



*JH Solutions*®

# Buy-Sell Arrangement: Entity Purchase

Proactive planning for the transition of your business

**Prepared for**

The Business

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**Presented by**

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As a business owner, you no doubt realize that the future success of your business often depends on you and any co-owners. The untimely death, disability, or retirement of you or one of your co-owners may have a devastating effect on the business if adequate planning has not been implemented. Having a formal plan to transition ownership is important and can bring peace of mind to you, your co-owners, and any heirs. Even if you already have a buy-sell arrangement in place to dictate how to transfer the business, it is just as important to ensure that the arrangement will be funded.

Buy-sell arrangements, often funded with life insurance, allow for the orderly transfer of ownership between owners of a business. A buy-sell plan is a formal contract between you and your fellow business owners that lays out what happens to each owner's share of the business upon a triggering event – such as disability, retirement, or death. The buy-sell arrangement also identifies a business-valuation strategy to ensure a fair selling price.

An entity-purchase (or “stock redemption”) buy-sell arrangement is an arrangement between you and your business. The business agrees to “redeem” your interest in the business – pay you or your estate an agreed-upon amount for your interest in the business – upon a triggering event such as death, disability, retirement, or other termination event. The arrangement can be funded with a permanent life insurance policy on each owner to help ensure that the business has the liquidity necessary to transition the business according to the buy-sell arrangement.

## The power of funding a buy-sell arrangement with life insurance

Business succession planning and life insurance go hand-in-hand. Life insurance provides:

- **Distinct tax advantages:**

- Death benefit proceeds are generally received income tax free<sup>1</sup>
- Policy cash values grow tax-deferred and can be accessed in a tax-favored manner<sup>2</sup>
- Offers a competitive rate of return when compared to the return on a taxable asset<sup>3</sup>

- **Liquidity:** death benefit can provide immediate liquidity when it is needed most to help facilitate the buyout of your interest in the business and to help ensure that your heirs receive the full value of your shares quickly and efficiently

- **Lifetime flexibility:** Permanent life insurance with potential cash value accumulation may be accessed on a tax-preferred basis during life to fund a buyout at retirement or to fund payments to a disabled owner upon disability

- When owned by the business, cash value may be accessed to accommodate changing needs over the life span of the business

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. Withdrawal of policy values in excess of the owner's investment in the contract can cause recognition of gain (to the extent of gain) for income tax purposes. Furthermore, while an owner generally may borrow against a life insurance policy without immediate income tax consequences, a lapse or surrender of a policy against which loans are outstanding may also cause the owner to recognize policy value in excess of basis. Loans and withdrawals will reduce the death benefit and cash surrender value, and may cause the policy to lapse.

3. The rate of return (ROR) 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.

## How entity purchase buy-sell works

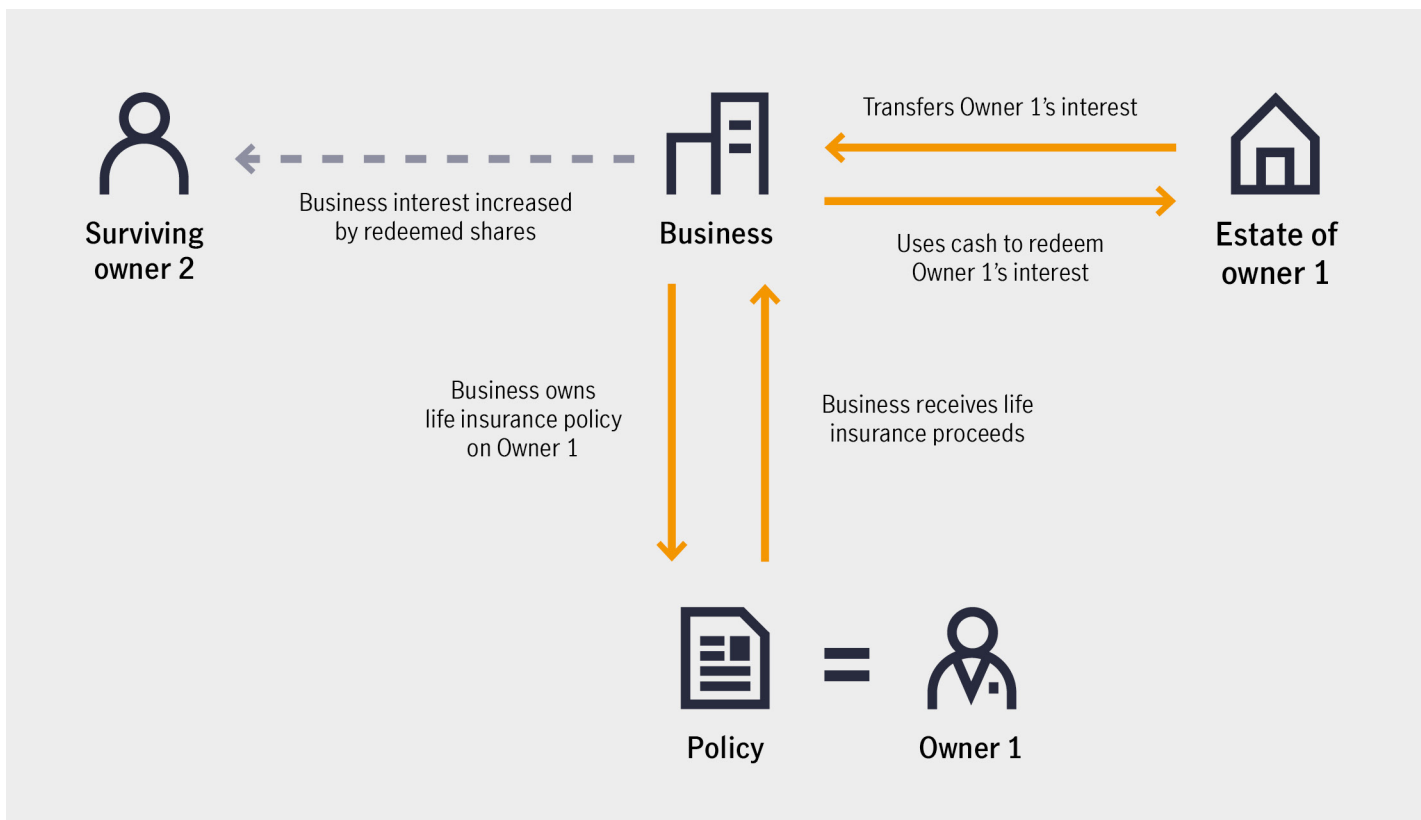
**Draft the buy-sell plan.** Your attorney drafts an entity purchase buy-sell agreement that identifies the terms of the arrangement, including triggering events, valuation, and funding methods.

**Value the business.** It is necessary to establish the value of the business to ascertain the value of each life insurance policy that will be used to fund the buyout. Consensus among the co-owners should be reached for the business valuation method, the current business value, and how the business value will be reassessed in the future. This can help eliminate future disagreements, avoid confusion and avoid additional expenses.

*The valuation may also be relied upon for estate tax purposes to provide a fixed value for both a lifetime transfer of the business and the transfer of the business at death.<sup>4</sup>*

**Purchase life insurance.** The business purchases and owns a life insurance policy on the lives of each business owner with death benefit equal to each owner's share of the business. The business will remain the policy owner, beneficiary and premium payer. Although the payment of premiums is not a tax-deductible expense to the business, the premiums paid by the business will not be taxable income to each of the owners.<sup>5</sup>

**Distributions.** Upon the death, disability, or retirement of an owner, the business can use the death benefit or potential cash surrender value of the policy to make payments under the agreement. The business receives the life insurance death proceeds income tax free. If distributions are taken from the cash value, the distributions can be tax-free.



4. IRC §2703 provides certain tests the taxpayer must meet to permit the value of the buy-sell agreement to set the value for federal estate tax purposes. First, the buy-sell agreement must reflect a bona fide business arrangement. Second, the buy-sell agreement must not represent a device to transfer the business interest to the decedent's family or the natural objects of the decedent's bounty for less than full and adequate consideration. Third, the terms of the buy-sell agreement must remain comparable to similar arrangements entered into by persons in arms-length transactions.

5. See IRC §101 and Regulation Section 1.101-1(a)(1)

## Benefits of entity purchase buy-sell with life insurance

**Multiple owners:** offers a simple approach that can work well with three or more owners.

**Transaction is between you and the business:** upon a triggering event, you/your estate exchange business ownership for cash.

**Tax-free death benefit:** the business receives the life insurance death benefit free of income taxes.

**Premium payments:** premium payments made by the business are not taxable income to the owners.

**Single policy:** the entity purchase buy-sell arrangement requires the business to purchase only one policy on each owner.

**Fixed value for estate tax:** you may structure the entity purchase buy-sell plan to fix the value of the business for estate tax purposes.<sup>6</sup>

**Leveraged corporate tax rate:** under current tax law, the use of corporate funds to pay policy premiums may be a cost-effective tax strategy when the business is a C Corporation because they are generally taxed at a lower rate than the owners.

**Accumulated earnings and profits:** for tax accounting purposes, a stock redemption reduces the corporation's accumulated earnings and profits balance, reducing exposure to a potential accumulated earnings tax.<sup>7</sup>

## Important Considerations

**Risk of creditors:** business-owned life insurance maintained to fund a buy-sell arrangement remains subject to creditors of the business (i.e., if business goes bankrupt and life insurance is an asset of the business).

**Life insurance premiums are non-deductible:** by the business.

**Employer-owned life insurance:** business must comply with §101(j) requirements, including notice and consent.<sup>8</sup>

**Increased value:** assets held to fund the plan, including life insurance death benefits, may increase the value of the business. However, the value of the insurance proceeds will not be part of the valuation of the decedent's interest when a valid agreement fixing the price for estate tax purposes exists and the purchase price under the terms of the buy-sell plan specifically exclude the life insurance proceeds.

**Basis adjustments:** after a redemption, remaining owners may not get an increase in basis even though they now own a larger interest in the business.<sup>9</sup>

**Unwinding the plan:** if you were to separate from the business (e.g., at retirement), the business may continue to own the policy on your life.

**Changes in valuation:** the value that is fixed in the buy-sell agreement may change by the time of a triggering event such as death, although the valuation method may remain the same. If the value of the business decreases by the time of a triggering event, then the remaining owners may not need to use all of the life insurance funding for the buy-sell arrangement.

**Life insurance eligibility:** will be based on financial and medical underwriting. The actual amount of insurance you qualify for may differ from the illustrated values.

6. See IRC§ 2703.

7. See IRC §312(n)(7).

8. Section 101(j) of the Internal Revenue Code imposes income tax on the death benefit of the life insurance contracts owned by the employer of the insured unless certain exceptions apply. In addition, the employer must show satisfaction of notice and consent requirements set forth in Section 101(j).

9. C Corporation shareholders do not receive a step up in basis for a stock purchase through an entity redemption plan. However, receipt of life insurance proceeds by a partnership permits a step up in basis for a partner's interest. Likewise, in certain circumstances S Corporation shareholders may receive a partial or full step up in basis from an entity purchase plan.

## Entity purchase buy-sell plan

The following pages graphically illustrate a projected life insurance policy insuring your life and owned by your business. The death benefit will be paid to your business at your death. Refer to the accompanying pages for more detail and please refer to the Glossary for a definition of the key terms used in this proposal.

Business purchases life insurance death benefit on each shareholder equal to each shareholder's ownership in the business.

**Business name:** The Business

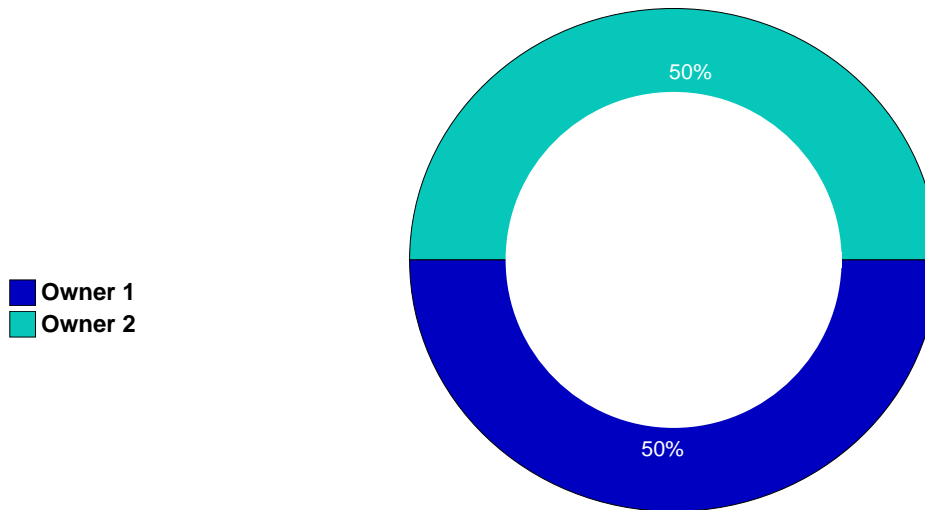
**Business value:** \$10,000,000

**Number of owners in plan:** 2

**Product:** Protection UL 22

Name	Ownership Percentage	Ownership Amount	Age	Initial Premium	Initial Death Benefit
Owner 1	50.00%	5,000,000	45	31,766	5,000,000
Owner 2	50.00%	5,000,000	46	33,624	5,000,000
<b>Total</b>	<b>100%</b>	<b>10,000,000</b>		<b>65,390</b>	<b>10,000,000</b>

## Current ownership percentage



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. All assumed growth rates for assets are based upon information provided and assumed by you and are 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.



