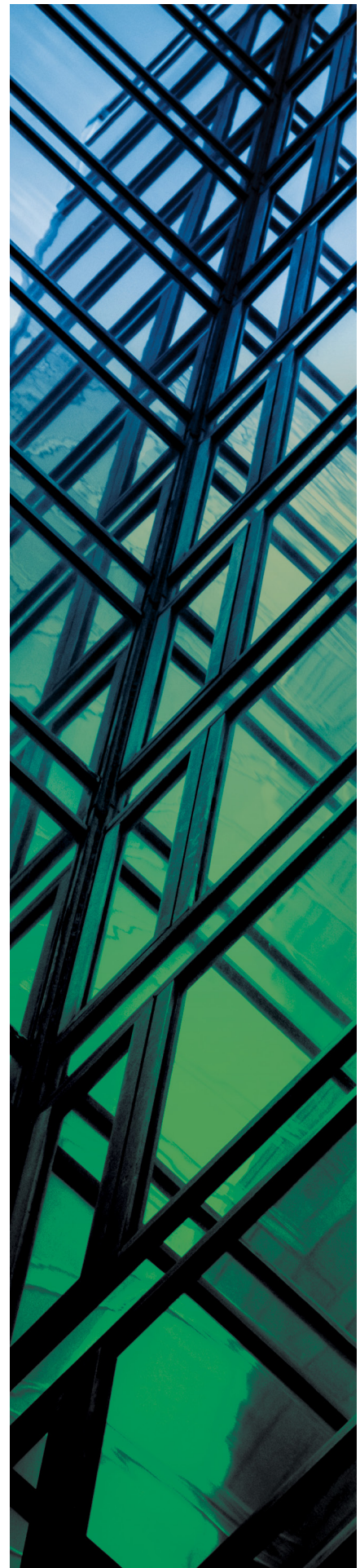
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Like many successful individuals, you may have accumulated enough financial resources for your retirement and will not need your IRAs or other qualified plans to support your lifestyle. Accordingly, your IRA or qualified plan accounts can pass to your chosen beneficiaries as part of your legacy. Yet while IRAs/qualified plans are *tax-efficient* when it comes to saving for retirement, they are *tax-inefficient* with respect to transferring wealth to future generations. By repositioning IRA assets into a life insurance policy that provides an income-tax free<sup>1</sup> death benefit, you may be able to better leverage your IRA and other qualified plans to increase the total amount your loved ones will inherit.

## Understanding the taxation of qualified plans

IRAs and other qualified plans are funded with pre-tax money and grow tax-deferred until distributions occur. Prior to age 59½, distributions are subject to an additional 10% tax, and starting at age 72, annual Required Minimum Distributions (RMDs) must be withdrawn from the plan. When RMDs are not needed for current income, they often will be spent or reinvested in a taxable side fund. Any remaining funds in your IRA at death can be transferred to your designated beneficiaries, but will be subject to IRD taxes. Although careful planning with your advisors may help mitigate these taxes (e.g., spousal rollovers, charitable planning, etc.), the value of these accounts will be impacted by taxes, likely reducing the legacy you are able to provide at your death.

**While IRAs are excellent vehicles to save for retirement, they typically are not ideal for wealth transfer planning for two key reasons:**



Unlike other assets in your estate such as stocks or real estate, there is no “step-up” in basis at your death on IRAs/qualified plans. Instead, these assets are treated as “income in respect of a decedent” (IRD), which means your beneficiaries will be personally subject to income tax at their individual income tax rates.



Your IRA and other qualified plan assets will be includable in your gross estate for federal and state estate tax purposes (and generation skipping taxes), thus potentially creating additional tax liabilities that may reduce what you are able to transfer to your heirs.

## Why life insurance?

Using your IRA to fund a life insurance policy can help manage taxes and potentially increase the total amount left to your beneficiaries. Life insurance offers several tax advantages, including:



Tax-free death benefit  
for your beneficiaries



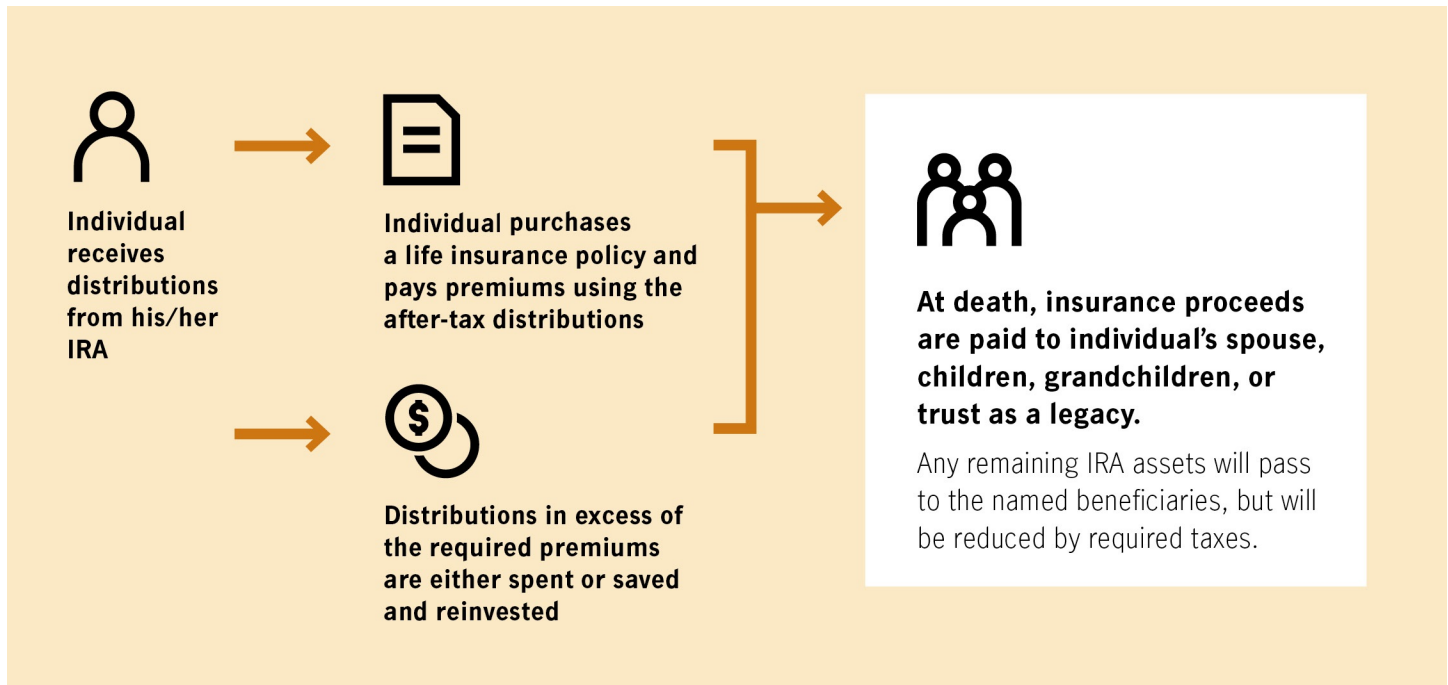
Tax deferred growth and  
tax-free access<sup>2</sup> to  
**potential policy** cash value

1. 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.

2. Loans and withdrawals will reduce the death benefit, 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. 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 premiums paid.

## How it works

With the IRA Maximization strategy, you purchase a life insurance policy and use after-tax distributions from your IRA or qualified plan account to pay the premiums. Upon the insured's death, the IRA or qualified plan will pass to the designated beneficiaries and the life insurance death benefit will be paid income-tax free to the named beneficiaries.



### Additional considerations

- You will be subject to income tax on the distributions you take from a traditional IRA or qualified plan.
- Although many designated beneficiaries are able to take distributions over a 10 year period of time, heirs often have liquidity or lifestyle needs that require more immediate access to IRA funds. Incorporating life insurance into your legacy strategy can help meet these immediate needs.<sup>4</sup>
- To create multi-generational legacy plans, individuals may consider leaving the life insurance proceeds to one generation (e.g., children) and their remaining IRA balance to another generation (e.g., grandchildren). For individuals with larger estates, care should be taken to determine the impact, if any, of the generation skipping transfer (GST) tax to this type of planning.
- Life insurance policies have charges associated with them such as the cost of insurance and potential surrender charges. Please consult the basic illustration for more information.

4. Under current law, individuals named as a beneficiary of an IRA or qualified plan must take distributions by 12/31 of the year in which the 10th anniversary of the participant's death occurs, unless the Designated Beneficiary is an "Eligible Designated Beneficiary".

## Planning Options Summary Page

The following pages graphically illustrate a projected net amount transferred to your heirs upon your death based upon these scenarios:

- 1) Current strategy in which you keep your IRA/qualified plan.
- 2) Proposed strategy in which you use distributions from the IRA/qualified plan to fund the purchase of a life insurance policy. Carefully review the accompanying basic illustration.

This page represents a focus year, refer to the accompanying pages for more details and a year by year comparison. Refer to the glossary for a definition of the key terms used in this proposal.

