



# Protection UL & Protection SUL

## Overview

Protection UL and its survivorship companion, Protection SUL, can offer a lifetime of cost-efficient death benefit protection, some of the lowest premiums in the industry, competitive cash value potential and a meaningful death benefit guarantee.<sup>1</sup>

Historically, clients were drawn to guaranteed UL (GUL) products because they offered lifetime guarantees at a competitive price. There has been a shift in this thinking, however, with GUL premiums going up and many carriers leaving this market.

With clients looking for alternatives, Protection UL and Protection SUL offer solutions that may allow clients to pay less premium and get more overall value than GUL.

## What's new on Protection UL and Protection SUL?

**John Hancock increased the crediting rate** on all our Protection UL and Protection SUL policies — both new and existing — for the second time this year.

## Why did we make this change?

As a result of the positive performance of our unique alternative long duration asset (ALDA) strategy, we're able to pass our success back to our policyholders yet again through a crediting rate increase on their policies.

# How do Protection UL and Protection SUL offer more value compared to GUL products?

## 1

### Competitive cost, cash value and flexibility

Compared to GUL, Protection UL and Protection SUL offer:

- **Some of the lowest premiums in the market**, which can translate into a higher internal rate of return — allowing clients to maximize value for their dollar
- **Better cash value** accumulation potential
- **The flexibility** to adapt to changing needs and policy performance, such as paying a lower premium if crediting rates increase

## 2

### Revolutionary product design

Protection UL and Protection SUL have a history stability and security for over a decade by providing:

- **Expertise and investment** access in General Account management
- **Diversification of General Account** investments by including a range of fixed income and alternative long-duration assets — such as commercial real estate, farmland and timberland. Compared to a portfolio exclusively allocated to fixed income investments, this approach has provided strong results duplicate word and allowed us to pass this performance back to our customers through crediting rate increases on their policy
- **Strong no-lapse guarantee**, often to life expectancy or beyond
- **LifeTrack™**, an optional and complimentary first-of-its-kind policy-management service that helps clients ensure their policy stays on track to meet their goals

## 3

### Meaningful living benefits

With Protection UL, you can further enhance the value you offer clients with a robust and innovative range of living benefits that include:

- **Critical Illness Benefit rider:**<sup>2,3</sup> Creates a separate benefit pool which can help protect clients throughout their working years from the financial burdens associated with a covered critical illness event such as heart attack, cancer or stroke
- **Long-Term Care rider:**<sup>4</sup> Clients can accelerate their death benefit to help pay for qualified, long-term care expenses, should the need arise. Any portion of the death benefit not used to cover these expenses can provide an income tax-free death benefit for your clients' beneficiaries
- **Accelerated Death Benefit for Chronic Illness rider:** Provides for a partial acceleration of the death benefit if the insured becomes Chronically Ill. This can be a viable option for some clients unable to qualify for the LTC rider
- **John Hancock Vitality PLUS program:** By engaging in Vitality PLUS, your clients can significantly lower their premiums<sup>5</sup> — sometimes by as much as 25% — while earning additional rewards and discounts just by living a healthy life. In fact, the more they participate, the more they can save



## What market niche does Protection UL and Protection SUL fit?

These products are great choices for clients:

- Ages 35+
- Seeking cost-effective death benefit protection with cash value growth potential that's risk adverse
- Needing flexibility when their circumstances and/or as market conditions change

## Why John Hancock?

At John Hancock, we are committed to providing innovative solutions that inspire confidence in the future by helping people protect their loved ones, grow their savings and preserve their wealth. With 160 years of experience and backed by strong financial ratings — some of the highest in the industry — we have a proud history of providing life insurance solutions to more than 2.6 million policyholders\* and delivering on our promises with \$5.7 billion in life insurance benefits paid in 2020.\*\*

## Meeting your clients' varying needs

No matter how simple or complex your clients' financial goals are, John Hancock has a life insurance solution that is right for them.

We deliver competitive and innovative products:

- Diverse product solutions that can be tailored to meet clients' personalized needs
- Progressive, competitive and flexible underwriting
- Industry-leading Advanced Markets support
- John Hancock Vitality Program and John Hancock Aspire® — life insurance integrated with wellness programs
- An ongoing focus on leveraging technology for a faster, easier sales process

## For more information

Contact your regional John Hancock sales representative or call National Sales Support at 888-266-7498, option 2.

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

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

1. Protection UL and Protection SUL policies automatically include a no-lapse guarantee (NLG) called Death Benefit Protection. This feature guarantees that the policy will not default, even if the cash surrender value falls to zero or below, provided that the Death Benefit Protection Value remains greater than zero and policy debt never exceeds the Policy Value. Policyholders who pay only the minimum premium required to keep the Death Benefit Protection in effect may forego the advantage of building significant cash value in this policy. The no-lapse guarantee under the Death Benefit Protection has a maximum duration to age 121. The duration of the no-lapse guarantee coverage may be less, depending upon the funding level chosen by the policy owner. The NLG duration is stated in the contract. At the end of the NLG duration, premiums greater than those originally illustrated may be required to maintain coverage. Factors such as, but not limited to, the amount and timing of premium payments, loans, withdrawals, or any other change allowed under the contract could potentially terminate the no-lapse guarantee. Once terminated, the Death Benefit Protection feature cannot be reinstated.

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

3. John Hancock anticipates that the Critical Illness Benefit paid under this rider will generally be excludable from income under Internal Revenue Code Section 104(a) (3). However, the benefit may not qualify for this exclusion with certain third-party ownership arrangements. John Hancock will treat the monthly rider charges as distributions from the life insurance policy for federal income tax purposes, and thus such charges may be includable in your clients' taxable income if the policy is a MEC or the cost basis is less than the rider charges. If the policy is a MEC, a 10% penalty tax may also apply to the amount includable in income.

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

5. Premium savings are in comparison to the same John Hancock life insurance policy without Vitality PLUS. The level of premium savings are cumulative over the life of the policy and will vary based upon underwriting status, issue age, policy type, the terms of the policy and the Vitality Status achieved. Premiums savings are only available with Vitality PLUS.

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

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.

Life insurance death benefit proceeds are generally excludable from the beneficiary's gross income for income tax purposes. There are a few exceptions, such as when a life insurance policy has been transferred for valuable consideration. Comments on taxation are based on John Hancock's understanding of current tax law, which is subject to change. No legal, tax or accounting advice can be given by John Hancock, its agents, employees or licensed agents. Prospective purchasers should consult their tax professional for details.

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.

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.

Paying a premium amount that differs from an originally illustrated amount could reduce the duration of the policy's Death Benefit Protection feature or impact other features of the policy.

Aspire is not available in New York, Idaho and Puerto Rico.

Guaranteed product features are dependent upon minimum-premium requirements and the claims-paying ability of the issuer.

Insurance products issued by: John Hancock Life Insurance Company (U.S.A.), Boston, MA 02116. MLI081922683-1