## Entity purchase buy-sell plan

Composite business-owned life insurance policies insuring 2 lives

**Business name:** The Business

**Product purchased:** Protection UL 22

Year	Premium	Cash Surrender Value	Death Benefit
1	65,390	0	10,000,000
2	65,390	0	10,000,000
3	65,390	0	10,000,000
4	65,390	0	10,000,000
5	65,390	19,452	10,000,000
6	65,390	61,224	10,000,000
7	65,390	103,956	10,000,000
8	65,390	147,623	10,000,000
9	65,390	192,270	10,000,000
10	65,390	237,861	10,000,000
11	65,390	289,038	10,000,000
12	65,390	341,247	10,000,000
13	65,390	395,993	10,000,000
14	65,390	453,414	10,000,000
15	65,390	513,561	10,000,000
16	65,390	576,440	10,000,000
17	65,390	642,091	10,000,000
18	65,390	710,954	10,000,000
19	65,390	783,331	10,000,000
20	65,390	859,228	10,000,000
21	65,390	937,424	10,000,000
22	65,390	1,018,406	10,000,000
23	65,390	1,102,108	10,000,000
24	65,390	1,188,342	10,000,000
25	65,390	1,276,782	10,000,000
26	65,390	1,366,980	10,000,000
27	65,390	1,459,705	10,000,000
28	65,390	1,554,775	10,000,000
29	65,390	1,652,087	10,000,000
30	65,390	1,751,444	10,000,000
31	65,390	1,851,351	10,000,000
32	65,390	1,952,617	10,000,000
33	65,390	2,055,253	10,000,000



Year	Premium	Cash Surrender Value	Death Benefit
34	65,390	2,158,942	10,000,000
35	65,390	2,263,695	10,000,000
36	65,390	2,369,140	10,000,000
37	65,390	2,475,492	10,000,000
38	65,390	2,582,972	10,000,000
39	65,390	2,692,101	10,000,000
40	65,390	2,802,496	10,000,000
41	65,390	2,889,277	10,000,000
42	65,390	2,971,474	10,000,000
43	65,390	3,048,131	10,000,000
44	65,390	3,118,536	10,000,000
45	65,390	3,182,430	10,000,000
46	65,390	3,240,037	10,000,000
47	65,390	3,290,941	10,000,000
48	65,390	3,335,337	10,000,000
49	65,390	3,372,999	10,000,000
50	65,390	3,407,283	10,000,000
51	65,390	3,439,201	10,000,000
52	65,390	3,467,183	10,000,000
53	65,390	3,490,564	10,000,000
54	65,390	3,506,463	10,000,000
55	65,390	3,514,371	10,000,000
56	65,390	3,516,885	10,000,000
57	65,390	3,519,118	10,000,000
58	65,390	3,529,357	10,000,000
59	65,390	3,558,378	10,000,000
60	65,390	3,622,451	10,000,000
61	65,390	3,742,318	10,000,000
62	65,390	3,948,721	10,000,000
63	65,390	4,234,414	10,000,000
64	65,390	4,554,066	10,000,000
65	65,390	4,894,815	10,000,000
66	65,390	5,258,054	10,000,000
67	65,390	5,645,266	10,000,000
68	65,390	6,058,034	10,000,000
69	65,390	6,498,046	10,000,000
70	65,390	6,967,097	10,000,000
71	65,390	7,467,107	10,000,000

Year	Premium	Cash Surrender Value	Death Benefit
72	65,390	8,000,116	10,000,000
73	31,766	8,547,516	10,000,000
74	0	9,111,404	10,000,000
75	0	9,712,508	10,013,199
76	0	5,009,338	5,009,338
<b>Total</b>	<b>4,739,846</b>		

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## Entity purchase buy-sell plan

Business-owned life insurance policies insuring Owner 1, Male, Age 45, Vitality Status Bronze

**Product purchased:** Protection UL 22

Year	Age	Premium	Cash Surrender Value	Death Benefit
1	46	31,766	0	5,000,000
2	47	31,766	0	5,000,000
3	48	31,766	0	5,000,000
4	49	31,766	0	5,000,000
5	50	31,766	9,278	5,000,000
6	51	31,766	29,585	5,000,000
7	52	31,766	50,369	5,000,000
8	53	31,766	71,609	5,000,000
9	54	31,766	93,319	5,000,000
10	55	31,766	115,488	5,000,000
11	56	31,766	140,396	5,000,000
12	57	31,766	165,825	5,000,000
13	58	31,766	192,493	5,000,000
14	59	31,766	220,473	5,000,000
15	60	31,766	249,788	5,000,000
16	61	31,766	280,452	5,000,000
17	62	31,766	312,461	5,000,000
18	63	31,766	346,017	5,000,000
19	64	31,766	381,317	5,000,000
20	65	31,766	418,357	5,000,000
21	66	31,766	456,604	5,000,000
22	67	31,766	496,304	5,000,000
23	68	31,766	537,382	5,000,000
24	69	31,766	579,753	5,000,000
25	70	31,766	623,296	5,000,000
26	71	31,766	667,774	5,000,000
27	72	31,766	713,641	5,000,000
28	73	31,766	760,712	5,000,000
29	74	31,766	808,959	5,000,000
30	75	31,766	858,220	5,000,000
31	76	31,766	907,801	5,000,000
32	77	31,766	958,140	5,000,000
33	78	31,766	1,009,204	5,000,000
34	79	31,766	1,060,857	5,000,000

Year	Age	Premium	Cash Surrender Value	Death Benefit
35	80	31,766	1,113,121	5,000,000
36	81	31,766	1,165,783	5,000,000
37	82	31,766	1,218,819	5,000,000
38	83	31,766	1,272,457	5,000,000
39	84	31,766	1,326,876	5,000,000
40	85	31,766	1,382,163	5,000,000
41	86	31,766	1,426,441	5,000,000
42	87	31,766	1,468,707	5,000,000
43	88	31,766	1,508,464	5,000,000
44	89	31,766	1,545,187	5,000,000
45	90	31,766	1,578,414	5,000,000
46	91	31,766	1,608,826	5,000,000
47	92	31,766	1,635,726	5,000,000
48	93	31,766	1,659,510	5,000,000
49	94	31,766	1,679,923	5,000,000
50	95	31,766	1,696,991	5,000,000
51	96	31,766	1,714,038	5,000,000
52	97	31,766	1,728,654	5,000,000
53	98	31,766	1,741,863	5,000,000
54	99	31,766	1,751,899	5,000,000
55	100	31,766	1,757,655	5,000,000
56	101	31,766	1,759,736	5,000,000
57	102	31,766	1,760,150	5,000,000
58	103	31,766	1,762,026	5,000,000
59	104	31,766	1,770,558	5,000,000
60	105	31,766	1,791,388	5,000,000
61	106	31,766	1,835,249	5,000,000
62	107	31,766	1,912,317	5,000,000
63	108	31,766	2,042,942	5,000,000
64	109	31,766	2,197,292	5,000,000
65	110	31,766	2,361,830	5,000,000
66	111	31,766	2,537,226	5,000,000
67	112	31,766	2,724,199	5,000,000
68	113	31,766	2,923,512	5,000,000
69	114	31,766	3,135,980	5,000,000
70	115	31,766	3,362,471	5,000,000
71	116	31,766	3,603,910	5,000,000

Year	Age	Premium	Cash Surrender Value	Death Benefit
72	117	31,766	3,861,284	5,000,000
73	118	31,766	4,135,645	5,000,000
74	119	0	4,408,473	5,000,000
75	120	0	4,699,308	5,000,000
76	121	0	5,009,338	5,009,338
<b>Total</b>		<b>2,318,918</b>		

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## Entity purchase buy-sell plan

Business-owned life insurance policies insuring Owner 2, Male, Age 46, Vitality Status Bronze

**Product purchased:** Protection UL 22

Year	Age	Premium	Cash Surrender Value	Death Benefit
1	47	33,624	0	5,000,000
2	48	33,624	0	5,000,000
3	49	33,624	0	5,000,000
4	50	33,624	0	5,000,000
5	51	33,624	10,174	5,000,000
6	52	33,624	31,639	5,000,000
7	53	33,624	53,587	5,000,000
8	54	33,624	76,015	5,000,000
9	55	33,624	98,951	5,000,000
10	56	33,624	122,373	5,000,000
11	57	33,624	148,642	5,000,000
12	58	33,624	175,422	5,000,000
13	59	33,624	203,500	5,000,000
14	60	33,624	232,942	5,000,000
15	61	33,624	263,774	5,000,000
16	62	33,624	295,988	5,000,000
17	63	33,624	329,629	5,000,000
18	64	33,624	364,937	5,000,000
19	65	33,624	402,013	5,000,000
20	66	33,624	440,870	5,000,000
21	67	33,624	480,820	5,000,000
22	68	33,624	522,102	5,000,000
23	69	33,624	564,727	5,000,000
24	70	33,624	608,589	5,000,000
25	71	33,624	653,486	5,000,000
26	72	33,624	699,206	5,000,000
27	73	33,624	746,064	5,000,000
28	74	33,624	794,064	5,000,000
29	75	33,624	843,128	5,000,000
30	76	33,624	893,224	5,000,000
31	77	33,624	943,549	5,000,000
32	78	33,624	994,477	5,000,000
33	79	33,624	1,046,049	5,000,000
34	80	33,624	1,098,084	5,000,000

Year	Age	Premium	Cash Surrender Value	Death Benefit
35	81	33,624	1,150,575	5,000,000
36	82	33,624	1,203,356	5,000,000
37	83	33,624	1,256,673	5,000,000
38	84	33,624	1,310,515	5,000,000
39	85	33,624	1,365,226	5,000,000
40	86	33,624	1,420,333	5,000,000
41	87	33,624	1,462,836	5,000,000
42	88	33,624	1,502,767	5,000,000
43	89	33,624	1,539,667	5,000,000
44	90	33,624	1,573,349	5,000,000
45	91	33,624	1,604,016	5,000,000
46	92	33,624	1,631,211	5,000,000
47	93	33,624	1,655,215	5,000,000
48	94	33,624	1,675,827	5,000,000
49	95	33,624	1,693,076	5,000,000
50	96	33,624	1,710,292	5,000,000
51	97	33,624	1,725,163	5,000,000
52	98	33,624	1,738,529	5,000,000
53	99	33,624	1,748,701	5,000,000
54	100	33,624	1,754,564	5,000,000
55	101	33,624	1,756,716	5,000,000
56	102	33,624	1,757,149	5,000,000
57	103	33,624	1,758,968	5,000,000
58	104	33,624	1,767,331	5,000,000
59	105	33,624	1,787,820	5,000,000
60	106	33,624	1,831,063	5,000,000
61	107	33,624	1,907,068	5,000,000
62	108	33,624	2,036,404	5,000,000
63	109	33,624	2,191,472	5,000,000
64	110	33,624	2,356,774	5,000,000
65	111	33,624	2,532,986	5,000,000
66	112	33,624	2,720,827	5,000,000
67	113	33,624	2,921,067	5,000,000
68	114	33,624	3,134,522	5,000,000
69	115	33,624	3,362,065	5,000,000
70	116	33,624	3,604,626	5,000,000
71	117	33,624	3,863,196	5,000,000

Year	Age	Premium	Cash Surrender Value	Death Benefit
72	118	33,624	4,138,832	5,000,000
73	119	0	4,411,871	5,000,000
74	120	0	4,702,930	5,000,000
75	121	0	5,013,199	5,013,199
<b>Total</b>		<b>2,420,928</b>		

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## Glossary

**Business value:** the current fair market value of the business.

**Number of owners in the plan (entity purchase):** the number of owners of the business.

**Ownership percentage:** the percentage of ownership of the business for each individual owner of the business.

**Ownership amount:** the value of the business owned by each individual business owner calculated by the business value times the individual's ownership percentage.