### Assumptions/policy details for Mr Ira Max

Male, Age 72, Preferred NonSmoker

Tax rate: 28%

Initial Premium: \$28,125

Initial Death Benefit: \$933,941

Product: Protection UL 19

Vitality Status: Bronze

Distribution method: Required Minimum Distribution

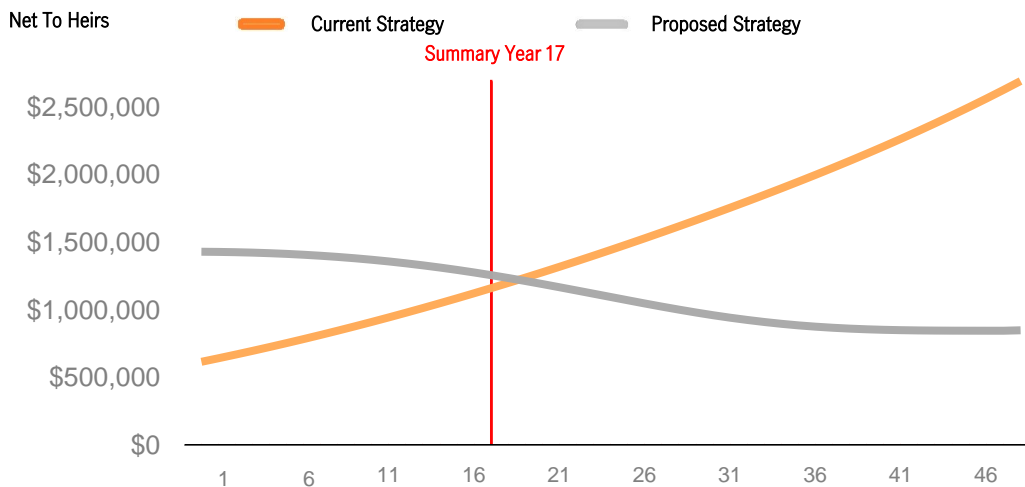
Excess Distribution: Saved

Beneficiary/IRD Tax Rate: 35%

Summary Year: 17

### Comparison of Values in Year 17

	Current Strategy	Proposed Strategy
IRA Value Today	1,000,000	1,000,000
<b>Summary Year 17</b>		
Total Premium Paid	-	617,500
IRA Value Growing @ 4%	736,536	736,536
Tax - Free Death Benefit	-	933,941
Less IRD Taxes	257,788	257,788
Reinvested Distributions @ 2.5%	764,210	0
Net to Heirs	1,242,959	1,412,690
<b>Potential Gain Due from Planning</b>		<b>169,731</b>



In addition, the policy includes the following rider(s):

**Long-Term Care rider:** This rider allows for the acceleration of a policy's death benefit to help pay long-term care expenses. The maximum monthly benefit amount you have chosen is \$18,679. Please see the accompanying basic illustration for details.

**Vitality PLUS Program:** With the John Hancock Vitality PLUS program, you will be rewarded for the everyday things you do to be healthy, like exercising, eating well, and getting annual check-ups.

**The figures used to demonstrate this concept are based upon both assumptions and data provided by you. Your furnishing of accurate data will help enhance the value of this analysis. You should choose growth rates that are reasonable based on your investment objectives and market conditions and should consider costs, fees, income taxes and other expenses. This presentation is not a guarantee of the future performance of the life insurance policy or any other assets shown. Please review the accuracy of this information.**

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.

## Annual summary comparison of Current Strategy vs. Proposed Strategy for Mr Ira Max

This summary is derived from the detailed current strategy and proposed strategy that follows.

Male, Age 72, Preferred NonSmoker, Vitality Status Bronze  
Tax rate 28%, IRD tax rate 35%

Year	Current Strategy			Proposed Strategy			Potential Gain Due to Planning	
	IRA and Reinvestment Balance	IRD Taxes	Net to Heirs	IRA and Reinvestment Balance	Death Benefit	IRD Taxes		Net to Heirs
1	1,028,203	349,781	678,422	999,375	933,941	349,781	1,583,535	905,113
2	1,056,680	349,045	707,635	997,271	933,941	349,045	1,582,167	874,532
3	1,085,401	347,754	737,647	993,584	933,941	347,754	1,579,770	842,123
4	1,114,337	345,871	768,466	988,204	933,941	345,871	1,576,273	807,808
5	1,143,453	343,356	800,097	981,017	933,941	343,356	1,571,602	771,504
6	1,172,780	340,246	832,534	972,132	933,941	340,246	1,565,827	733,293
7	1,202,219	336,425	865,794	961,213	933,941	336,425	1,558,730	692,935
8	1,231,806	331,939	899,867	948,397	933,941	331,939	1,550,399	650,532
9	1,261,511	326,756	934,755	933,588	933,941	326,756	1,540,773	606,018
10	1,291,302	320,841	970,460	916,690	933,941	320,841	1,529,789	559,329
11	1,321,145	314,162	1,006,983	897,605	933,941	314,162	1,517,384	510,401
12	1,351,007	306,684	1,044,324	876,239	933,941	306,684	1,503,496	459,173
13	1,380,853	298,374	1,082,480	852,496	933,941	298,374	1,488,063	405,583
14	1,410,767	289,342	1,121,425	826,690	933,941	289,342	1,471,290	349,865
15	1,440,730	279,574	1,161,156	798,782	933,941	279,574	1,453,150	291,994
16	1,470,727	269,058	1,201,669	768,739	933,941	269,058	1,433,621	231,952
17	1,500,746	257,788	1,242,959	736,536	933,941	257,788	1,412,690	169,731
18	1,530,777	245,758	1,285,019	702,165	933,941	245,758	1,390,348	105,329
19	1,560,978	233,168	1,327,810	666,194	933,941	233,168	1,366,967	39,157
20	1,591,366	220,041	1,371,325	628,690	933,941	220,041	1,342,589	-28,735
21	1,621,967	206,407	1,415,559	589,736	933,941	206,407	1,317,269	-98,290
22	1,652,810	192,303	1,460,507	549,437	933,941	192,303	1,291,075	-169,432
23	1,684,137	178,018	1,506,120	508,622	933,941	178,018	1,264,545	-241,575
24	1,716,009	163,611	1,552,399	467,459	933,941	163,611	1,237,789	-314,609
25	1,748,493	149,148	1,599,344	426,138	933,941	149,148	1,210,931	-388,414
26	1,781,664	134,704	1,646,959	384,870	933,941	134,704	1,184,106	-462,853
27	1,815,608	120,361	1,695,247	343,889	933,941	120,361	1,157,469	-537,778
28	1,850,656	106,493	1,744,163	304,265	933,941	106,493	1,131,713	-612,450
29	1,886,901	93,173	1,793,728	266,208	933,941	93,173	1,106,976	-686,752
30	1,924,440	80,476	1,843,964	229,931	933,941	80,476	1,083,396	-760,568
31	1,963,375	68,478	1,894,897	195,651	933,941	68,478	1,061,114	-833,783
32	2,004,031	57,521	1,946,510	164,347	933,941	57,521	1,040,766	-905,743
33	2,046,468	47,614	1,998,854	136,039	933,941	47,614	1,022,366	-976,488
34	2,090,540	38,514	2,052,026	110,040	933,941	38,514	1,005,467	-1,046,559
35	2,136,542	30,518	2,106,024	87,194	933,941	30,518	990,617	-1,115,407
36	2,184,512	23,600	2,160,911	67,430	933,941	23,600	977,770	-1,183,141
37	2,234,632	17,911	2,216,721	51,174	933,941	17,911	967,204	-1,249,517
38	2,286,720	13,149	2,273,571	37,568	933,941	13,149	958,360	-1,315,212
39	2,340,792	9,263	2,331,528	26,467	933,941	9,263	951,145	-1,380,384
40	2,396,952	6,312	2,390,641	18,034	933,941	6,312	945,663	-1,444,977
41	2,455,052	4,040	2,451,012	11,542	933,941	4,040	941,443	-1,509,569

<b>Year</b>	<b>IRA and Reinvestment Balance</b>	<b>IRD Taxes</b>	<b>Net to Heirs</b>	<b>IRA and Reinvestment Balance</b>	<b>Death Benefit</b>	<b>IRD Taxes</b>	<b>Net to Heirs</b>	<b>Potential Gain Due to Planning</b>
42	2,515,149	2,451	2,512,698	7,002	933,941	2,451	938,492	-1,574,206
43	2,577,126	1,335	2,575,791	3,814	933,941	1,335	936,420	-1,639,370
44	2,641,005	658	2,640,347	1,879	933,941	658	935,162	-1,705,185
45	2,706,760	324	2,706,436	926	933,941	324	934,543	-1,771,893
46	2,774,295	160	2,774,136	456	933,941	160	934,237	-1,839,898
47	2,843,587	79	2,843,508	225	933,941	79	934,087	-1,909,421
48	2,914,644	39	2,914,606	111	933,941	39	934,013	-1,980,593
49	2,987,495	19	2,987,476	55	937,515	19	937,550	-2,049,925

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## Current Strategy for Mr Ira Max

Male, Age 72, Preferred NonSmoker, Vitality Status Bronze  
 Tax rate 28%, IRD tax rate 35%