**Premium:** the premium cost for the life insurance owned by the business.

**Policy distribution:** withdrawals or loans from the life insurance policy cash value.

**Cash surrender value:** the projected cash surrender value of the life insurance policy.

**Death benefit:** the tax-free death benefit of the life insurance policy.



**Important disclosures**

A John Hancock life insurance policy with the Vitality program is a great way protect your family while you invest in your health and in your life. Visit [www.jhrewardslife.com](http://www.jhrewardslife.com) to learn more.

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 financial professionals to examine tax, legal, accounting, or financial planning aspects of this topic. As you explore your planning needs with your legal and tax professionals, we hope that you find this analysis useful.

John Hancock does not guarantee the accuracy of the system or the output. John Hancock will not be liable for any damages arising from the use or misuse of this software or from any errors or omissions in the same. John Hancock assumes no duty to update this software or to provide notice of any errors in the software or applicable changes in the law. This supplemental illustration assumes that the currently illustrated non-guaranteed elements will continue for all years shown. However, it is not likely that the non-guaranteed elements will perform exactly as shown in the illustration. In addition, the actual consequences of a particular planning alternative will depend on many variables, some of which may not be fully accounted for or described in this presentation.

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 professionals.

Vitality is the provider of the John Hancock Vitality Program in connection with policies issued by John Hancock.

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INSURANCE PRODUCTS   MAY LOSE VALUE   NOT A DEPOSIT
NOT BANK GUARANTEED   NOT FDIC INSURED
NOT INSURED BY ANY GOVERNMENT AGENCY

# 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: 22PROUL

Presented By: Advanced Markets

### Illustration Assumptions

Owner 1	Initial Death Benefit \$5,000,000
Male - Super Preferred NonSmoker	Face Amount \$5,000,000
Age: 45	Initial Planned Premium: \$31,766.00 / Billing Mode: Annual
Initial Assumed Status: Bronze	Death Benefit Option 1; Cash Value Accumulation Test
	State: Michigan
	Based on Current Charges and an Initial Current Rate of 4.95%

### Protection Universal Life Insurance

#### About This Illustration

This illustration is intended to assist you in understanding how your policy may perform over time given a specified set of assumptions applied to the features of the policy. The illustration is not intended to predict your actual policy performance.

**Certain values shown in this illustration are guaranteed, and other values are not guaranteed. Unless otherwise stated, amounts credited and other values set forth in this illustration are not guaranteed.**

Your policy's guaranteed values are determined at policy issue and are guaranteed not to change over the life of the policy. Non-guaranteed values may change from time-to-time in response to actions that you or the insured take, or changes that we make. For example, the interest rate credited to the Fixed Account may exceed the guaranteed rate, and monthly charges may be less than their corresponding maximum guaranteed charges. Illustrated values that are based upon non-guaranteed assumptions may be more favorable to you than the values shown based upon guaranteed assumptions.

**We recommend that you review your policy's performance periodically to ensure you are on track to meet your goals. We also suggest you request in force illustrations from time to time which will also provide you with an updated projection of policy performance. You should review these documents with your financial professional.**

This illustration is not a contract and will not become part of the policy. Descriptions provided in this illustration summarize some of the policy features; however, it does not supersede, nor should it be considered a substitute for, the policy contract. The policy constitutes the actual agreement of coverage and contains the entire terms of the contract. Capitalized terms referred to in this illustration have the meanings given in this illustration or in the policy contract.

The information provided by John Hancock to you or your financial professionals in connection with this sale is not intended as tax, legal, or investment advice or a recommendation to purchase John Hancock products and services. John Hancock and its representatives will receive compensation derived from such sales or services.

#### Brief Description of the Policy

The Protection Universal Life Insurance policy which you are considering provides death benefit protection and premium payment flexibility. Actions you or the insured take can affect your policy and the premium required to maintain coverage, such as:

- The amount and timing of premiums you pay
- Any loans, withdrawals, or material changes you make to your policy
- The insured's achieving, or not achieving, a certain Status level in regard to your policy's Healthy Engagement benefit

Your policy can also be affected by:

- Changes that we make to the current declared interest rate of the Fixed Account
- Changes to the current Cost of Insurance rates
- Changes to the qualification requirements for a Status level in regard to your policy's Healthy Engagement benefit

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Version: 19.1.1 R[0-0-0-24592-2560-8192] - 181

Page 1 of 19

07/06/2023 03:19:18 PM

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

## A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Protection UL Form: 22PROUL

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

Presented By: Advanced Markets

### Illustration Assumptions

Owner 1

Male - Super Preferred NonSmoker

Age: 45

Initial Assumed Status: Bronze

Initial Death Benefit \$5,000,000

Face Amount \$5,000,000

Initial Planned Premium: \$31,766.00 / Billing Mode: Annual

Death Benefit Option 1; Cash Value Accumulation Test

State: Michigan

Based on Current Charges and an Initial Current Rate of 4.95%

### Premiums You Pay

One of the advantages of Protection Universal Life Insurance is premium payment flexibility, allowing you to vary the amount and frequency of your payments as long as the premiums you pay, less premium charges, and interest amounts credited to your policy are sufficient to cover the Monthly Deductions and any other charges. Premiums are subject to maximum guidelines allowed by the Internal Revenue Code, and premium payments in excess of the Planned Premium are subject to our approval. Policy loans, withdrawals or changes in crediting rates to the Fixed Account could necessitate additional premium payments to maintain your insurance coverage. Premium limits and requirements may change after issue if unscheduled changes are made or if planned changes are made at different times than originally assumed.

This illustration assumes an initial Planned Premium of \$31,766.00 and that all subsequent premium payments are made at the beginning of each modal period you selected (e.g., monthly, annually). Paying less than the Planned Premium can have a negative impact on the policy and its guarantees. Reduced or discontinued premiums in future years are only possible if the premiums paid and amounts credited are sufficient to cover the Monthly Deduction and any other charges. The Minimum Initial Premium is shown on the Basic Illustration Summary page and is the minimum premium needed to put the policy in force.

Based on the initial Death Benefit and other policy assumptions shown in the illustration, the level annual premium to guarantee coverage for life is \$73,523.13. Premiums are subject to maximum guidelines allowed by the Internal Revenue Code.

### Your Death Benefit

This illustration reflects an initial Death Benefit of \$5,000,000 (Option 1). The initial Death Benefit is composed of \$5,000,000 in Face Amount. The Net Death Benefit reflects the reduction of the Death Benefit by any Policy Debt (total loans plus any loan interest due).

This policy illustration shows the Death Benefit Protection feature guaranteeing the policy death benefit to the Life Insured's attained age 72.

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 policy owner cannot access this 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. 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. The Death Benefit Protection Feature cannot be reinstated after it lapses.

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Version: 19.1.1 R[0-0-0-24592-2560-8192] - 181

Page 2 of 19

07/06/2023 03:19:18 PM

# 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 (cont'd)

Protection UL Form: 22PROUL  
Presented By: Advanced Markets

### Illustration Assumptions

Owner 1  
Male - Super Preferred NonSmoker  
Age: 45  
Initial Assumed Status: Bronze

Initial Death Benefit \$5,000,000  
Face Amount \$5,000,000  
Initial Planned Premium: \$31,766.00 / Billing Mode: Annual  
Death Benefit Option 1; Cash Value Accumulation Test  
State: Michigan  
Based on Current Charges and an Initial Current Rate of 4.95%

### Your Policy Values and Interest Credits

Interest is illustrated at an initial assumed effective annual rate of 4.95%. 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 1%.

There is a guaranteed Persistency Bonus that is applied to the then current credited interest rate for contracts still in force at the beginning of Policy Year 6. The bonus will be 1.30% provided the current crediting rate is 2.00% or greater at that time. If the current crediting rate is less than 2% the bonus will be reduced proportionally to 0% as the current crediting rate approaches its guaranteed minimum crediting rate of 1%.

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 meet your objectives.

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.

Changes in the rate of interest that we declare will affect the interest 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 Assumption	Attained Age at Lapse*
4.95% Initial Current Rate	N/A
4.45%	90
3.95%	87
3.45%	85
2.95%	83
2.45%	81
1.95%	80
1.45%	78
1.00% Minimum Rate	77

\* 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.

# 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 (cont'd)

Protection UL Form: 22PROUL  
Presented By: Advanced Markets

### Illustration Assumptions

Owner 1	Initial Death Benefit \$5,000,000
Male - Super Preferred NonSmoker	Face Amount \$5,000,000
Age: 45	Initial Planned Premium: \$31,766.00 / Billing Mode: Annual
Initial Assumed Status: Bronze	Death Benefit Option 1; Cash Value Accumulation Test
	State: Michigan
	Based on Current Charges and an Initial Current Rate of 4.95%

### Accessing Your Policy Value

#### Surrenders

You can surrender your policy for its cash value at any time. We will pay you the Policy Value less a Surrender Charge and any Policy Debt you may have.

#### Withdrawals

After your policy has been in force for one year, you can make partial cash withdrawals. Withdrawals reduce the Policy Value and the Death Benefit, and the amount of the withdrawal may be subject to a Surrender Charge. If illustrated, withdrawals are assumed to be taken at the beginning of the month.

#### Loans

Policy loans may be taken against the Policy Value at any time. The maximum loan amount available is the policy's Cash Surrender Value at the time of request, less any existing Policy Debt, less Monthly Deductions through the remainder of the Policy Year, all multiplied by one minus the rate of Loan Interest Charged for a policy loan. Interest is charged on the outstanding Policy Debt, and 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.

If projected, policy loans are assumed to be taken at the beginning of the month, and the loan interest rate used in this policy illustration is shown in the Policy Summary.

The net cost of a Loan equals the Loan Interest Charged less the sum of the Loan Interest Credited to the Loan Account. The loan interest rate charged is guaranteed not to exceed 15.0%. Loan interest is payable in arrears. The Loan Interest Credited Differential is guaranteed not to exceed 1.25% in years 1-10 and 0.25% in years 11+.

### Other Policy Features and Benefits

#### 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 thereafter. We will continue to credit interest to the Fixed Account. No additional charges, other than those for any outstanding policy loans, will be deducted.

Tax implications with respect to policies that continue beyond age 121 are not clear at the present time. We urge you to consult with your tax advisor regarding this issue.

#### Healthy Engagement Rider (Vitality PLUS)

The Healthy Engagement Rider provide the opportunity each year, beginning 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. 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 guaranteed not to change. The Status Qualification requirements may be changed, as described in the policy. Current Status Qualification Requirements can be found on [www.JohnHancockVitality.com](http://www.JohnHancockVitality.com).

# 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 (cont'd)

Protection UL Form: 22PROUL

Presented By: Advanced Markets

### Illustration Assumptions

Owner 1

Male - Super Preferred NonSmoker

Age: 45

Initial Assumed Status: Bronze

Initial Death Benefit \$5,000,000

Face Amount \$5,000,000

Initial Planned Premium: \$31,766.00 / Billing Mode: Annual

Death Benefit Option 1; Cash Value Accumulation Test

State: Michigan

Based on Current Charges and an Initial Current Rate of 4.95%

The rider is available for an additional charge of \$2 per month deducted from your Policy Value. This charge will be deducted until the Life Insured attains age 80 and the policy has reached its 10th policy anniversary, or we receive a request to discontinue the rider 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 80, but they may continue to earn a Status. At the earlier of attained age 80 or the discontinuation of this rider, no new Rider Credits will be earned, and all previously earned Rider Credits will continue to apply as described in the policy. This rider cannot be reinstated after discontinuation.

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 and/or increase the policy's Death Benefit Protection Value as reflected in the attained ages at lapse shown below.

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):

Assumed Status (all years)	Attained Age at Lapse	
	Guaranteed Charges and Rate	Current Charges and Assumed Rate
Platinum	81	N/A
Gold	81	N/A
Silver	75	N/A
Bronze	72	N/A

\*The attained age at lapse is hypothetical and based on the same assumed premium payments and factors shown on the Basic Illustration Summary page.

This illustration includes a hypothetical scenario that assumes the Life Insured earns the illustrated status in all years assuming maximum charges and the guaranteed minimum crediting rate.

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.

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 includable 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 includable 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.

### TAXATION OF LIFE INSURANCE

#### Important Notice

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Version: 19.1.1 R[0-0-0-24592-2560-8192] - 181

Page 5 of 19

07/06/2023 03:19:18 PM



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

## A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Protection UL Form: 22PROUL

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

Presented By: Advanced Markets

### Illustration Assumptions

Owner 1

Male - Super Preferred NonSmoker

Age: 45

Initial Assumed Status: Bronze

Initial Death Benefit \$5,000,000

Face Amount \$5,000,000

Initial Planned Premium: \$31,766.00 / Billing Mode: Annual

Death Benefit Option 1; Cash Value Accumulation Test

State: Michigan

Based on Current Charges and an Initial Current Rate of 4.95%

The information contained in this illustration is based on certain tax and legal assumptions. We suggest that you seek professional tax counsel regarding the interpretation of current tax laws and accounting practices as they relate to your actual situation. 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.

### Definition of Life Insurance

Definition of Life Insurance testing has been performed on the assumed scale only and is dependent on the assumptions in that projection. It may not be applicable to the alternate projections shown.

In order to qualify for the income tax advantages of life insurance, a life insurance policy must satisfy one of two Definition of Life Insurance tests under Internal Revenue Code (IRC) Section 7702. This product uses the Cash Value Accumulation Test which requires that the Death Benefit be increased automatically, so that the Policy Value will never exceed the Net Single Premium for the Death Benefit.

The additional death benefit (described above) that is required in order to satisfy the Definition of Life Insurance is referred to as **Required Additional Death Benefit**.

### Income Tax Treatment of Distributions from a Life Insurance Policy

#### Pre-death Distributions

The Cash Surrender Value in a life insurance policy grows on a tax-deferred basis. The Cash Surrender Value growth (gain) is not taxed unless it is distributed to the policyholder. If properly structured, you can access your Cash Surrender Value to provide a tax-free income subject to the limitations described below.

A policyholder may access their Cash Surrender Value prior to death by surrendering the policy, by taking a withdrawal or by taking a loan. Certain rider charges are treated as distributions from the policy's Cash Surrender Value. If the policy is not a Modified Endowment Contract (described below), these pre-death distributions are generally treated as a return of the policyholder's investment in the contract (cost basis). Most distributions reduce the policyholder's investment in the contract (cost basis) until it has been reduced to \$0. Any further distributions would be considered to be paid from the gain in the policy and are includible in gross income.

Exceptions:

- A loan is not considered to be a distribution from the policy for tax purposes unless the policy lapses or is surrendered with an outstanding loan or the policy is a MEC. The outstanding loan is included in the Cash Surrender Value used for determining the gain in the policy, which may result in the loan being taxable upon surrender or lapse, even if net Cash Surrender Value paid to the policyholder at that time is \$0.
- Withdrawals in the first 15 years from heavily funded non-MECs are taxed on a gain-first basis under the recapture ceiling of IRC Section 7702(f)(7).

### Modified Endowment Contract (MEC)

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Version: 19.1.1 R[0-0-0-24592-2560-8192] - 181

Page 6 of 19

07/06/2023 03:19:18 PM



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

## A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Protection UL Form: 22PROUL

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

Presented By: Advanced Markets

### Illustration Assumptions

Owner 1

Male - Super Preferred NonSmoker

Age: 45

Initial Assumed Status: Bronze

Initial Death Benefit \$5,000,000

Face Amount \$5,000,000

Initial Planned Premium: \$31,766.00 / Billing Mode: Annual

Death Benefit Option 1; Cash Value Accumulation Test

State: Michigan

Based on Current Charges and an Initial Current Rate of 4.95%

The Technical and Miscellaneous Revenue Act (TAMRA) of 1988 classifies some policies as Modified Endowment Contracts (MECs). A policy is classified as a MEC if it fails to satisfy the 7-Pay Test of IRC section 7702A. The test is failed if the sum of premiums paid reduced by non-taxable withdrawals and other non-taxable distributions at any time in the first 7 years exceeds the sum of the 7-Pay premiums. Certain policy changes will require adjustments to the 7-Pay Premiums and may require the test to be performed again. Pre-death distributions from a MEC, and those taken during the two years before a policy has become a MEC, are subject to less favorable (gain-first) income tax treatment than a non-MEC Life Insurance Contract and may also be subject to a 10% penalty tax. Your policy is in a gain position when the Policy Value is greater than the investment in the contract (cost basis). Unlike non-MEC tax treatment, loans from and assignments of a policy are also distributions from a MEC and are subject to gain-first taxation. We recommend you consult your tax advisor prior to taking any action on your policy that may cause it to become a MEC.

TAMRA testing has been performed on the assumed scale only and is dependent on the assumptions in that projection. It may not be applicable to the alternate projections shown. The initial annual 7-pay premium for this policy is \$263,271.00.

Based on our interpretation of TAMRA, this policy as illustrated would not be considered a Modified Endowment Contract (MEC). Whether and when your policy might become a MEC depends on the timing and amounts of premium payments, withdrawals you take, changes in the policy's non-guaranteed elements, your actual use of the policy's options, and any policy changes you make. For more information please select the TAMRA Optional Report.

### Payment or Accelerations of Death Benefits

Subject to certain exceptions described in Employer-owned Life Insurance below, payments of the Death Benefit (including accelerations of the Death Benefit under a Long-Term Care or Terminal Illness Rider) are intended to be income tax free, regardless of whether or not your policy is classified as a MEC. With appropriate planning, Death Benefits may also be received estate tax free.

### Employer-owned Life Insurance

If the owner of the policy is the employer of the life insured, Section 101(j) of the Internal Revenue 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 professionals 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.

### Other Considerations

This illustration assumes that the currently illustrated non-guaranteed 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 actions such as timing and amount of premium payments, policy lapse and reinstatement, loans and withdrawals, and contractual charges.

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Version: 19.1.1 R[0-0-24592-2560-8192] - 181

Page 7 of 19

07/06/2023 03:19:18 PM

# 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 (cont'd)

Protection UL Form: 22PROUL

Presented By: Advanced Markets

### Illustration Assumptions

Owner 1	Initial Death Benefit \$5,000,000
Male - Super Preferred NonSmoker	Face Amount \$5,000,000
Age: 45	Initial Planned Premium: \$31,766.00 / Billing Mode: Annual
Initial Assumed Status: Bronze	Death Benefit Option 1; Cash Value Accumulation Test
	State: Michigan
	Based on Current Charges and an Initial Current Rate of 4.95%

### Important Disclosure

No information provided by John Hancock to you or your financial professional 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 in connection with this policy. John Hancock and its representatives will receive compensation derived from such sales or services.

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For more than a century, JH 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.

Protection UL

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

## A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Basic Illustration Summary

Protection UL Form: 22PROUL

Presented By: Advanced Markets

### Illustration Assumptions

Owner 1

Male - Super Preferred NonSmoker

Age: 45

Initial Assumed Status: Bronze

Initial Death Benefit \$5,000,000

Face Amount \$5,000,000

Initial Planned Premium: \$31,766.00 / Billing Mode: Annual

Death Benefit Option 1; Cash Value Accumulation Test

State: Michigan

Based on Current Charges and an Initial Current Rate of 4.95%

### Coverage Summary

Coverage Description	Initial Amount	Initial Premium
Face Amount - Level for all years	\$5,000,000	\$31,766.00
Healthy Engagement Rider		

### Policy Summary

State	Michigan	
Death Benefit Option	1	From 1 Thru 76
Definition of Life Insurance	CVAT	
Payment Mode	Annual	
Charges	Current	
Assumed Interest Rate	4.95%	From 1 Thru 5
(includes non-guaranteed persistency bonus)	6.25%	From 6 Thru 76
Loan Interest Rate	5.00%	From 1 Thru 76
Initial 7-Pay Premium	\$263,271.00	
Target Premium	\$33,573.48	
Minimum Initial Premium	\$1,890.92	
Death Benefit Protection Period	27 Years	
Based on Guaranteed Assumptions		
Assumed Status	Bronze	
LifeTrack Billing	Yes	
Illustration Serial Number	414C5ACFC	

### Interest Adjusted Indexes on Insured at 5%

	-----Payment-----		-----Cost-----	
	10 Year	20 Year	10 Year	20 Year
Guaranteed	6.35	6.35	5.62	6.20
Current	6.35	6.35	4.60	3.94
Non-guaranteed Element	0.00	0.00	1.02	2.26

#### 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.

# 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: 22PROUL

Presented By: Advanced Markets

### Illustration Assumptions

**Owner 1**  
**Male - Super Preferred NonSmoker**  
**Age: 45**  
**Initial Assumed Status: Bronze**

**Initial Death Benefit \$5,000,000**  
**Face Amount \$5,000,000**  
**Initial Planned Premium: \$31,766.00 / Billing Mode: Annual**  
**Death Benefit Option 1; Cash Value Accumulation Test**  
**State: Michigan**

#### GUARANTEED ASSUMPTIONS

These policy benefits and values are based on the guaranteed interest of 1.00% and guaranteed charges. Based on your Planned Premium Outlay, the policy would remain in force until policy year 28, month 10\*.

#### 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 4.95% 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 31, month 5\*.

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:  
Advanced Markets  
197 Clarendon St.  
Boston, MA 02116  
888-266-7498, Option #3

SUMMARY YEARS	GUARANTEED ASSUMPTIONS	NON-GUARANTEED ASSUMPTIONS	
		Midpoint Scale	Assumed Scale
Years Premium Paid in Cash	28	31	73
Summary Year 5			
Net Surrender Value	2,442	5,758	9,278
Net Death Benefit	5,000,000	5,000,000	5,000,000
Summary Year 10			
Net Surrender Value	48,042	81,680	115,488
Net Death Benefit	5,000,000	5,000,000	5,000,000
Summary Year 20			
Net Surrender Value	26,695	208,065	418,357
Net Death Benefit	5,000,000	5,000,000	5,000,000
Summary Age 70			
Net Surrender Value	0	200,682	623,296
Net Death Benefit	5,000,000	5,000,000	5,000,000

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

Guaranteed and Nonguaranteed Values

Protection UL Form: 22PROUL

Presented By: Advanced Markets

### Illustration Assumptions

Owner 1

Male - Super Preferred NonSmoker

Age: 45

Initial Assumed Status: Bronze

Initial Death Benefit \$5,000,000

Face Amount \$5,000,000

Initial Planned Premium: \$31,766.00 / Billing Mode: Annual

Death Benefit Option 1; Cash Value Accumulation Test

State: Michigan

Policy Year	EOY Age	Planned Premium	End of Year Guaranteed Assumptions 1.00% Minimum Rate, Maximum Charges				End of Year Non-Guaranteed Assumptions 4.95% Initial Current Rate, Current Charges			
			Policy Value	Net Surrender Value	Net Death Benefit	IRR On Death Benefit	Policy Value	Net Surrender Value	Net Death Benefit	IRR On Death Benefit
1	46	31,766	9,606	0	5,000,000	15,640.10%	10,127	0	5,000,000	15,640.10%
2	47	31,766	18,653	0	5,000,000	1,105.59%	20,104	0	5,000,000	1,105.59%
3	48	31,766	27,488	0	5,000,000	402.78%	30,292	0	5,000,000	402.78%
4	49	31,766	36,144	0	5,000,000	223.69%	40,737	0	5,000,000	223.69%
5	50	31,766	44,685	2,442	5,000,000	148.68%	51,521	9,278	5,000,000	148.68%
6	51	31,766	48,036	14,106	5,000,000	108.87%	63,515	29,585	5,000,000	108.87%
7	52	31,766	50,287	24,670	5,000,000	84.64%	75,986	50,369	5,000,000	84.64%
8	53	31,766	51,247	33,942	5,000,000	68.50%	88,913	71,609	5,000,000	68.50%
9	54	31,766	50,771	41,773	5,000,000	57.07%	102,317	93,319	5,000,000	57.07%
10	55	31,766	48,732	48,042	5,000,000	48.59%	116,178	115,488	5,000,000	48.59%
Totals:		317,660								
11	56	31,766	54,288	54,288	5,000,000	42.08%	140,396	140,396	5,000,000	42.08%
12	57	31,766	58,676	58,676	5,000,000	36.93%	165,825	165,825	5,000,000	36.93%
13	58	31,766	61,887	61,887	5,000,000	32.77%	192,493	192,493	5,000,000	32.77%
14	59	31,766	63,858	63,858	5,000,000	29.35%	220,473	220,473	5,000,000	29.35%
15	60	31,766	64,356	64,356	5,000,000	26.49%	249,788	249,788	5,000,000	26.49%
16	61	31,766	63,044	63,044	5,000,000	24.07%	280,452	280,452	5,000,000	24.07%
17	62	31,766	59,225	59,225	5,000,000	22.00%	312,461	312,461	5,000,000	22.00%
18	63	31,766	52,272	52,272	5,000,000	20.21%	346,017	346,017	5,000,000	20.21%
19	64	31,766	41,660	41,660	5,000,000	18.64%	381,317	381,317	5,000,000	18.64%
20	65	31,766	26,695	26,695	5,000,000	17.26%	418,357	418,357	5,000,000	17.26%
Totals:		635,320								

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.