Year	Attained Age (EOY)	RMD Factor	IRA Value (BOY)	Required Minimum Distribution	Actual Distribution	After Tax Distribution	Saved Distribution	Reinvested Distribution Balance	IRA Value(EOY)
1	73	25.6	1,000,000	39,063	39,063	28,125	28,125	28,828	999,375
2	74	24.7	999,375	40,461	40,461	29,132	29,132	59,409	997,271
3	75	23.8	997,271	41,902	41,902	30,170	30,170	91,818	993,584
4	76	22.9	993,584	43,388	43,388	31,239	31,239	126,133	988,204
5	77	22.0	988,204	44,918	44,918	32,341	32,341	162,437	981,017
6	78	21.2	981,017	46,274	46,274	33,318	33,318	200,648	972,132
7	79	20.3	972,132	47,888	47,888	34,480	34,480	241,006	961,213
8	80	19.5	961,213	49,293	49,293	35,491	35,491	283,409	948,397
9	81	18.7	948,397	50,716	50,716	36,516	36,516	327,923	933,588
10	82	17.9	933,588	52,156	52,156	37,552	37,552	374,612	916,690
11	83	17.1	916,690	53,608	53,608	38,597	38,597	423,540	897,605
12	84	16.3	897,605	55,068	55,068	39,649	39,649	474,768	876,239
13	85	15.5	876,239	56,532	56,532	40,703	40,703	528,358	852,496
14	86	14.8	852,496	57,601	57,601	41,473	41,473	584,076	826,690
15	87	14.1	826,690	58,631	58,631	42,214	42,214	641,947	798,782
16	88	13.4	798,782	59,611	59,611	42,920	42,920	701,989	768,739
17	89	12.7	768,739	60,531	60,531	43,582	43,582	764,210	736,536
18	90	12.0	736,536	61,378	61,378	44,192	44,192	828,612	702,165
19	91	11.4	702,165	61,593	61,593	44,347	44,347	894,784	666,194
20	92	10.8	666,194	61,685	61,685	44,413	44,413	962,676	628,690
21	93	10.2	628,690	61,636	61,636	44,378	44,378	1,032,231	589,736
22	94	9.6	589,736	61,431	61,431	44,230	44,230	1,103,373	549,437
23	95	9.1	549,437	60,378	60,378	43,472	43,472	1,175,516	508,622
24	96	8.6	508,622	59,142	59,142	42,582	42,582	1,248,550	467,459
25	97	8.1	467,459	57,711	57,711	41,552	41,552	1,322,355	426,138
26	98	7.6	426,138	56,071	56,071	40,371	40,371	1,396,794	384,870
27	99	7.1	384,870	54,207	54,207	39,029	39,029	1,471,719	343,889
28	100	6.7	343,889	51,327	51,327	36,955	36,955	1,546,391	304,265
29	101	6.3	304,265	48,296	48,296	34,773	34,773	1,620,693	266,208
30	102	5.9	266,208	45,120	45,120	32,486	32,486	1,694,509	229,931
31	103	5.5	229,931	41,806	41,806	30,100	30,100	1,767,724	195,651
32	104	5.2	195,651	37,625	37,625	27,090	27,090	1,839,684	164,347
33	105	4.9	164,347	33,540	33,540	24,149	24,149	1,910,429	136,039
34	106	4.5	136,039	30,231	30,231	21,766	21,766	1,980,500	110,040
35	107	4.2	110,040	26,200	26,200	18,864	18,864	2,049,348	87,194
36	108	3.9	87,194	22,357	22,357	16,097	16,097	2,117,082	67,430
37	109	3.7	67,430	18,224	18,224	13,121	13,121	2,183,458	51,174
38	110	3.4	51,174	15,051	15,051	10,837	10,837	2,249,153	37,568
39	111	3.1	37,568	12,119	12,119	8,725	8,725	2,314,325	26,467
40	112	2.9	26,467	9,127	9,127	6,571	6,571	2,378,918	18,034
41	113	2.6	18,034	6,936	6,936	4,994	4,994	2,443,510	11,542
42	114	2.4	11,542	4,809	4,809	3,463	3,463	2,508,147	7,002
43	115	2.1	7,002	3,334	3,334	2,401	2,401	2,573,311	3,814



<b>Year</b>	<b>Attained Age (EOY)</b>	<b>RMD Factor</b>	<b>IRA Value (BOY)</b>	<b>Required Minimum Distribution</b>	<b>Actual Distribution</b>	<b>After Tax Distribution</b>	<b>Saved Distribution</b>	<b>Reinvested Distribution Balance</b>	<b>IRA Value(EOY)</b>
44	116	1.9	3,814	2,008	2,008	1,445	1,445	2,639,126	1,879
45	117	1.9	1,879	989	989	712	712	2,705,834	926
46	118	1.9	926	487	487	351	351	2,773,839	456
47	119	1.9	456	240	240	173	173	2,843,362	225
48	120	1.9	225	118	118	85	85	2,914,534	111
49	121	1.9	111	58	58	42	42	2,987,440	55

RMD factor based on beginning of year age

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## Proposed Strategy

Male, Age 72, Preferred NonSmoker, Vitality Status Bronze  
 Tax rate 28%, IRD tax rate 35%

Year	Attained Age (EOY)	IRA Value (BOY)	Required Minimum Distribution	Actual Distribution	After Tax Distribution	IRA Value (EOY)	Premium	Saved Distribution	Reinvested Distribution Balance	Death Benefit
1	73	1,000,000	39,063	39,063	28,125	999,375	28,125	0	0	933,941
2	74	999,375	40,461	40,461	29,132	997,271	29,132	0	0	933,941
3	75	997,271	41,902	41,902	30,170	993,584	30,170	0	0	933,941
4	76	993,584	43,388	43,388	31,239	988,204	31,239	0	0	933,941
5	77	988,204	44,918	44,918	32,341	981,017	32,341	0	0	933,941
6	78	981,017	46,274	46,274	33,318	972,132	33,318	0	0	933,941
7	79	972,132	47,888	47,888	34,480	961,213	34,480	0	0	933,941
8	80	961,213	49,293	49,293	35,491	948,397	35,491	0	0	933,941
9	81	948,397	50,716	50,716	36,516	933,588	36,516	0	0	933,941
10	82	933,588	52,156	52,156	37,552	916,690	37,552	0	0	933,941
11	83	916,690	53,608	53,608	38,597	897,605	38,597	0	0	933,941
12	84	897,605	55,068	55,068	39,649	876,239	39,649	0	0	933,941
13	85	876,239	56,532	56,532	40,703	852,496	40,703	0	0	933,941
14	86	852,496	57,601	57,601	41,473	826,690	41,473	0	0	933,941
15	87	826,690	58,631	58,631	42,214	798,782	42,214	0	0	933,941
16	88	798,782	59,611	59,611	42,920	768,739	42,920	0	0	933,941
17	89	768,739	60,531	60,531	43,582	736,536	43,582	0	0	933,941
18	90	736,536	61,378	61,378	44,192	702,165	44,192	0	0	933,941
19	91	702,165	61,593	61,593	44,347	666,194	44,347	0	0	933,941
20	92	666,194	61,685	61,685	44,413	628,690	44,413	0	0	933,941
21	93	628,690	61,636	61,636	44,378	589,736	44,378	0	0	933,941
22	94	589,736	61,431	61,431	44,230	549,437	44,230	0	0	933,941
23	95	549,437	60,378	60,378	43,472	508,622	43,472	0	0	933,941
24	96	508,622	59,142	59,142	42,582	467,459	42,582	0	0	933,941
25	97	467,459	57,711	57,711	41,552	426,138	41,552	0	0	933,941
26	98	426,138	56,071	56,071	40,371	384,870	40,371	0	0	933,941
27	99	384,870	54,207	54,207	39,029	343,889	39,029	0	0	933,941
28	100	343,889	51,327	51,327	36,955	304,265	36,955	0	0	933,941
29	101	304,265	48,296	48,296	34,773	266,208	34,773	0	0	933,941
30	102	266,208	45,120	45,120	32,486	229,931	32,486	0	0	933,941
31	103	229,931	41,806	41,806	30,100	195,651	30,100	0	0	933,941
32	104	195,651	37,625	37,625	27,090	164,347	27,090	0	0	933,941
33	105	164,347	33,540	33,540	24,149	136,039	24,149	0	0	933,941
34	106	136,039	30,231	30,231	21,766	110,040	21,766	0	0	933,941
35	107	110,040	26,200	26,200	18,864	87,194	18,864	0	0	933,941
36	108	87,194	22,357	22,357	16,097	67,430	16,097	0	0	933,941
37	109	67,430	18,224	18,224	13,121	51,174	13,121	0	0	933,941
38	110	51,174	15,051	15,051	10,837	37,568	10,837	0	0	933,941
39	111	37,568	12,119	12,119	8,725	26,467	8,725	0	0	933,941
40	112	26,467	9,127	9,127	6,571	18,034	6,571	0	0	933,941
41	113	18,034	6,936	6,936	4,994	11,542	4,994	0	0	933,941
42	114	11,542	4,809	4,809	3,463	7,002	3,463	0	0	933,941
43	115	7,002	3,334	3,334	2,401	3,814	2,401	0	0	933,941

<b>Year</b>	<b>Attained Age (EOY)</b>	<b>IRA Value (BOY)</b>	<b>Required Minimum Distribution</b>	<b>Actual Distribution</b>	<b>After Tax Distribution</b>	<b>IRA Value (EOY)</b>	<b>Premium</b>	<b>Saved Distribution</b>	<b>Reinvested Distribution Balance</b>	<b>Death Benefit</b>
44	116	3,814	2,008	2,008	1,445	1,879	1,445	0	0	933,941
45	117	1,879	989	989	712	926	712	0	0	933,941
46	118	926	487	487	351	456	351	0	0	933,941
47	119	456	240	240	173	225	173	0	0	933,941
48	120	225	118	118	85	111	85	0	0	933,941
49	121	111	58	58	42	55	42	0	0	937,515

RMD factor based on beginning of year age

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.

**Glossary:** the following terms and phrases may be helpful as you consider this presentation.

**Actual distribution:** the withdrawal that is taken from the qualified plan (will at minimum be the RMD but could be a figure greater than that).

**After tax distribution:** the net amount of distribution, after income taxes are taken into consideration.

**BOY (beginning of year):** values at the beginning of year.

**Current strategy:** this assumes you keep your IRA/qualified plan as is.

**EOY (end of year):** values at the end of year.

**IRA and saved distribution:** this assumes both the IRA value and any distributions (if applicable) that have been saved into an account, with compounded growth with the assumed rate of return you specified.

**IRD taxes:** IRAs and qualified plans have built-in income tax consequences, referred to as income in respect of a decedent (IRD), which are payable after death by the beneficiary when such amounts are received. This column indicates the potential IRD tax due on the IRA/qualified plan based on the tax rate you selected.

**Net to heirs:** the amount your heirs are projected to receive based on the assumptions in this presentation, including the IRA value, saved distributions, life insurance, growth, taxes and distributions.

**Proposed strategy:** this assumes you use distributions from the IRA/qualified plan to fund the purchase of a life insurance policy. Please carefully review the accompanying basic illustration.

**Reinvested distributions:** The cumulative distribution that you have indicated that you wish to retain and save, and will be compounded by the growth rate you specified.

**RMD factor:** The RMD factor is the factor mandated by the IRS to calculate the required minimum distribution (RMD), taken from the IRS's Uniform Lifetime table.

**RMD (Required Minimum Distribution):** starting at age 72, you must start taking distributions from your qualified plan or IRA. These are called Required Minimum Distributions (RMDs). The estimated RMDs in this proposal are calculated by dividing the previous year's plan value by the appropriate RMD factor. Consult your tax advisor for more information.

**Saved distribution:** if applicable, this reflects the annual net after tax amount of distribution (including RMD) that will be reinvested in an account.

## Important 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. All information and materials provided by John Hancock are to support the marketing and sale of our products and services, and are not intended to be impartial advice or recommendations. John Hancock and its representatives will receive compensation from such sales or services. Anyone interested in these transactions or topics may want to seek advice based on his or her particular circumstances from independent advisors.

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<b>INSURANCE PRODUCTS :</b>		
<b>Not FDIC Insured</b>	<b>  Not Bank Guaranteed</b>	<b>  May Lose Value</b>
<b>Not a Deposit</b>	<b>  Not Insured by Any Federal Government Agency</b>	

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

## A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Protection UL Form: 19PROUL

Acceleration of Death Benefit for Qualified Long-Term Care Services Rider

Presented By: \*

### Illustration Assumptions

Mr Ira Max

Male - Preferred NonSmoker

Age: 72

Initial Assumed Status: Bronze

Initial Total Death Benefit \$933,941 / Initial Long Term Care Benefit \$933,941

Face Amount \$933,941

Initial Planned Premium: \$28,125.00 / Billing Mode: Annual

Death Benefit Option 1; Cash Value Accumulation Test

State: Massachusetts

Based on Current Charges and an Initial Current Rate of 4.35%

### INITIAL COVERAGE AMOUNTS

Death Benefit	\$933,941
Accelerated Benefit Percentage	100%
Accelerated Benefit Pool (Long-Term Care)	\$933,941
Monthly Acceleration Percentage	2%
Maximum Monthly Benefit Amount	\$18,679
Stay at Home Lifetime Benefit Amount	\$18,679
Bed Hold Benefit	21 days per calendar year
Elimination Period	90 calendar days

If the Accelerated Benefit Pool is fully accelerated based on the Maximum Monthly Benefit Amount, it will provide no less than 50 monthly payments.

### Long-Term Care Rider

This illustration includes the Long-Term Care rider that interacts with the life insurance policy to which it is attached. There is a monthly charge for this rider. This rider is noncancelable. The rates used for determining the charges for this rider are guaranteed not to change. You will have the right to continue this rider for as long as the Insured lives or until the rider is terminated in accordance with the Termination provisions described in the policy.

The Long-Term Care rider is designed to accelerate all or a portion of the Total Face Amount or Face Amount (depending on which term is used in your policy) under the policy in order to reimburse a Chronically Ill insured for expenses incurred for receipt of Qualified Long-Term Care Services. The Accelerated Benefit Percentage determines the portion of the Total Face Amount or Face Amount that may be accelerated for receipt of such services. Qualified Long-Term Care Services include the stay in a Nursing Home or Assisted Living Facility, Home Health Care, Adult Day Care, Hospice and Stay at Home Services, subject to maximums described in the contract. Qualified Long-Term Care Services are intended to constitute qualified long-term care services as defined under Section 7702B(c) of the Internal Revenue Code. This rider does not include inflation protection coverage.

### Accelerated Benefit Pool

The Accelerated Benefit Pool is the amount of Death Benefit that may be accelerated under this rider and any terminal illness rider. At issue, the Accelerated Benefit Pool is the Accelerated Benefit Percentage, shown in the Policy Specifications, multiplied by the Total Face Amount or Face Amount. The Accelerated Benefit Pool can never increase, but will be reduced by certain Policy Changes.

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

## A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Protection UL Form: 19PROUL

Acceleration of Death Benefit for Qualified Long-Term Care Services Rider (cont'd)

Presented By: \*

### Illustration Assumptions

Mr Ira Max

Male - Preferred NonSmoker

Age: 72

Initial Assumed Status: Bronze

Initial Total Death Benefit \$933,941 / Initial Long Term Care Benefit \$933,941

Face Amount \$933,941

Initial Planned Premium: \$28,125.00 / Billing Mode: Annual

Death Benefit Option 1; Cash Value Accumulation Test

State: Massachusetts

Based on Current Charges and an Initial Current Rate of 4.35%

### Eligibility for Payment of Accelerated Benefits

You are eligible for Accelerated Benefits under this rider if the insured is Chronically Ill, has satisfied the Elimination Period and we approve your claim. We will not pay Accelerated Benefits under this rider until the Elimination Period has been satisfied. The Elimination Period is 90 calendar days from the date of Written Certification that the Insured is a Chronically Ill Individual. Chronically Ill means the condition of having been certified by a Licensed Health Care Practitioner that:

- Substantial Assistance is required when the insured is performing at least 2 of 6 Activities of Daily Living (Bathing, Continence, Dressing, Eating, Toileting, Transferring) for a period expected to last 90 days; or
- Substantial Supervision is required due to a Severe Cognitive Impairment.

### Maximum Monthly Benefit Amount

The maximum we will pay for Accelerated Benefits in any one calendar month for Qualified Long-Term Care Services, excluding Stay at Home Services, is the Maximum Monthly Benefit Amount. When you become eligible to receive Accelerated Benefits, we will determine the Maximum Monthly Benefit Amount. The Maximum Monthly Benefit Amount is equal to the Accelerated Benefit Pool on the date you first become eligible to receive Accelerated Benefits multiplied by the Monthly Acceleration Percentage. Withdrawals or reductions in Face Amount will also decrease the Maximum Monthly Benefit Amount.

### Bed Hold Benefit

If the insured's stay in a Nursing Home or an Assisted Living Facility is interrupted for any reason, we will continue to pay Accelerated Benefits from the Accelerated Benefit Balance to hold their bed.

### Stay at Home Lifetime Benefit Amount

The Stay at Home Lifetime Benefit Amount is the maximum amount we will pay for Stay at Home Services during the insured's lifetime. On the date we first receive Receipts for Stay at Home Services, the Stay at Home Lifetime Benefit Amount is equal to the Maximum Monthly Benefit Amount in effect on that date. Thereafter, the Stay at Home Lifetime Benefit Amount will be recalculated if the Maximum Monthly Benefit Amount is recalculated. Stay at Home Services include:

- Caregiver Training
- Emergency Medical Response System
- Durable Medical Equipment
- Home Modification
- Home Safety Check
- Provider Care Check

### Additional Support Services

Access to Provider Pathway is available to our Long-Term Care rider customers at no additional cost. Provider Pathway offers a broad range of long-term care support services to help meet the needs of you and your family, such as identifying care providers in your area and formulating a service plan. Provider Pathway can help with locating and potentially negotiating discounts for:

- Home Health Care and Community Services
- Long-Term Care and Assisted Living Facilities
- Adult Day Care Services
- Caregiver Support Services
- Durable Medical Equipment
- Personal Emergency Response Systems

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

## A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Protection UL Form: 19PROUL

Acceleration of Death Benefit for Qualified Long-Term Care Services Rider (cont'd)

Presented By: \*

### Illustration Assumptions

Mr Ira Max

Male - Preferred NonSmoker

Age: 72

Initial Assumed Status: Bronze

Initial Total Death Benefit \$933,941 / Initial Long Term Care Benefit \$933,941

Face Amount \$933,941

Initial Planned Premium: \$28,125.00 / Billing Mode: Annual

Death Benefit Option 1; Cash Value Accumulation Test

State: Massachusetts

Based on Current Charges and an Initial Current Rate of 4.35%

Provider Pathway is the current service provider for John Hancock. The program may be changed or discontinued at any time. Provider Pathway is not affiliated with John Hancock.

### Long-Term Care Rider Effect on Policy

The Death Benefit, Accelerated Benefit Pool and Policy Value will be reduced by the Payment of Accelerated Benefits. Any remaining Death Benefit will be paid to the named beneficiary. If there is a policy loan, a portion of the Accelerated Benefit will be deemed a loan repayment and will reduce the Accelerated Benefit otherwise payable to you.

### Extension of Benefits

Should the policy lapse for any reason while the insured is confined in a Nursing Home and we are paying uninterrupted Accelerated Benefits, we will continue paying Accelerated Benefits until the earliest of the following:

- the date the insured is discharged from the Nursing Home;
- the date the Accelerated Benefit Balance is exhausted;
- the date you fail to comply with this rider's eligibility requirements, as described in the rider; or
- the date the insured dies.

### Exceptions

This rider does not pay benefits for care or treatment:

- due to intentionally self-inflicted injury;
- due to suicide or attempted suicide while sane or insane;
- required as a result of alcoholism or drug addiction;
- due to war (declared or undeclared) or any act of war, or service in any of the armed forces or auxiliary units;
- due to participation in a felony, riot, or insurrection;
- normally not provided or made in the absence of insurance;
- received outside of the 50 United States and the District of Columbia;
- provided by a Nursing Home, Assisted Living Facility, Home Health Care Agency, or Adult Day Care Center that is owned and operated by a member of your or the insured's Immediate Family; or
- provided by a member of your or the insured's Immediate Family.