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.

## 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

Guaranteed and Nonguaranteed Values (cont'd)

Protection UL Form: 22PROUL

Presented By: Advanced Markets

### Illustration Assumptions

Owner 1

Male - Super Preferred NonSmoker

Age: 45

Initial Assumed Status: Bronze

Initial Death Benefit \$5,000,000

Face Amount \$5,000,000

Initial Planned Premium: \$31,766.00 / Billing Mode: Annual

Death Benefit Option 1; Cash Value Accumulation Test

State: Michigan

Policy Year	EOY Age	Planned Premium	End of Year Guaranteed Assumptions 1.00% Minimum Rate, Maximum Charges				End of Year Non-Guaranteed Assumptions 4.95% Initial Current Rate, Current Charges			
			Policy Value	Net Surrender Value	Net Death Benefit	IRR On Death Benefit	Policy Value	Net Surrender Value	Net Death Benefit	IRR On Death Benefit
21	66	31,766	6,669	6,669	5,000,000	16.05%	456,604	456,604	5,000,000	16.05%
22	67	31,766	0	0	5,000,000	14.96%	496,304	496,304	5,000,000	14.96%
23	68	31,766	0	0	5,000,000	13.99%	537,382	537,382	5,000,000	13.99%
24	69	31,766	0	0	5,000,000	13.11%	579,753	579,753	5,000,000	13.11%
25	70	31,766	0	0	5,000,000	12.32%	623,296	623,296	5,000,000	12.32%
26	71	31,766	0	0	5,000,000	11.60%	667,774	667,774	5,000,000	11.60%
27	72	31,766	0	0	5,000,000	10.95%	713,641	713,641	5,000,000	10.95%
28	73	31,766	##	##	##	##	760,712	760,712	5,000,000	10.35%
29	74	31,766					808,959	808,959	5,000,000	9.80%
30	75	31,766					858,220	858,220	5,000,000	9.29%
Totals:		952,980								
31	76	31,766					907,801	907,801	5,000,000	8.83%
32	77	31,766					958,140	958,140	5,000,000	8.39%
33	78	31,766					1,009,204	1,009,204	5,000,000	7.99%
34	79	31,766					1,060,857	1,060,857	5,000,000	7.62%
35	80	31,766					1,113,121	1,113,121	5,000,000	7.27%
36	81	31,766					1,165,783	1,165,783	5,000,000	6.95%
37	82	31,766					1,218,819	1,218,819	5,000,000	6.64%
38	83	31,766					1,272,457	1,272,457	5,000,000	6.36%
39	84	31,766					1,326,876	1,326,876	5,000,000	6.09%
40	85	31,766					1,382,163	1,382,163	5,000,000	5.84%
Totals:		1,270,640								

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.

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.

## 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

Guaranteed and Nonguaranteed Values (cont'd)

Protection UL Form: 22PROUL

Presented By: Advanced Markets

### Illustration Assumptions

Owner 1

Male - Super Preferred NonSmoker

Age: 45

Initial Assumed Status: Bronze

Initial Death Benefit \$5,000,000

Face Amount \$5,000,000

Initial Planned Premium: \$31,766.00 / Billing Mode: Annual

Death Benefit Option 1; Cash Value Accumulation Test

State: Michigan

Policy Year	EOY Age	Planned Premium	End of Year Guaranteed Assumptions 1.00% Minimum Rate, Maximum Charges				End of Year Non-Guaranteed Assumptions 4.95% Initial Current Rate, Current Charges			
			Policy Value	Net Surrender Value	Net Death Benefit	IRR On Death Benefit	Policy Value	Net Surrender Value	Net Death Benefit	IRR On Death Benefit
41	86	31,766					1,426,441	1,426,441	5,000,000	5.60%
42	87	31,766					1,468,707	1,468,707	5,000,000	5.38%
43	88	31,766					1,508,464	1,508,464	5,000,000	5.17%
44	89	31,766					1,545,187	1,545,187	5,000,000	4.97%
45	90	31,766					1,578,414	1,578,414	5,000,000	4.78%
46	91	31,766					1,608,826	1,608,826	5,000,000	4.60%
47	92	31,766					1,635,726	1,635,726	5,000,000	4.43%
48	93	31,766					1,659,510	1,659,510	5,000,000	4.27%
49	94	31,766					1,679,923	1,679,923	5,000,000	4.12%
50	95	31,766					1,696,991	1,696,991	5,000,000	3.97%
Totals:		1,588,300								
51	96	31,766					1,714,038	1,714,038	5,000,000	3.83%
52	97	31,766					1,728,654	1,728,654	5,000,000	3.70%
53	98	31,766					1,741,863	1,741,863	5,000,000	3.57%
54	99	31,766					1,751,899	1,751,899	5,000,000	3.45%
55	100	31,766					1,757,655	1,757,655	5,000,000	3.34%
56	101	31,766					1,759,736	1,759,736	5,000,000	3.23%
57	102	31,766					1,760,150	1,760,150	5,000,000	3.12%
58	103	31,766					1,762,026	1,762,026	5,000,000	3.02%
59	104	31,766					1,770,558	1,770,558	5,000,000	2.92%
60	105	31,766					1,791,388	1,791,388	5,000,000	2.83%
Totals:		1,905,960								

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.

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.

## 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

Guaranteed and Nonguaranteed Values (cont'd)

Protection UL Form: 22PROUL

Presented By: Advanced Markets

### Illustration Assumptions

Owner 1

Male - Super Preferred NonSmoker

Age: 45

Initial Assumed Status: Bronze

Initial Death Benefit \$5,000,000

Face Amount \$5,000,000

Initial Planned Premium: \$31,766.00 / Billing Mode: Annual

Death Benefit Option 1; Cash Value Accumulation Test

State: Michigan

Policy Year	EOY Age	Planned Premium	End of Year Guaranteed Assumptions 1.00% Minimum Rate, Maximum Charges				End of Year Non-Guaranteed Assumptions 4.95% Initial Current Rate, Current Charges			
			Policy Value	Net Surrender Value	Net Death Benefit	IRR On Death Benefit	Policy Value	Net Surrender Value	Net Death Benefit	IRR On Death Benefit
61	106	31,766					1,835,249	1,835,249	5,000,000	2.74%
62	107	31,766					1,912,317	1,912,317	5,000,000	2.65%
63	108	31,766					2,042,942	2,042,942	5,000,000	2.57%
64	109	31,766					2,197,292	2,197,292	5,000,000	2.49%
65	110	31,766					2,361,830	2,361,830	5,000,000	2.41%
66	111	31,766					2,537,226	2,537,226	5,000,000	2.34%
67	112	31,766					2,724,199	2,724,199	5,000,000	2.27%
68	113	31,766					2,923,512	2,923,512	5,000,000	2.20%
69	114	31,766					3,135,980	3,135,980	5,000,000	2.13%
70	115	31,766					3,362,471	3,362,471	5,000,000	2.07%
Totals:		2,223,620								
71	116	31,766					3,603,910	3,603,910	5,000,000	2.01%
72	117	31,766					3,861,284	3,861,284	5,000,000	1.95%
73	118	31,766					4,135,645	4,135,645	5,000,000	1.89%
74	119	0					4,408,473	4,408,473	5,000,000	1.85%
75	120	0					4,699,308	4,699,308	5,000,000	1.81%
76	121	0					5,009,338	5,009,338	5,009,338	1.77%
77	122	0					5,322,422	5,322,422	5,322,422	1.86%
78	123	0					5,655,074	5,655,074	5,655,074	1.95%
79	124	0					6,008,516	6,008,516	6,008,516	2.03%
80	125	0					6,384,048	6,384,048	6,384,048	2.11%
Totals:		2,318,918								

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.

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.

## 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

Death Benefit Illustration

Protection UL Form: 22PROUL

Presented By: Advanced Markets

### Illustration Assumptions

Owner 1

Male - Super Preferred NonSmoker

Age: 45

Initial Assumed Status: Bronze

Initial Death Benefit \$5,000,000

Face Amount \$5,000,000

Initial Planned Premium: \$31,766.00 / Billing Mode: Annual

Death Benefit Option 1; Cash Value Accumulation Test

State: Michigan

Based on Current Charges and an Initial Current Rate of 4.95%

Policy Year	EOY Age	Planned Premium	Face Amount	Required Additional Death Benefit	Policy Value	Total Death Benefit	Net Death Benefit
1	46	31,766	5,000,000	0	10,127	5,000,000	5,000,000
2	47	31,766	5,000,000	0	20,104	5,000,000	5,000,000
3	48	31,766	5,000,000	0	30,292	5,000,000	5,000,000
4	49	31,766	5,000,000	0	40,737	5,000,000	5,000,000
5	50	31,766	5,000,000	0	51,521	5,000,000	5,000,000
6	51	31,766	5,000,000	0	63,515	5,000,000	5,000,000
7	52	31,766	5,000,000	0	75,986	5,000,000	5,000,000
8	53	31,766	5,000,000	0	88,913	5,000,000	5,000,000
9	54	31,766	5,000,000	0	102,317	5,000,000	5,000,000
10	55	31,766	5,000,000	0	116,178	5,000,000	5,000,000
Totals:		317,660					
11	56	31,766	5,000,000	0	140,396	5,000,000	5,000,000
12	57	31,766	5,000,000	0	165,825	5,000,000	5,000,000
13	58	31,766	5,000,000	0	192,493	5,000,000	5,000,000
14	59	31,766	5,000,000	0	220,473	5,000,000	5,000,000
15	60	31,766	5,000,000	0	249,788	5,000,000	5,000,000
16	61	31,766	5,000,000	0	280,452	5,000,000	5,000,000
17	62	31,766	5,000,000	0	312,461	5,000,000	5,000,000
18	63	31,766	5,000,000	0	346,017	5,000,000	5,000,000
19	64	31,766	5,000,000	0	381,317	5,000,000	5,000,000
20	65	31,766	5,000,000	0	418,357	5,000,000	5,000,000
Totals:		635,320					
21	66	31,766	5,000,000	0	456,604	5,000,000	5,000,000
22	67	31,766	5,000,000	0	496,304	5,000,000	5,000,000
23	68	31,766	5,000,000	0	537,382	5,000,000	5,000,000
24	69	31,766	5,000,000	0	579,753	5,000,000	5,000,000
25	70	31,766	5,000,000	0	623,296	5,000,000	5,000,000
26	71	31,766	5,000,000	0	667,774	5,000,000	5,000,000
27	72	31,766	5,000,000	0	713,641	5,000,000	5,000,000
28	73	31,766	5,000,000	0	760,712	5,000,000	5,000,000
29	74	31,766	5,000,000	0	808,959	5,000,000	5,000,000
30	75	31,766	5,000,000	0	858,220	5,000,000	5,000,000
Totals:		952,980					

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

## A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Death Benefit Illustration (cont'd)

Protection UL Form: 22PROUL

Presented By: Advanced Markets

### Illustration Assumptions

Owner 1

Male - Super Preferred NonSmoker

Age: 45

Initial Assumed Status: Bronze

Initial Death Benefit \$5,000,000

Face Amount \$5,000,000

Initial Planned Premium: \$31,766.00 / Billing Mode: Annual

Death Benefit Option 1; Cash Value Accumulation Test

State: Michigan

Based on Current Charges and an Initial Current Rate of 4.95%

Policy Year	EOY Age	Planned Premium	Face Amount	Required Additional Death Benefit	Policy Value	Total Death Benefit	Net Death Benefit
31	76	31,766	5,000,000	0	907,801	5,000,000	5,000,000
32	77	31,766	5,000,000	0	958,140	5,000,000	5,000,000
33	78	31,766	5,000,000	0	1,009,204	5,000,000	5,000,000
34	79	31,766	5,000,000	0	1,060,857	5,000,000	5,000,000
35	80	31,766	5,000,000	0	1,113,121	5,000,000	5,000,000
36	81	31,766	5,000,000	0	1,165,783	5,000,000	5,000,000
37	82	31,766	5,000,000	0	1,218,819	5,000,000	5,000,000
38	83	31,766	5,000,000	0	1,272,457	5,000,000	5,000,000
39	84	31,766	5,000,000	0	1,326,876	5,000,000	5,000,000
40	85	31,766	5,000,000	0	1,382,163	5,000,000	5,000,000
Totals:		1,270,640					
41	86	31,766	5,000,000	0	1,426,441	5,000,000	5,000,000
42	87	31,766	5,000,000	0	1,468,707	5,000,000	5,000,000
43	88	31,766	5,000,000	0	1,508,464	5,000,000	5,000,000
44	89	31,766	5,000,000	0	1,545,187	5,000,000	5,000,000
45	90	31,766	5,000,000	0	1,578,414	5,000,000	5,000,000
46	91	31,766	5,000,000	0	1,608,826	5,000,000	5,000,000
47	92	31,766	5,000,000	0	1,635,726	5,000,000	5,000,000
48	93	31,766	5,000,000	0	1,659,510	5,000,000	5,000,000
49	94	31,766	5,000,000	0	1,679,923	5,000,000	5,000,000
50	95	31,766	5,000,000	0	1,696,991	5,000,000	5,000,000
Totals:		1,588,300					
51	96	31,766	5,000,000	0	1,714,038	5,000,000	5,000,000
52	97	31,766	5,000,000	0	1,728,654	5,000,000	5,000,000
53	98	31,766	5,000,000	0	1,741,863	5,000,000	5,000,000
54	99	31,766	5,000,000	0	1,751,899	5,000,000	5,000,000
55	100	31,766	5,000,000	0	1,757,655	5,000,000	5,000,000
56	101	31,766	5,000,000	0	1,759,736	5,000,000	5,000,000
57	102	31,766	5,000,000	0	1,760,150	5,000,000	5,000,000
58	103	31,766	5,000,000	0	1,762,026	5,000,000	5,000,000
59	104	31,766	5,000,000	0	1,770,558	5,000,000	5,000,000
60	105	31,766	5,000,000	0	1,791,388	5,000,000	5,000,000
Totals:		1,905,960					

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

## A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Death Benefit Illustration (cont'd)

Protection UL Form: 22PROUL

Presented By: Advanced Markets

### Illustration Assumptions

Owner 1

Male - Super Preferred NonSmoker

Age: 45

Initial Assumed Status: Bronze

Initial Death Benefit \$5,000,000

Face Amount \$5,000,000

Initial Planned Premium: \$31,766.00 / Billing Mode: Annual

Death Benefit Option 1; Cash Value Accumulation Test

State: Michigan

Based on Current Charges and an Initial Current Rate of 4.95%

Policy Year	EOY Age	Planned Premium	Face Amount	Required Additional Death Benefit	Policy Value	Total Death Benefit	Net Death Benefit
61	106	31,766	5,000,000	0	1,835,249	5,000,000	5,000,000
62	107	31,766	5,000,000	0	1,912,317	5,000,000	5,000,000
63	108	31,766	5,000,000	0	2,042,942	5,000,000	5,000,000
64	109	31,766	5,000,000	0	2,197,292	5,000,000	5,000,000
65	110	31,766	5,000,000	0	2,361,830	5,000,000	5,000,000
66	111	31,766	5,000,000	0	2,537,226	5,000,000	5,000,000
67	112	31,766	5,000,000	0	2,724,199	5,000,000	5,000,000
68	113	31,766	5,000,000	0	2,923,512	5,000,000	5,000,000
69	114	31,766	5,000,000	0	3,135,980	5,000,000	5,000,000
70	115	31,766	5,000,000	0	3,362,471	5,000,000	5,000,000
Totals:		2,223,620					
71	116	31,766	5,000,000	0	3,603,910	5,000,000	5,000,000
72	117	31,766	5,000,000	0	3,861,284	5,000,000	5,000,000
73	118	31,766	5,000,000	0	4,135,645	5,000,000	5,000,000
74	119	0	5,000,000	0	4,408,473	5,000,000	5,000,000
75	120	0	5,000,000	0	4,699,308	5,000,000	5,000,000
76	121	0	5,000,000	9,338	5,009,338	5,009,338	5,009,338
77	122	0	0	0	5,322,422	0	5,322,422
78	123	0	0	0	5,655,074	0	5,655,074
79	124	0	0	0	6,008,516	0	6,008,516
80	125	0	0	0	6,384,048	0	6,384,048
Totals:		2,318,918					

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

## A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Protection UL Form: 22PROUL

Glossary of Terms

Presented By: Advanced Markets

### Illustration Assumptions

Owner 1

Male - Super Preferred NonSmoker

Age: 45

Initial Assumed Status: Bronze

Initial Death Benefit \$5,000,000

Face Amount \$5,000,000

Initial Planned Premium: \$31,766.00 / Billing Mode: Annual

Death Benefit Option 1; Cash Value Accumulation Test

State: Michigan

Based on Current Charges and an Initial Current Rate of 4.95%

### Advance Contribution Charge

An Advance Contribution Charge is assessed on each monthly processing date when the cumulative premiums paid exceed the Advance Contribution Limit times the current Policy Year. It is deducted for the first 10 Policy Years. The Advance Contribution Charge rates and Advance Contribution Limit are both shown in the policy contract.

### Asset Bonus

Beginning in Policy Year 11 and continuing beyond Age 121, we apply an Asset Bonus at the Asset Bonus Annual Rate to any balances in your Fixed Account as described in your policy. The Asset Bonus Rates vary by issue age, gender, and policy duration.

### 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 Loaded CSO Smoker Distinct Ultimate Age Nearest Birthday mortality, adjusted for any applicable ratings.

### 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.

### 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.

### Face Amount Charge

The Base Face Amount Charge is an additional \$0.1270 of Face Amount per policy month in years 1-3. In years 4-10, the rate is \$0.1270. This charge varies by the insured's issue age, gender, risk classification and the policy duration.

### Monthly Administrative Charge

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

### Net Death Benefit

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.

### Net Income

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

### 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

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Version: 19.1.1 R[0-0-0-24592-2560-8192] - 181

Page 18 of 19

07/06/2023 03:19:18 PM

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

## A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Protection UL Form: 22PROUL

Glossary of Terms (cont'd)

Presented By: Advanced Markets

### Illustration Assumptions

Owner 1

Initial Death Benefit \$5,000,000

Male - Super Preferred NonSmoker

Face Amount \$5,000,000

Age: 45

Initial Planned Premium: \$31,766.00 / Billing Mode: Annual

Initial Assumed Status: Bronze

Death Benefit Option 1; Cash Value Accumulation Test

State: Michigan

Based on Current Charges and an Initial Current Rate of 4.95%

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.

### 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

The Policy Value is the sum of amounts held in the Fixed Account and any value in the Loan Account. When premiums are paid, the balance, after a premium charge is deducted, goes into the Policy Value. The Fixed Account is credited daily with a guaranteed interest rate of 1% or the current rate, whichever is greater. Also, once each month, Cost of Insurance and any other charges are deducted from the Fixed Account.

### Policy Value Credit

An additional credit provided to the Policy Value on a monthly basis. The amount of the Policy Value Credit varies based on the insureds age, gender, Risk Class, Policy Value, and Face Amount.

### Premium Charge

A Premium Charge of 45.0% is deducted from each premium in years 1-10. In years 11+, the charge is 42.0%.

### 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.

Protection UL

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

## A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Protection UL Form: 22PROUL

Input Summary ~ Agent Use Only ~

Presented By: Advanced Markets

### Illustration Assumptions

Owner 1  
Male - Super Preferred NonSmoker  
Age: 45  
Initial Assumed Status: Bronze

Initial Death Benefit \$5,000,000  
Face Amount \$5,000,000  
Initial Planned Premium: \$31,766.00 / Billing Mode: Annual  
Death Benefit Option 1; Cash Value Accumulation Test  
State: Michigan

### Product & Concept

Concept Buy-Sell  
Approved in Any State  
Product Type All Products  
Product Protection UL 22

### Concept Design

Buy-Sell Plan Option Entity Purchase  
Business Name The Business  
Business Value 10,000,000  
Number of Owners in Plan 2  
Ownership Percentage 50%  
Ownership Amount 5,000,000

### Policy Design

Insured Name Owner 1  
Sex Male  
Issue Age / Birthdate 45  
State Michigan  
Risk Class Super Preferred NonSmoker  
Vitality PLUS Rider Yes  
Assumed Vitality PLUS Status Bronze  
Total Face Amount 5,000,000  
Death Benefit Option Option 1  
Premium Schedule  
-- Solve 1 Lifetime  
Premium Duration Lifetime  
LifeTrack Billing Yes  
Premium Mode Annual  
Target Cash Value Endow  
Target Year Lifetime  
Crediting Rate Current  
Agent Name Advanced Markets

### Policy Options

Estimated Policy Issue Date Today + 1 Month  
Charges Current  
Lump Sum Month Year 1 1  
Lump Sum Month Years 2+ 1  
MEC Testing Allow MEC  
Target Cash Value Endow

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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Version: 19.1.1 R[0-0-0-24592-2560-8192] - 181

07/06/2023 03:19:18 PM

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

## A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy  
Input Summary ~~ Agent Use Only ~~ (cont'd)

Protection UL Form: 22PROUL

Presented By: Advanced Markets

### Illustration Assumptions

Owner 1	Initial Death Benefit \$5,000,000
Male - Super Preferred NonSmoker	Face Amount \$5,000,000
Age: 45	Initial Planned Premium: \$31,766.00 / Billing Mode: Annual
Initial Assumed Status: Bronze	Death Benefit Option 1; Cash Value Accumulation Test State: Michigan

Target Year	Lifetime
Withdrawal Cap	Basis
Loan Cap	None
Loan Interest Payment Type	Borrow
Variable Loan Interest Rate	5.00%

### Optional Reports

Optional Presentations	Buy-Sell
Summary Year	20
Optional Reports	Yes
Input Summary	Yes
Vitality PLUS Presentation	Yes

Protection UL

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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Version: 19.1.1 R[0-0-0-24592-2560-8192] - 181

07/06/2023 03:19:18 PM



# 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: 22PROUL

Presented By: Advanced Markets

### Illustration Assumptions

Owner 2	Initial Death Benefit \$5,000,000
Male - Super Preferred NonSmoker	Face Amount \$5,000,000
Age: 46	Initial Planned Premium: \$33,624.00 / Billing Mode: Annual
Initial Assumed Status: Bronze	Death Benefit Option 1; Cash Value Accumulation Test
	State: Michigan
	Based on Current Charges and an Initial Current Rate of 4.95%

### Protection Universal Life Insurance

#### About This Illustration

This illustration is intended to assist you in understanding how your policy may perform over time given a specified set of assumptions applied to the features of the policy. The illustration is not intended to predict your actual policy performance.

**Certain values shown in this illustration are guaranteed, and other values are not guaranteed. Unless otherwise stated, amounts credited and other values set forth in this illustration are not guaranteed.**

Your policy's guaranteed values are determined at policy issue and are guaranteed not to change over the life of the policy. Non-guaranteed values may change from time-to-time in response to actions that you or the insured take, or changes that we make. For example, the interest rate credited to the Fixed Account may exceed the guaranteed rate, and monthly charges may be less than their corresponding maximum guaranteed charges. Illustrated values that are based upon non-guaranteed assumptions may be more favorable to you than the values shown based upon guaranteed assumptions.

**We recommend that you review your policy's performance periodically to ensure you are on track to meet your goals. We also suggest you request in force illustrations from time to time which will also provide you with an updated projection of policy performance. You should review these documents with your financial professional.**

This illustration is not a contract and will not become part of the policy. Descriptions provided in this illustration summarize some of the policy features; however, it does not supersede, nor should it be considered a substitute for, the policy contract. The policy constitutes the actual agreement of coverage and contains the entire terms of the contract. Capitalized terms referred to in this illustration have the meanings given in this illustration or in the policy contract.

The information provided by John Hancock to you or your financial professionals in connection with this sale is not intended as tax, legal, or investment advice or a recommendation to purchase John Hancock products and services. John Hancock and its representatives will receive compensation derived from such sales or services.