### Long-Term Care Rider - Tax Disclosure

This rider is intended to be a qualified long-term care insurance contract under IRC section 7702B. Accelerated Benefits paid under this rider are intended to be excludable from gross income under current federal tax law. However, we believe the monthly charge for this benefit should be considered a policy distribution, and therefore, will reduce the cost basis of the policy.

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.

The Long-Term Care rider may vary by state. Please refer to the Outline of Coverage or specimen contract for complete details.



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

## A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy  
Valuable Information About Your Life Insurance Illustration

Protection UL Form: 19PROUL

Presented By: \*

### Illustration Assumptions

Mr Ira Max  
Male - Preferred NonSmoker  
Age: 72  
Initial Assumed Status: Bronze

Initial Total Death Benefit \$933,941 / Initial Long Term Care Benefit \$933,941  
Face Amount \$933,941

Initial Planned Premium: \$28,125.00 / Billing Mode: Annual  
Death Benefit Option 1; Cash Value Accumulation Test  
State: Massachusetts

Based on Current Charges and an Initial Current Rate of 4.35%

### Universal Life Insurance

The Universal Life Insurance policy which you are considering provides flexible death benefit protection and premium payment flexibility. The values in the insurance contract grow based on the amount and timing of each premium payment, plus interest and other credits applied to the policy, less insurance and other charges.

Certain aspects of the policy cannot be predicted with absolute certainty. These nonguaranteed elements are described on the following pages. For example, the interest rate credited may exceed the guaranteed rate and monthly charges may be less than the maximum guaranteed charges. This is an illustration only and is not intended to predict actual performance.

### Death Benefit Protection

This policy illustration shows the Death Benefit Protection feature guaranteeing the policy death benefit to the Life Insured's attained age 93.

As long as the Death Benefit Protection feature is in effect, 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 policyowner cannot access the 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. Paying a different premium than illustrated may affect the attained age to which your policy's Death Benefit Protection feature guarantees the policy death benefit.**

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.

### Net Death Benefit

The life insurance provided in this illustration reflects a Total Initial Death Benefit of \$933,941. The Death Benefit is composed of \$933,941 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 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 \$28,125.00 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

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

## A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Protection UL Form: 19PROUL

Valuable Information About Your Life Insurance Illustration (cont'd)

Presented By: \*

### Illustration Assumptions

Mr Ira Max

Male - Preferred NonSmoker

Age: 72

Initial Assumed Status: Bronze

Initial Total Death Benefit \$933,941 / Initial Long Term Care Benefit \$933,941

Face Amount \$933,941

Initial Planned Premium: \$28,125.00 / Billing Mode: Annual

Death Benefit Option 1; Cash Value Accumulation Test

State: Massachusetts

Based on Current Charges and an Initial Current Rate of 4.35%

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.

meet your objectives.

### Guaranteed Coverage Premium

Based on the initial death benefit shown in the illustration, the level annual premium to guarantee coverage for life is \$42,494.65. Death Benefit option 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.

Illustrations will be shown at the guaranteed minimum interest rate, and an assumed rate (or rates). An assumed illustrated rate will never be higher than the current rate, or lower than the guaranteed minimum rate. Values illustrated at the current or an assumed rate are not guarantees or estimates, but merely illustrate results on the basis of the selected assumption.

### Minimum Initial Premium

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

Changes in the rate of interest that we declare will affect both the interest and Persistency Credit applied to your Policy Value. The table below shows how these changes could affect the continuation of your coverage, keeping other assumptions constant (including planned premiums, issue age, risk class and current charges):

### Interest Rate

Interest is illustrated at an initial assumed effective annual rate of 4.35%. We determine the rate of interest to be credited to the Policy Value based on our assessment of investment yields and other considerations as outlined in your policy. The current rate may increase or decrease, but at no point will the interest credited to the policy be lower than the guaranteed annual rate of 2%.

Interest Rate Assumption	Attained Age at Lapse*
4.35% Initial Current Rate	N/A
3.85%	98
3.35%	96
2.85%	94
2.35%	93
2.00% Minimum Rate	93

\* In this table, the attained age at lapse is hypothetical only, based upon the assumed factors, and is not guaranteed. For instance, the mortality charges used in these calculations are less than the maximum charges, and the Persistency Credit assumed is greater than the guaranteed minimum.

Our obligations under your policy are backed by our general account assets. In addition to fixed income investments, such as corporate bonds, we expect to invest a portion of the premiums received under this class of policies in equities and other longer-duration assets. This investment approach, which may be different from the mix expected with other universal life policies, is intended to produce results that would permit us to credit values that maximize your policy's performance over the longer term. However, this approach could also cause the policy to experience a higher degree of variability of results year-to-year relative to other universal life policies. It is important to review your annual statement and request periodic in-force illustrations to make sure your policy continues to

### 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.

### Amount Credited

This is the interest earned on the Policy Value including the amount of interest credited on the Loan Account, plus the Persistency Credit.

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

## A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Protection UL Form: 19PROUL

Valuable Information About Your Life Insurance Illustration (cont'd)

Presented By: \*

### Illustration Assumptions

Mr Ira Max

Male - Preferred NonSmoker

Age: 72

Initial Assumed Status: Bronze

Initial Total Death Benefit \$933,941 / Initial Long Term Care Benefit \$933,941  
Face Amount \$933,941

Initial Planned Premium: \$28,125.00 / Billing Mode: Annual  
Death Benefit Option 1; Cash Value Accumulation Test  
State: Massachusetts

Based on Current Charges and an Initial Current Rate of 4.35%

### 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 Surrender Value less any indebtedness, one year of policy charges, and one year's loan spread.

The net cost of a loan equals the loan interest rate charged less the loan interest rate credited to the portion of Policy Value securing the loan. This differential is guaranteed to be no greater than 1.25% in policy years 1-10. In subsequent years, the differential is currently 0.00%, and guaranteed not to exceed 0.25%.

Loan interest is payable in arrears. 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 policy anniversary.

### Annual Loan Interest

This is the interest charged on the outstanding Policy Debt. In the event that you do not pay the loan interest 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. Withdrawals, if illustrated, are assumed taken at the beginning of the year.

### Healthy Engagement Rider (Vitality PLUS)

#### Overview

The Healthy Engagement Rider provides the opportunity each year, starting on the Annual Processing Date in policy year 2, to apply a Rider Credit to your Policy Value based on the Status achieved by the Life Insured. There are four Status levels: Bronze, Silver, Gold and Platinum. The achievement of a Status other than Bronze is dependent upon the Life Insured

meeting certain Status Qualification Requirements in each year.

Current Status Qualification Requirements can be found on [www.JohnHancockVitality.com](http://www.JohnHancockVitality.com).

### Rider Charge

The rider is available for an additional charge of \$2 per month deducted from your Policy Value. This charge will be deducted regardless of whether the Life Insured participates in the program and any Rider Credits are added to the Policy Value. If you elect this rider, you may discontinue it at any time and the rider charge will no longer be deducted from your Policy Value. The rider charge will cease when the Life Insured attains age 82, but they may continue to earn a Status. At the earlier of attained age 82 or when you cancel this rider, no new Rider Credits will be earned, all previously earned Rider Credits will continue to apply as described in the policy. This rider cannot be reinstated after discontinuation.

### Rider Credits

During the time the rider charge is in effect, on each Annual Processing Date, John Hancock will use the Life Insured's current Status as of that date 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 is guaranteed not to change. The Status Qualification Requirements may be changed, as described in the policy.

### Assumed Status in this Illustration

This illustration assumes the Life Insured achieves a Status of Bronze. Achieving a different Status will affect the amount of Rider Credits applied. Rider Credits are applied to the Policy Value, and 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):

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

## A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Protection UL Form: 19PROUL

Valuable Information About Your Life Insurance Illustration (cont'd)

Presented By: \*

### Illustration Assumptions

Mr Ira Max  
Male - Preferred NonSmoker  
Age: 72  
Initial Assumed Status: Bronze

Initial Total Death Benefit \$933,941 / Initial Long Term Care Benefit \$933,941  
Face Amount \$933,941

Initial Planned Premium: \$28,125.00 / Billing Mode: Annual  
Death Benefit Option 1; Cash Value Accumulation Test  
State: Massachusetts

Based on Current Charges and an Initial Current Rate of 4.35%

Assumed Status (all years)	Attained Age at Lapse*
Platinum	N/A
Gold	N/A
Silver	N/A
Bronze	N/A

\*The attained age 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 the Life Insured remains at Bronze status in all years and receives no Rider Credits.

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

### Important Reminders

- Actions taken by you or the Life Insured 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
  - Changes to the current Cost of Insurance rates
  - Changes to the qualification requirements for a Status

### 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.

### Policy Continuation at Age 121

Provided your coverage is in effect on the policy anniversary nearest the date on which the life insured 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 a 10% penalty tax. TAMRA testing has been performed on the current scale only.

- The initial annual 7-pay premium for this policy is \$84,430.00.
- 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

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

## A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Protection UL Form: 19PROUL

Valuable Information About Your Life Insurance Illustration (cont'd)

Presented By: \*

### Illustration Assumptions

Mr Ira Max

Male - Preferred NonSmoker

Age: 72

Initial Assumed Status: Bronze

Initial Total Death Benefit \$933,941 / Initial Long Term Care Benefit \$933,941  
Face Amount \$933,941

Initial Planned Premium: \$28,125.00 / Billing Mode: Annual  
Death Benefit Option 1; Cash Value Accumulation Test  
State: Massachusetts

Based on Current Charges and an Initial Current Rate of 4.35%

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 of 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.