#### Brief Description of the Policy

The Protection Universal Life Insurance policy which you are considering provides death benefit protection and premium payment flexibility. Actions you or the insured take can affect your policy and the premium required to maintain coverage, such as:

- The amount and timing of premiums you pay
- Any loans, withdrawals, or material changes you make to your policy
- The insured's achieving, or not achieving, a certain Status level in regard to your policy's Healthy Engagement benefit

Your policy can also be affected by:

- Changes that we make to the current declared interest rate of the Fixed Account
- Changes to the current Cost of Insurance rates
- Changes to the qualification requirements for a Status level in regard to your policy's Healthy Engagement benefit

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Version: 19.1.1 R[0-0-0-24592-2560-8192] - 181

Page 1 of 19

07/06/2023 03:19:18 PM

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

## A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Protection UL Form: 22PROUL

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

Presented By: Advanced Markets

### Illustration Assumptions

Owner 2

Male - Super Preferred NonSmoker

Age: 46

Initial Assumed Status: Bronze

Initial Death Benefit \$5,000,000

Face Amount \$5,000,000

Initial Planned Premium: \$33,624.00 / Billing Mode: Annual

Death Benefit Option 1; Cash Value Accumulation Test

State: Michigan

Based on Current Charges and an Initial Current Rate of 4.95%

### Premiums You Pay

One of the advantages of Protection Universal Life Insurance is premium payment flexibility, allowing you to vary the amount and frequency of your payments as long as the premiums you pay, less premium charges, and interest amounts credited to your policy are sufficient to cover the Monthly Deductions and any other charges. Premiums are subject to maximum guidelines allowed by the Internal Revenue Code, and premium payments in excess of the Planned Premium are subject to our approval. Policy loans, withdrawals or changes in crediting rates to the Fixed Account could necessitate additional premium payments to maintain your insurance coverage. Premium limits and requirements may change after issue if unscheduled changes are made or if planned changes are made at different times than originally assumed.

This illustration assumes an initial Planned Premium of \$33,624.00 and that all subsequent premium payments are made at the beginning of each modal period you selected (e.g., monthly, annually). Paying less than the Planned Premium can have a negative impact on the policy and its guarantees. Reduced or discontinued premiums in future years are only possible if the premiums paid and amounts credited are sufficient to cover the Monthly Deduction and any other charges. The Minimum Initial Premium is shown on the Basic Illustration Summary page and is the minimum premium needed to put the policy in force.

Based on the initial Death Benefit and other policy assumptions shown in the illustration, the level annual premium to guarantee coverage for life is \$77,518.40. Premiums are subject to maximum guidelines allowed by the Internal Revenue Code.

### Your Death Benefit

This illustration reflects an initial Death Benefit of \$5,000,000 (Option 1). The initial Death Benefit is composed of \$5,000,000 in Face Amount. The Net Death Benefit reflects the reduction of the Death Benefit by any Policy Debt (total loans plus any loan interest due).

This policy illustration shows the Death Benefit Protection feature guaranteeing the policy death benefit to the Life Insured's attained age 73.

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 policy owner cannot access this 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. 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. The Death Benefit Protection Feature cannot be reinstated after it lapses.

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Version: 19.1.1 R[0-0-0-24592-2560-8192] - 181

Page 2 of 19

07/06/2023 03:19:18 PM

# 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 (cont'd)

Protection UL Form: 22PROUL  
Presented By: Advanced Markets

### Illustration Assumptions

Owner 2  
Male - Super Preferred NonSmoker  
Age: 46  
Initial Assumed Status: Bronze

Initial Death Benefit \$5,000,000  
Face Amount \$5,000,000  
Initial Planned Premium: \$33,624.00 / Billing Mode: Annual  
Death Benefit Option 1; Cash Value Accumulation Test  
State: Michigan  
Based on Current Charges and an Initial Current Rate of 4.95%

### Your Policy Values and Interest Credits

Interest is illustrated at an initial assumed effective annual rate of 4.95%. 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 1%.

There is a guaranteed Persistency Bonus that is applied to the then current credited interest rate for contracts still in force at the beginning of Policy Year 6. The bonus will be 1.30% provided the current crediting rate is 2.00% or greater at that time. If the current crediting rate is less than 2% the bonus will be reduced proportionally to 0% as the current crediting rate approaches its guaranteed minimum crediting rate of 1%.

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 meet your objectives.

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.

Changes in the rate of interest that we declare will affect the interest 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 Assumption	Attained Age at Lapse*
4.95% Initial Current Rate	N/A
4.45%	91
3.95%	87
3.45%	85
2.95%	83
2.45%	82
1.95%	81
1.45%	79
1.00% Minimum Rate	77

\* 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.

# 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 (cont'd)

Protection UL Form: 22PROUL  
Presented By: Advanced Markets

### Illustration Assumptions

Owner 2	Initial Death Benefit \$5,000,000
Male - Super Preferred NonSmoker	Face Amount \$5,000,000
Age: 46	Initial Planned Premium: \$33,624.00 / Billing Mode: Annual
Initial Assumed Status: Bronze	Death Benefit Option 1; Cash Value Accumulation Test
	State: Michigan
	Based on Current Charges and an Initial Current Rate of 4.95%

### Accessing Your Policy Value

#### Surrenders

You can surrender your policy for its cash value at any time. We will pay you the Policy Value less a Surrender Charge and any Policy Debt you may have.

#### Withdrawals

After your policy has been in force for one year, you can make partial cash withdrawals. Withdrawals reduce the Policy Value and the Death Benefit, and the amount of the withdrawal may be subject to a Surrender Charge. If illustrated, withdrawals are assumed to be taken at the beginning of the month.

#### Loans

Policy loans may be taken against the Policy Value at any time. The maximum loan amount available is the policy's Cash Surrender Value at the time of request, less any existing Policy Debt, less Monthly Deductions through the remainder of the Policy Year, all multiplied by one minus the rate of Loan Interest Charged for a policy loan. Interest is charged on the outstanding Policy Debt, and 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.

If projected, policy loans are assumed to be taken at the beginning of the month, and the loan interest rate used in this policy illustration is shown in the Policy Summary.

The net cost of a Loan equals the Loan Interest Charged less the sum of the Loan Interest Credited to the Loan Account. The loan interest rate charged is guaranteed not to exceed 15.0%. Loan interest is payable in arrears. The Loan Interest Credited Differential is guaranteed not to exceed 1.25% in years 1-10 and 0.25% in years 11+.

### Other Policy Features and Benefits

#### 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 thereafter. We will continue to credit interest to the Fixed Account. No additional charges, other than those for any outstanding policy loans, will be deducted.

Tax implications with respect to policies that continue beyond age 121 are not clear at the present time. We urge you to consult with your tax advisor regarding this issue.

#### Healthy Engagement Rider (Vitality PLUS)

The Healthy Engagement Rider provide the opportunity each year, beginning 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. 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 guaranteed not to change. The Status Qualification requirements may be changed, as described in the policy. Current Status Qualification Requirements can be found on [www.JohnHancockVitality.com](http://www.JohnHancockVitality.com).

# 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 (cont'd)

Protection UL Form: 22PROUL

Presented By: Advanced Markets

### Illustration Assumptions

Owner 2  
Male - Super Preferred NonSmoker  
Age: 46  
Initial Assumed Status: Bronze

Initial Death Benefit \$5,000,000  
Face Amount \$5,000,000  
Initial Planned Premium: \$33,624.00 / Billing Mode: Annual  
Death Benefit Option 1; Cash Value Accumulation Test  
State: Michigan

Based on Current Charges and an Initial Current Rate of 4.95%

The rider is available for an additional charge of \$2 per month deducted from your Policy Value. This charge will be deducted until the Life Insured attains age 80 and the policy has reached its 10th policy anniversary, or we receive a request to discontinue the rider 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 80, but they may continue to earn a Status. At the earlier of attained age 80 or the discontinuation of this rider, no new Rider Credits will be earned, and all previously earned Rider Credits will continue to apply as described in the policy. This rider cannot be reinstated after discontinuation.

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 and/or increase the policy's Death Benefit Protection Value as reflected in the attained ages at lapse shown below.

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):

Assumed Status (all years)	Attained Age at Lapse	
	Guaranteed Charges and Rate	Current Charges and Assumed Rate
Platinum	81	N/A
Gold	81	N/A
Silver	75	N/A
Bronze	72	N/A

\*The attained age at lapse is hypothetical and based on the same assumed premium payments and factors shown on the Basic Illustration Summary page.

This illustration includes a hypothetical scenario that assumes the Life Insured earns the illustrated status in all years assuming maximum charges and the guaranteed minimum crediting rate.

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.

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 includable 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 includable 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.

## TAXATION OF LIFE INSURANCE

### Important Notice

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Version: 19.1.1 R[0-0-0-24592-2560-8192] - 181

Page 5 of 19

07/06/2023 03:19:18 PM



# 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 (cont'd)

Protection UL Form: 22PROUL

Presented By: Advanced Markets

### Illustration Assumptions

Owner 2

Male - Super Preferred NonSmoker

Age: 46

Initial Assumed Status: Bronze

Initial Death Benefit \$5,000,000

Face Amount \$5,000,000

Initial Planned Premium: \$33,624.00 / Billing Mode: Annual

Death Benefit Option 1; Cash Value Accumulation Test

State: Michigan

Based on Current Charges and an Initial Current Rate of 4.95%

The information contained in this illustration is based on certain tax and legal assumptions. We suggest that you seek professional tax counsel regarding the interpretation of current tax laws and accounting practices as they relate to your actual situation. 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.

### Definition of Life Insurance

Definition of Life Insurance testing has been performed on the assumed scale only and is dependent on the assumptions in that projection. It may not be applicable to the alternate projections shown.

In order to qualify for the income tax advantages of life insurance, a life insurance policy must satisfy one of two Definition of Life Insurance tests under Internal Revenue Code (IRC) Section 7702. This product uses the Cash Value Accumulation Test which requires that the Death Benefit be increased automatically, so that the Policy Value will never exceed the Net Single Premium for the Death Benefit.

The additional death benefit (described above) that is required in order to satisfy the Definition of Life Insurance is referred to as **Required Additional Death Benefit**.

### Income Tax Treatment of Distributions from a Life Insurance Policy

#### Pre-death Distributions

The Cash Surrender Value in a life insurance policy grows on a tax-deferred basis. The Cash Surrender Value growth (gain) is not taxed unless it is distributed to the policyholder. If properly structured, you can access your Cash Surrender Value to provide a tax-free income subject to the limitations described below.

A policyholder may access their Cash Surrender Value prior to death by surrendering the policy, by taking a withdrawal or by taking a loan. Certain rider charges are treated as distributions from the policy's Cash Surrender Value. If the policy is not a Modified Endowment Contract (described below), these pre-death distributions are generally treated as a return of the policyholder's investment in the contract (cost basis). Most distributions reduce the policyholder's investment in the contract (cost basis) until it has been reduced to \$0. Any further distributions would be considered to be paid from the gain in the policy and are includible in gross income.

Exceptions:

- A loan is not considered to be a distribution from the policy for tax purposes unless the policy lapses or is surrendered with an outstanding loan or the policy is a MEC. The outstanding loan is included in the Cash Surrender Value used for determining the gain in the policy, which may result in the loan being taxable upon surrender or lapse, even if net Cash Surrender Value paid to the policyholder at that time is \$0.
- Withdrawals in the first 15 years from heavily funded non-MECs are taxed on a gain-first basis under the recapture ceiling of IRC Section 7702(f)(7).

### Modified Endowment Contract (MEC)

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

Version: 19.1.1 R[0-0-0-24592-2560-8192] - 181

Page 6 of 19

07/06/2023 03:19:18 PM

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

## A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Protection UL Form: 22PROUL

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

Presented By: Advanced Markets

### Illustration Assumptions

Owner 2

Male - Super Preferred NonSmoker

Age: 46

Initial Assumed Status: Bronze

Initial Death Benefit \$5,000,000

Face Amount \$5,000,000

Initial Planned Premium: \$33,624.00 / Billing Mode: Annual

Death Benefit Option 1; Cash Value Accumulation Test

State: Michigan

Based on Current Charges and an Initial Current Rate of 4.95%

The Technical and Miscellaneous Revenue Act (TAMRA) of 1988 classifies some policies as Modified Endowment Contracts (MECs). A policy is classified as a MEC if it fails to satisfy the 7-Pay Test of IRC section 7702A. The test is failed if the sum of premiums paid reduced by non-taxable withdrawals and other non-taxable distributions at any time in the first 7 years exceeds the sum of the 7-Pay premiums. Certain policy changes will require adjustments to the 7-Pay Premiums and may require the test to be performed again. Pre-death distributions from a MEC, and those taken during the two years before a policy has become a MEC, are subject to less favorable (gain-first) income tax treatment than a non-MEC Life Insurance Contract and may also be subject to a 10% penalty tax. Your policy is in a gain position when the Policy Value is greater than the investment in the contract (cost basis). Unlike non-MEC tax treatment, loans from and assignments of a policy are also distributions from a MEC and are subject to gain-first taxation. We recommend you consult your tax advisor prior to taking any action on your policy that may cause it to become a MEC.