**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 and life insured actions such as the timing and amount of premium payments, policy lapse and reinstatement, loans and withdrawals, the achievement of Status levels, 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 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](http://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.

### 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 is your Basic Illustration and is valid only if all illustration pages are included.

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

## A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Protection UL Form: 19PROUL

### Basic Illustration Summary

Presented By: \*

#### Illustration Assumptions

Mr Ira Max Initial Total Death Benefit \$933,941 / Initial Long Term Care Benefit \$933,941  
 Male - Preferred NonSmoker Face Amount \$933,941  
 Age: 72 Initial Planned Premium: \$28,125.00 / Billing Mode: Annual  
 Initial Assumed Status: Bronze Death Benefit Option 1; Cash Value Accumulation Test  
 State: Massachusetts  
 Based on Current Charges and an Initial Current Rate of 4.35%

#### Coverage Summary

Coverage Description	Initial Amount	Initial Premium
Initial Total Death Benefit	\$933,941	\$28,125.00
Initial Accelerated Benefit /Long-Term Care	\$933,941	
Maximum Monthly Long-Term Care Benefit (2%)	\$18,679	
Long-Term Care Rider		
Risk Class: Preferred NonSmoker		
Accelerated Benefit Percentage: 100%		
Face Amount - Level for all years	\$933,941	
Healthy Engagement Rider		

#### Policy Summary

State	Massachusetts	
Death Benefit Option	1	From 1 Thru 49
Definition of Life Insurance	CVAT	
Payment Mode	Annual	
Charges	Current	
Assumed Interest Rate	4.35%	From 1 Thru 49
Loan Interest Rate	2.50%	From 1 Thru 49
Initial 7-Pay Premium	\$84,430.00	
Target Premium	\$34,663.09	
Minimum Initial Premium	\$1,154.92	
Death Benefit Protection Period	21 Years	
Based on Illustrated Assumptions		
Assumed Status	Bronze	
LifeTrack Billing	No	
Illustration Serial Number	CC427BDB6	

#### Interest Adjusted Indexes on Insured at 5%

	-----Payment-----		-----Cost-----	
	10 Year	20 Year	10 Year	20 Year
Guaranteed	34.71	38.59	34.71	38.59
Current	34.71	38.59	27.44	31.76
Non-guaranteed Element	0.00	0.00	7.27	6.83

#### Interest Adjusted Indexes

These indexes provide a means for evaluating the comparative cost of the policy under stated assumptions. They can be useful in comparing similar plans of insurance, a lower index being better than a higher one. These indexes reflect the time value of money. Indexes are approximate because they involve assumptions, including the rate of interest used.

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 Universal Life Insurance Policy

#### Numeric Summary

Protection UL Form: 19PROUL

Presented By: \*

#### Illustration Assumptions

Mr Ira Max  
Male - Preferred NonSmoker  
Age: 72  
Initial Assumed Status: Bronze

Initial Total Death Benefit \$933,941 / Initial Long Term Care Benefit \$933,941

Face Amount \$933,941

Initial Planned Premium: \$28,125.00 / Billing Mode: Annual

Death Benefit Option 1; Cash Value Accumulation Test

State: Massachusetts

#### GUARANTEED ASSUMPTIONS

These policy benefits and values are based on the guaranteed interest of 2.00% and guaranteed charges. Based on your Planned Premium Outlay, the policy would remain in force until policy year 22, month 9\*.

#### 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 current interest rate of 4.35% and current charges. Based on your Planned Premium Outlay, the policy would remain in force until age 121\*.

#### MIDPOINT SCALE:

Assumes the midpoint interest rate and charges which are halfway between current and guaranteed. Based on your Planned Premium Outlay, the policy would remain in force until policy year 22, month 9\*.

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:

\*  
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SUMMARY YEARS	GUARANTEED ASSUMPTIONS	NON-GUARANTEED ASSUMPTIONS	
		Midpoint Scale	Assumed Scale
Years Premium Paid in Cash	22	22	49
Summary Year 5			
Net Surrender Value	3,822	7,159	10,672
Net Death Benefit	933,941	933,941	933,941
Summary Year 10			
Net Surrender Value	0	19,940	89,714
Net Death Benefit	933,941	933,941	933,941
Summary Year 20			
Net Surrender Value	0	0	221,606
Net Death Benefit	933,941	933,941	933,941
Summary Age 100			
Net Surrender Value	0	0	285,265
Net Death Benefit	0	0	933,941

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. **I further understand that the guarantees provided by the Death Benefit Protection feature are directly affected by the amount and timing of premiums paid.**

Applicant: \_\_\_\_\_ Date: \_\_\_\_\_  
(Signature) (mm/dd/yyyy)

I certify that this illustration has been presented to the applicant and that I have explained that any non-guaranteed elements illustrated are subject to change. I have made no statements that are inconsistent with the illustration.

Representative: \_\_\_\_\_ Date: \_\_\_\_\_  
(Signature) (mm/dd/yyyy)



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

## A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Protection UL Form: 19PROUL

Illustration Based on Guaranteed Assumptions

Presented By: \*

### Illustration Assumptions

Mr Ira Max

Male - Preferred NonSmoker

Age: 72

Initial Assumed Status: Bronze

Initial Total Death Benefit \$933,941 / Initial Long Term Care Benefit \$933,941

Face Amount \$933,941

Initial Planned Premium: \$28,125.00 / Billing Mode: Annual

Death Benefit Option 1; Cash Value Accumulation Test

State: Massachusetts

Based on Guaranteed Charges and a Guaranteed Rate of 2%

Policy Year	EOY Age	Planned Premium	Policy Value	Net Surrender Value	Net Death Benefit	Benefit for LTC
1	73	28,125	9,636	0	933,941	933,941
2	74	29,132	19,061	0	933,941	933,941
3	75	30,170	28,089	0	933,941	933,941
4	76	31,239	33,045	0	933,941	933,941
5	77	32,341	37,505	3,822	933,941	933,941
6	78	33,318	22,953	0	933,941	933,941
7	79	34,480	4,923	0	933,941	933,941
8	80	35,491	0	0	933,941	933,941
9	81	36,516	0	0	933,941	933,941
10	82	37,552	0	0	933,941	933,941
Totals:		328,363				
11	83	38,597	0	0	933,941	933,941
12	84	39,649	0	0	933,941	933,941
13	85	40,703	0	0	933,941	933,941
14	86	41,473	0	0	933,941	933,941
15	87	42,214	0	0	933,941	933,941
16	88	42,920	0	0	933,941	933,941
17	89	43,582	0	0	933,941	933,941
18	90	44,192	0	0	933,941	933,941
19	91	44,347	0	0	933,941	933,941
20	92	44,413	0	0	933,941	933,941
Totals:		750,452				
21	93	44,378	0	0	933,941	933,941
22	94	##	##	##	##	##
Totals:		794,831				

## 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 Universal Life Insurance Policy

Illustration Based on Nonguaranteed Assumptions

Protection UL Form: 19PROUL

Presented By: \*

### Illustration Assumptions

Mr Ira Max

Male - Preferred NonSmoker

Age: 72

Initial Assumed Status: Bronze

Initial Total Death Benefit \$933,941 / Initial Long Term Care Benefit \$933,941

Face Amount \$933,941

Initial Planned Premium: \$28,125.00 / Billing Mode: Annual

Death Benefit Option 1; Cash Value Accumulation Test

State: Massachusetts

Based on Current Charges and an Initial Current Rate of 4.35%

Policy Year	EOY Age	Planned Premium	Policy Value	Net Surrender Value	Net Death Benefit	Benefit for LTC
1	73	28,125	11,780	0	933,941	933,941
2	74	29,132	21,933	0	933,941	933,941
3	75	30,170	31,982	0	933,941	933,941
4	76	31,239	38,221	0	933,941	933,941
5	77	32,341	44,355	10,672	933,941	933,941
6	78	33,318	50,108	23,056	933,941	933,941
7	79	34,480	58,720	38,294	933,941	933,941
8	80	35,491	69,600	55,799	933,941	933,941
9	81	36,516	79,719	72,543	933,941	933,941
10	82	37,552	89,714	89,714	933,941	933,941
Totals:		328,363				
11	83	38,597	103,685	103,685	933,941	933,941
12	84	39,649	117,960	117,960	933,941	933,941
13	85	40,703	132,441	132,441	933,941	933,941
14	86	41,473	146,880	146,880	933,941	933,941
15	87	42,214	161,224	161,224	933,941	933,941
16	88	42,920	174,880	174,880	933,941	933,941
17	89	43,582	187,567	187,567	933,941	933,941
18	90	44,192	199,474	199,474	933,941	933,941
19	91	44,347	210,725	210,725	933,941	933,941
20	92	44,413	221,606	221,606	933,941	933,941
Totals:		750,452				
21	93	44,378	230,226	230,226	933,941	933,941
22	94	44,230	238,398	238,398	933,941	933,941
23	95	43,472	246,329	246,329	933,941	933,941
24	96	42,582	254,414	254,414	933,941	933,941
25	97	41,552	262,263	262,263	933,941	933,941
26	98	40,371	270,118	270,118	933,941	933,941
27	99	39,029	277,928	277,928	933,941	933,941
28	100	36,955	285,265	285,265	933,941	933,941
29	101	34,773	294,101	294,101	933,941	933,941
30	102	32,486	303,972	303,972	933,941	933,941
Totals:		1,150,282				

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

## A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Protection UL Form: 19PROUL

Illustration Based on Nonguaranteed Assumptions (cont'd)

Presented By: \*

### Illustration Assumptions

Mr Ira Max

Initial Total Death Benefit \$933,941 / Initial Long Term Care Benefit \$933,941

Male - Preferred NonSmoker

Face Amount \$933,941

Age: 72

Initial Planned Premium: \$28,125.00 / Billing Mode: Annual

Initial Assumed Status: Bronze

Death Benefit Option 1; Cash Value Accumulation Test

State: Massachusetts

Based on Current Charges and an Initial Current Rate of 4.35%

Policy Year	EOY Age	Planned Premium	Policy Value	Net Surrender Value	Net Death Benefit	Benefit for LTC
31	103	30,100	309,865	309,865	933,941	933,941
32	104	27,090	315,661	315,661	933,941	933,941
33	105	24,149	322,022	322,022	933,941	933,941
34	106	21,766	330,250	330,250	933,941	933,941
35	107	18,864	341,666	341,666	933,941	933,941
36	108	16,097	363,548	363,548	933,941	933,941
37	109	13,121	401,587	401,587	933,941	933,941
38	110	10,837	470,575	470,575	933,941	933,941
39	111	8,725	505,401	505,401	933,941	933,941
40	112	6,571	541,033	541,033	933,941	933,941
Totals:		1,327,603				
41	113	4,994	577,815	577,815	933,941	933,941
42	114	3,463	615,832	615,832	933,941	933,941
43	115	2,401	655,395	655,395	933,941	933,941
44	116	1,445	696,646	696,646	933,941	933,941
45	117	712	739,791	739,791	933,941	933,941
46	118	351	785,129	785,129	933,941	933,941
47	119	173	832,873	832,873	933,941	933,941
48	120	85	883,205	883,205	933,941	933,941
49	121	42	936,290	936,290	937,515	933,941
50	122	0	977,018	977,018	977,018	933,941
Totals:		1,341,268				
51	123	0	1,019,519	1,019,519	1,019,519	933,941
52	124	0	1,063,868	1,063,868	1,063,868	933,941
53	125	0	1,110,146	1,110,146	1,110,146	933,941
Totals:		1,341,268				

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 Universal Life Insurance Policy

Protection UL Form: 19PROUL

Death Benefit Illustration

Presented By: \*

### Illustration Assumptions

Mr Ira Max

Male - Preferred NonSmoker

Age: 72

Initial Assumed Status: Bronze

Initial Total Death Benefit \$933,941 / Initial Long Term Care Benefit \$933,941

Face Amount \$933,941

Initial Planned Premium: \$28,125.00 / Billing Mode: Annual

Death Benefit Option 1; Cash Value Accumulation Test

State: Massachusetts

Based on Current Charges and an Initial Current Rate of 4.35%

Policy Year	EOY Age	Planned Premium	Face Amount	Required Additional Death Benefit	Policy Value	Total Death Benefit	Net Death Benefit
1	73	28,125	933,941	0	11,780	933,941	933,941
2	74	29,132	933,941	0	21,933	933,941	933,941
3	75	30,170	933,941	0	31,982	933,941	933,941
4	76	31,239	933,941	0	38,221	933,941	933,941
5	77	32,341	933,941	0	44,355	933,941	933,941
6	78	33,318	933,941	0	50,108	933,941	933,941
7	79	34,480	933,941	0	58,720	933,941	933,941
8	80	35,491	933,941	0	69,600	933,941	933,941
9	81	36,516	933,941	0	79,719	933,941	933,941
10	82	37,552	933,941	0	89,714	933,941	933,941
Totals:		328,363					
11	83	38,597	933,941	0	103,685	933,941	933,941
12	84	39,649	933,941	0	117,960	933,941	933,941
13	85	40,703	933,941	0	132,441	933,941	933,941
14	86	41,473	933,941	0	146,880	933,941	933,941
15	87	42,214	933,941	0	161,224	933,941	933,941
16	88	42,920	933,941	0	174,880	933,941	933,941
17	89	43,582	933,941	0	187,567	933,941	933,941
18	90	44,192	933,941	0	199,474	933,941	933,941
19	91	44,347	933,941	0	210,725	933,941	933,941
20	92	44,413	933,941	0	221,606	933,941	933,941
Totals:		750,452					
21	93	44,378	933,941	0	230,226	933,941	933,941
22	94	44,230	933,941	0	238,398	933,941	933,941
23	95	43,472	933,941	0	246,329	933,941	933,941
24	96	42,582	933,941	0	254,414	933,941	933,941
25	97	41,552	933,941	0	262,263	933,941	933,941
26	98	40,371	933,941	0	270,118	933,941	933,941
27	99	39,029	933,941	0	277,928	933,941	933,941
28	100	36,955	933,941	0	285,265	933,941	933,941
29	101	34,773	933,941	0	294,101	933,941	933,941
30	102	32,486	933,941	0	303,972	933,941	933,941
Totals:		1,150,282					

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

## A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Protection UL Form: 19PROUL

Death Benefit Illustration (cont'd)

Presented By: \*

### Illustration Assumptions

Mr Ira Max

Male - Preferred NonSmoker

Age: 72

Initial Assumed Status: Bronze

Initial Total Death Benefit \$933,941 / Initial Long Term Care Benefit \$933,941

Face Amount \$933,941

Initial Planned Premium: \$28,125.00 / Billing Mode: Annual

Death Benefit Option 1; Cash Value Accumulation Test

State: Massachusetts

Based on Current Charges and an Initial Current Rate of 4.35%

Policy Year	EOY Age	Planned Premium	Face Amount	Required Additional Death Benefit	Policy Value	Total Death Benefit	Net Death Benefit
31	103	30,100	933,941	0	309,865	933,941	933,941
32	104	27,090	933,941	0	315,661	933,941	933,941
33	105	24,149	933,941	0	322,022	933,941	933,941
34	106	21,766	933,941	0	330,250	933,941	933,941
35	107	18,864	933,941	0	341,666	933,941	933,941
36	108	16,097	933,941	0	363,548	933,941	933,941
37	109	13,121	933,941	0	401,587	933,941	933,941
38	110	10,837	933,941	0	470,575	933,941	933,941
39	111	8,725	933,941	0	505,401	933,941	933,941
40	112	6,571	933,941	0	541,033	933,941	933,941
Totals:		1,327,603					
41	113	4,994	933,941	0	577,815	933,941	933,941
42	114	3,463	933,941	0	615,832	933,941	933,941
43	115	2,401	933,941	0	655,395	933,941	933,941
44	116	1,445	933,941	0	696,646	933,941	933,941
45	117	712	933,941	0	739,791	933,941	933,941
46	118	351	933,941	0	785,129	933,941	933,941
47	119	173	933,941	0	832,873	933,941	933,941
48	120	85	933,941	0	883,205	933,941	933,941
49	121	42	933,941	3,574	936,290	937,515	937,515
50	122	0	0	0	977,018	0	977,018
Totals:		1,341,268					
51	123	0	0	0	1,019,519	0	1,019,519
52	124	0	0	0	1,063,868	0	1,063,868
53	125	0	0	0	1,110,146	0	1,110,146
Totals:		1,341,268					

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

## A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Protection UL Form: 19PROUL

Internal Rate of Return Illustration

Presented By: \*

### Illustration Assumptions

Mr Ira Max

Male - Preferred NonSmoker

Age: 72

Initial Assumed Status: Bronze

Initial Total Death Benefit \$933,941 / Initial Long Term Care Benefit \$933,941

Face Amount \$933,941

Initial Planned Premium: \$28,125.00 / Billing Mode: Annual

Death Benefit Option 1; Cash Value Accumulation Test

State: Massachusetts

Based on Current Charges and an Initial Current Rate of 4.35%

Policy Year	EOY Age	Net Outlay	----- Surrender Value -----		----- Death Benefit -----	
			Net Surrender Value	Internal Rate of Return	Net Death Benefit	Internal Rate of Return
1	73	28,125	0	-100.00%	933,941	3220.68%
2	74	29,132	0	-100.00%	933,941	426.79%
3	75	30,170	0	-100.00%	933,941	180.43%
4	76	31,239	0	-100.00%	933,941	104.69%
5	77	32,341	10,672	-74.96%	933,941	69.90%
6	78	33,318	23,056	-58.47%	933,941	50.41%
7	79	34,480	38,294	-46.19%	933,941	38.13%
8	80	35,491	55,799	-37.23%	933,941	29.76%
9	81	36,516	72,543	-31.54%	933,941	23.73%
10	82	37,552	89,714	-27.36%	933,941	19.21%
Totals:		328,363				
11	83	38,597	103,685	-24.93%	933,941	15.70%
12	84	39,649	117,960	-22.93%	933,941	12.92%
13	85	40,703	132,441	-21.27%	933,941	10.65%
14	86	41,473	146,880	-19.88%	933,941	8.78%
15	87	42,214	161,224	-18.70%	933,941	7.22%
16	88	42,920	174,880	-17.75%	933,941	5.90%
17	89	43,582	187,567	-16.99%	933,941	4.76%
18	90	44,192	199,474	-16.38%	933,941	3.79%
19	91	44,347	210,725	-15.84%	933,941	2.94%
20	92	44,413	221,606	-15.34%	933,941	2.20%
Totals:		750,452				

The IRR on cash value 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 surrender value of the policy.

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.

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 Universal Life Insurance Policy

Protection UL Form: 19PROUL

Internal Rate of Return Illustration (cont'd)

Presented By: \*

### Illustration Assumptions

Mr Ira Max

Male - Preferred NonSmoker

Age: 72

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Initial Total Death Benefit \$933,941 / Initial Long Term Care Benefit \$933,941

Face Amount \$933,941

Initial Planned Premium: \$28,125.00 / Billing Mode: Annual

Death Benefit Option 1; Cash Value Accumulation Test

State: Massachusetts

Based on Current Charges and an Initial Current Rate of 4.35%

Policy Year	EOY Age	Net Outlay	----- Surrender Value -----		----- Death Benefit -----	
			Net Surrender Value	Internal Rate of Return	Net Death Benefit	Internal Rate of Return
21	93	44,378	230,226	-15.00%	933,941	1.56%
22	94	44,230	238,398	-14.67%	933,941	1.00%
23	95	43,472	246,329	-14.33%	933,941	0.51%
24	96	42,582	254,414	-13.94%	933,941	0.08%
25	97	41,552	262,263	-13.55%	933,941	-0.29%
26	98	40,371	270,118	-13.13%	933,941	-0.60%
27	99	39,029	277,928	-12.70%	933,941	-0.88%
28	100	36,955	285,265	-12.25%	933,941	-1.10%
29	101	34,773	294,101	-11.72%	933,941	-1.29%
30	102	32,486	303,972	-11.15%	933,941	-1.44%
Totals:		1,150,282				
31	103	30,100	309,865	-10.70%	933,941	-1.56%
32	104	27,090	315,661	-10.23%	933,941	-1.64%
33	105	24,149	322,022	-9.73%	933,941	-1.70%
34	106	21,766	330,250	-9.19%	933,941	-1.74%
35	107	18,864	341,666	-8.58%	933,941	-1.75%
36	108	16,097	363,548	-7.79%	933,941	-1.75%
37	109	13,121	401,587	-6.78%	933,941	-1.73%
38	110	10,837	470,575	-5.52%	933,941	-1.70%
39	111	8,725	505,401	-4.89%	933,941	-1.66%
40	112	6,571	541,033	-4.33%	933,941	-1.61%
Totals:		1,327,603				

The IRR on cash value 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 surrender value of the policy.

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.

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 Universal Life Insurance Policy

Protection UL Form: 19PROUL

Internal Rate of Return Illustration (cont'd)

Presented By: \*

### Illustration Assumptions

Mr Ira Max

Initial Total Death Benefit \$933,941 / Initial Long Term Care Benefit \$933,941

Male - Preferred NonSmoker

Face Amount \$933,941

Age: 72

Initial Planned Premium: \$28,125.00 / Billing Mode: Annual

Initial Assumed Status: Bronze

Death Benefit Option 1; Cash Value Accumulation Test

State: Massachusetts

Based on Current Charges and an Initial Current Rate of 4.35%

Policy Year	EOY Age	Net Outlay	----- Surrender Value -----		----- Death Benefit -----	
			Net Surrender Value	Internal Rate of Return	Net Death Benefit	Internal Rate of Return
41	113	4,994	577,815	-3.83%	933,941	-1.56%
42	114	3,463	615,832	-3.37%	933,941	-1.51%
43	115	2,401	655,395	-2.97%	933,941	-1.46%
44	116	1,445	696,646	-2.60%	933,941	-1.41%
45	117	712	739,791	-2.26%	933,941	-1.35%
46	118	351	785,129	-1.95%	933,941	-1.31%
47	119	173	832,873	-1.67%	933,941	-1.26%
48	120	85	883,205	-1.41%	933,941	-1.22%
49	121	42	936,290	-1.17%	937,515	-1.16%
50	122	0	977,018	-1.00%	977,018	-1.00%
Totals:		1,341,268				
51	123	0	1,019,519	-0.83%	1,019,519	-0.83%
52	124	0	1,063,868	-0.68%	1,063,868	-0.68%
53	125	0	1,110,146	-0.54%	1,110,146	-0.54%
Totals:		1,341,268				

The IRR on cash value 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 surrender value of the policy.

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.

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 Universal Life Insurance Policy

Protection UL Form: 19PROUL

Glossary of Terms

Presented By: \*

### Illustration Assumptions

Mr Ira Max

Male - Preferred NonSmoker

Age: 72

Initial Assumed Status: Bronze

Initial Total Death Benefit \$933,941 / Initial Long Term Care Benefit \$933,941

Face Amount \$933,941

Initial Planned Premium: \$28,125.00 / Billing Mode: Annual

Death Benefit Option 1; Cash Value Accumulation Test

State: Massachusetts

Based on Current Charges and an Initial Current Rate of 4.35%

### 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 a factor that is equal to 25% of the greater of the current policy year and policy year 5. It is deducted for the first 20 Policy Years. The Advance Contribution Charge rates and Advance Contribution Limit are both shown in the policy contract.

The Death Benefit illustrated is the Face Amount plus any Required Additional Death Benefit. This is the value that is payable upon the death of the 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.

### Face Amount Charge

The Face Amount Charge is an additional \$0.6529 per \$1,000 of Face Amount per policy month in years 1-3. In years 4+, the rate is \$0.9794. This charge varies by the insured's issue age, gender, risk classification, and the policy duration.

### Net Income

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

### 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 are no greater than the 2017 CSO Age Nearest Birthday Ultimate mortality rates, adjusted for any applicable ratings.

### 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 interest due. During the Surrender Charge period, there is a Surrender Charge assessed if all or part of the 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 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.

### 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.

### Persistency Credit

Beginning in Policy Year 6, a Persistency Credit is added to your Policy Value on each monthly Processing Date. The Persistency Credit formula is guaranteed by the contract not to change with the minimum Persistency Credit being 0.025% of the Net Policy Value per month. The amount of the Persistency Credit above the minimum is determined based on policy owner and life insured actions, including the timing and amount of premium payments, loans, withdrawals, lapse and reinstatement, and the achievement of Status levels; as well as the rates of interest applied to the policy; and the Cost of Insurance rates. The manner in which these changes are reflected in the Persistency

### Face Amount

The Face Amount is the coverage provided by the base policy. Any decreases to the Face Amount after the first policy year must fall within policy minimums.

### Monthly Administrative Charge

A monthly Administrative Charge of \$10.00 will be assessed in all years, current and guaranteed.

### Net Death Benefit

This is your Basic Illustration and is valid only if all illustration pages are included.

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

## A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Protection UL Form: 19PROUL

Glossary of Terms (cont'd)

Presented By: \*

### Illustration Assumptions

Mr Ira Max

Male - Preferred NonSmoker

Age: 72

Initial Assumed Status: Bronze

Initial Total Death Benefit \$933,941 / Initial Long Term Care Benefit \$933,941

Face Amount \$933,941

Initial Planned Premium: \$28,125.00 / Billing Mode: Annual

Death Benefit Option 1; Cash Value Accumulation Test

State: Massachusetts

Based on Current Charges and an Initial Current Rate of 4.35%

Credit is specified in your policy.

You can see a projection of the effect that different credited interest rates or policy owner actions would have on the Persistency Credit by requesting illustrations showing different scenarios.

### 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

When premiums are paid, the balance, after premium charges are deducted, goes into the Policy Value. The Policy Value is credited daily with a guaranteed interest rate of 2.00% or the current rate, whichever is greater. Also, once each month, administrative and insurance charges are deducted.

### Premium Charge

A Premium Charge of 18% is deducted from each premium.

### 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 (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.

This is your Basic Illustration and is valid only if all illustration pages are included.

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

## A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Protection UL Form: 19PROUL

Input Summary ~ Agent Use Only ~

Presented By: \*

### Illustration Assumptions

Mr Ira Max Initial Total Death Benefit \$933,941 / Initial Long Term Care Benefit \$933,941  
 Male - Preferred NonSmoker Face Amount \$933,941  
 Age: 72 Initial Planned Premium: \$28,125.00 / Billing Mode: Annual  
 Initial Assumed Status: Bronze Death Benefit Option 1; Cash Value Accumulation Test  
 State: Massachusetts

### Product & Concept

Concept Maximization  
 Approved in Massachusetts  
 Product Type Universal Life -- Single Life  
 Product Protection UL 19

Date  
 Charges Current  
 Lump Sum Month Year 1  
 1  
 Lump Sum Month 1  
 Years 2+

### Concept Design

Maximization Plan IRA  
 Option  
 IRA Value 1,000,000  
 IRA Growth Rate 4%  
 Distribution Method Required Minimum Distribution  
 Reinvested Distribution Saved  
 Reinvestment Growth Rate 2.5%  
 Income Tax Rate 28%  
 IRD/Beneficiary Tax Rate 35%  
 Summary Year Life Expectancy

MEC Testing Avoid MEC  
 Target Cash Value Endow  
 Target Year Lifetime  
 Withdrawal Cap Basis  
 Loan Cap None  
 Loan Interest Payment Borrow  
 Type  
 Variable Loan Interest Rate 2.50%

### Policy Design

Insured Name Mr Ira Max  
 Sex Male  
 Issue Age / Birthdate 72  
 State Massachusetts  
 Risk Class Preferred NonSmoker  
 Vitality PLUS Rider Yes  
 Assumed Vitality PLUS Status Bronze  
 Total Face Amount Max DB To Endow / Target  
 Death Benefit Option Option 1  
 Premium Schedule  
 -- After-Tax Distribution 1 Lifetime  
 Premium Duration Lifetime  
 Premium Mode Annual  
 Target Cash Value Endow  
 Target Year Lifetime  
 Crediting Rate Current  
 Agent Name \*

### Riders

Long-Term Care Rider Yes  
 LTC Rider Risk Class Same as Base Policy  
 LTC Rider Rating None  
 Max. Monthly LTC Benefit 2%  
 Accelerated Benefit % 100%

### Optional Reports

Optional Presentations Maximization  
 Summary Year 20  
 Optional Reports Yes  
 Input Summary Yes  
 Internal Rate Of Return Yes  
 Vitality PLUS Presentation Yes  
 Summary Year 20

### Policy Options

Estimated Policy Issue Today + 1 Month  
 John Hancock used the fully allocated expense method to test and verify all products for compliance with the NAIC Life Insurance Illustration Model Regulation.

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