TAMRA testing has been performed on the assumed scale only and is dependent on the assumptions in that projection. It may not be applicable to the alternate projections shown. The initial annual 7-pay premium for this policy is \$268,159.00.

Based on our interpretation of TAMRA, this policy as illustrated would not be considered a Modified Endowment Contract (MEC). Whether and when your policy might become a MEC depends on the timing and amounts of premium payments, withdrawals you take, changes in the policy's non-guaranteed elements, your actual use of the policy's options, and any policy changes you make. For more information please select the TAMRA Optional Report.

### Payment or Accelerations of Death Benefits

Subject to certain exceptions described in Employer-owned Life Insurance below, payments of the Death Benefit (including accelerations of the Death Benefit under a Long-Term Care or Terminal Illness Rider) are intended to be income tax free, regardless of whether or not your policy is classified as a MEC. With appropriate planning, Death Benefits may also be received estate tax free.

### Employer-owned Life Insurance

If the owner of the policy is the employer of the life insured, Section 101(j) of the Internal Revenue 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 professionals 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.

### Other Considerations

This illustration assumes that the currently illustrated non-guaranteed 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 actions such as timing and amount of premium payments, policy lapse and reinstatement, loans and withdrawals, and contractual charges.

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Version: 19.1.1 R[0-0-24592-2560-8192] - 181

Page 7 of 19

07/06/2023 03:19:18 PM

# 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 (cont'd)

Protection UL Form: 22PROUL

Presented By: Advanced Markets

### Illustration Assumptions

Owner 2  
Male - Super Preferred NonSmoker  
Age: 46  
Initial Assumed Status: Bronze

Initial Death Benefit \$5,000,000  
Face Amount \$5,000,000  
Initial Planned Premium: \$33,624.00 / Billing Mode: Annual  
Death Benefit Option 1; Cash Value Accumulation Test  
State: Michigan

Based on Current Charges and an Initial Current Rate of 4.95%

### Important Disclosure

No information provided by John Hancock to you or your financial professional 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 in connection with this policy. John Hancock and its representatives will receive compensation derived from such sales or services.

Protection UL is issued by John Hancock Life Insurance Company (U.S.A.) of Boston, MA 02116. John Hancock Life Insurance Company (U.S.A.) consistently receives high financial credit 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, JH 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.

Protection UL



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

## A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Basic Illustration Summary

Protection UL Form: 22PROUL

Presented By: Advanced Markets

### Illustration Assumptions

Owner 2

Male - Super Preferred NonSmoker

Age: 46

Initial Assumed Status: Bronze

Initial Death Benefit \$5,000,000

Face Amount \$5,000,000

Initial Planned Premium: \$33,624.00 / Billing Mode: Annual

Death Benefit Option 1; Cash Value Accumulation Test

State: Michigan

Based on Current Charges and an Initial Current Rate of 4.95%

### Coverage Summary

Coverage Description	Initial Amount	Initial Premium
Face Amount - Level for all years	\$5,000,000	\$33,624.00
Healthy Engagement Rider		

### Policy Summary

State	Michigan	
Death Benefit Option	1	From 1 Thru 75
Definition of Life Insurance	CVAT	
Payment Mode	Annual	
Charges	Current	
Assumed Interest Rate	4.95%	From 1 Thru 5
(includes non-guaranteed persistency bonus)	6.25%	From 6 Thru 75
Loan Interest Rate	5.00%	From 1 Thru 75
Initial 7-Pay Premium	\$268,159.00	
Target Premium	\$35,523.45	
Minimum Initial Premium	\$2,004.31	
Death Benefit Protection Period	27 Years	
Based on Guaranteed Assumptions		
Assumed Status	Bronze	
LifeTrack Billing	Yes	
Illustration Serial Number	B21416EFE	

### Interest Adjusted Indexes on Insured at 5%

	-----Payment-----		-----Cost-----	
	10 Year	20 Year	10 Year	20 Year
Guaranteed	6.72	6.72	5.96	6.62
Current	6.72	6.72	4.87	4.18
Non-guaranteed Element	0.00	0.00	1.09	2.44

#### 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.

# 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: 22PROUL

Presented By: Advanced Markets

### Illustration Assumptions

**Owner 2**  
**Male - Super Preferred NonSmoker**  
**Age: 46**  
**Initial Assumed Status: Bronze**

**Initial Death Benefit \$5,000,000**  
**Face Amount \$5,000,000**  
**Initial Planned Premium: \$33,624.00 / Billing Mode: Annual**  
**Death Benefit Option 1; Cash Value Accumulation Test**  
**State: Michigan**

#### GUARANTEED ASSUMPTIONS

These policy benefits and values are based on the guaranteed interest of 1.00% and guaranteed charges. Based on your Planned Premium Outlay, the policy would remain in force until policy year 27, month 12\*.

#### 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 4.95% 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 30, month 8\*.

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:  
Advanced Markets  
197 Clarendon St.  
Boston, MA 02116  
888-266-7498, Option #3

SUMMARY YEARS	GUARANTEED ASSUMPTIONS	NON-GUARANTEED ASSUMPTIONS	
		Midpoint Scale	Assumed Scale
Years Premium Paid in Cash	27	30	72
Summary Year 5			
Net Surrender Value	2,914	6,452	10,174
Net Death Benefit	5,000,000	5,000,000	5,000,000
Summary Year 10			
Net Surrender Value	49,865	86,144	122,373
Net Death Benefit	5,000,000	5,000,000	5,000,000
Summary Year 20			
Net Surrender Value	17,890	215,029	440,870
Net Death Benefit	5,000,000	5,000,000	5,000,000
Summary Age 70			
Net Surrender Value	0	210,142	608,589
Net Death Benefit	5,000,000	5,000,000	5,000,000

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

Guaranteed and Nonguaranteed Values

Protection UL Form: 22PROUL

Presented By: Advanced Markets

### Illustration Assumptions

Owner 2

Male - Super Preferred NonSmoker

Age: 46

Initial Assumed Status: Bronze

Initial Death Benefit \$5,000,000

Face Amount \$5,000,000

Initial Planned Premium: \$33,624.00 / Billing Mode: Annual

Death Benefit Option 1; Cash Value Accumulation Test

State: Michigan

Policy Year	EOY Age	Planned Premium	End of Year Guaranteed Assumptions 1.00% Minimum Rate, Maximum Charges				End of Year Non-Guaranteed Assumptions 4.95% Initial Current Rate, Current Charges			
			Policy Value	Net Surrender Value	Net Death Benefit	IRR On Death Benefit	Policy Value	Net Surrender Value	Net Death Benefit	IRR On Death Benefit
1	47	33,624	10,216	0	5,000,000	14,770.33%	10,768	0	5,000,000	14,770.33%
2	48	33,624	19,840	0	5,000,000	1,070.46%	21,379	0	5,000,000	1,070.46%
3	49	33,624	29,227	0	5,000,000	392.58%	32,199	0	5,000,000	392.58%
4	50	33,624	38,410	0	5,000,000	218.60%	43,286	0	5,000,000	218.60%
5	51	33,624	47,467	2,914	5,000,000	145.47%	54,727	10,174	5,000,000	145.47%
6	52	33,624	50,939	15,153	5,000,000	106.58%	67,425	31,639	5,000,000	106.58%
7	53	33,624	53,123	26,104	5,000,000	82.87%	80,606	53,587	5,000,000	82.87%
8	54	33,624	53,826	35,574	5,000,000	67.07%	94,266	76,015	5,000,000	67.07%
9	55	33,624	53,019	43,528	5,000,000	55.87%	108,442	98,951	5,000,000	55.87%
10	56	33,624	50,595	49,865	5,000,000	47.55%	123,102	122,373	5,000,000	47.55%
Totals:		336,240								
11	57	33,624	56,279	56,279	5,000,000	41.17%	148,642	148,642	5,000,000	41.17%
12	58	33,624	60,790	60,790	5,000,000	36.12%	175,422	175,422	5,000,000	36.12%
13	59	33,624	64,094	64,094	5,000,000	32.04%	203,500	203,500	5,000,000	32.04%
14	60	33,624	65,972	65,972	5,000,000	28.68%	232,942	232,942	5,000,000	28.68%
15	61	33,624	66,096	66,096	5,000,000	25.88%	263,774	263,774	5,000,000	25.88%
16	62	33,624	63,761	63,761	5,000,000	23.50%	295,988	295,988	5,000,000	23.50%
17	63	33,624	58,332	58,332	5,000,000	21.47%	329,629	329,629	5,000,000	21.47%
18	64	33,624	49,317	49,317	5,000,000	19.71%	364,937	364,937	5,000,000	19.71%
19	65	33,624	36,058	36,058	5,000,000	18.17%	402,013	402,013	5,000,000	18.17%
20	66	33,624	17,890	17,890	5,000,000	16.82%	440,870	440,870	5,000,000	16.82%
Totals:		672,480								

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.

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.

## 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

Guaranteed and Nonguaranteed Values (cont'd)

Protection UL Form: 22PROUL

Presented By: Advanced Markets

### Illustration Assumptions

Owner 2

Male - Super Preferred NonSmoker

Age: 46

Initial Assumed Status: Bronze

Initial Death Benefit \$5,000,000

Face Amount \$5,000,000

Initial Planned Premium: \$33,624.00 / Billing Mode: Annual

Death Benefit Option 1; Cash Value Accumulation Test

State: Michigan

Policy Year	EOY Age	Planned Premium	End of Year Guaranteed Assumptions 1.00% Minimum Rate, Maximum Charges				End of Year Non-Guaranteed Assumptions 4.95% Initial Current Rate, Current Charges			
			Policy Value	Net Surrender Value	Net Death Benefit	IRR On Death Benefit	Policy Value	Net Surrender Value	Net Death Benefit	IRR On Death Benefit
21	67	33,624	0	0	5,000,000	15.63%	480,820	480,820	5,000,000	15.63%
22	68	33,624	0	0	5,000,000	14.56%	522,102	522,102	5,000,000	14.56%
23	69	33,624	0	0	5,000,000	13.61%	564,727	564,727	5,000,000	13.61%
24	70	33,624	0	0	5,000,000	12.75%	608,589	608,589	5,000,000	12.75%
25	71	33,624	0	0	5,000,000	11.97%	653,486	653,486	5,000,000	11.97%
26	72	33,624	0	0	5,000,000	11.27%	699,206	699,206	5,000,000	11.27%
27	73	33,624	##	##	##	##	746,064	746,064	5,000,000	10.63%
28	74	33,624					794,064	794,064	5,000,000	10.04%
29	75	33,624					843,128	843,128	5,000,000	9.50%
30	76	33,624					893,224	893,224	5,000,000	9.00%

Totals: 1,008,720

31	77	33,624					943,549	943,549	5,000,000	8.55%
32	78	33,624					994,477	994,477	5,000,000	8.12%
33	79	33,624					1,046,049	1,046,049	5,000,000	7.73%
34	80	33,624					1,098,084	1,098,084	5,000,000	7.36%
35	81	33,624					1,150,575	1,150,575	5,000,000	7.02%
36	82	33,624					1,203,356	1,203,356	5,000,000	6.71%
37	83	33,624					1,256,673	1,256,673	5,000,000	6.41%
38	84	33,624					1,310,515	1,310,515	5,000,000	6.13%
39	85	33,624					1,365,226	1,365,226	5,000,000	5.87%
40	86	33,624					1,420,333	1,420,333	5,000,000	5.62%

Totals: 1,344,960

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.

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.

## 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

Guaranteed and Nonguaranteed Values (cont'd)

Protection UL Form: 22PROUL

Presented By: Advanced Markets

### Illustration Assumptions

Owner 2

Male - Super Preferred NonSmoker

Age: 46

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Initial Death Benefit \$5,000,000

Face Amount \$5,000,000

Initial Planned Premium: \$33,624.00 / Billing Mode: Annual

Death Benefit Option 1; Cash Value Accumulation Test

State: Michigan

Policy Year	EOY Age	Planned Premium	End of Year Guaranteed Assumptions 1.00% Minimum Rate, Maximum Charges				End of Year Non-Guaranteed Assumptions 4.95% Initial Current Rate, Current Charges			
			Policy Value	Net Surrender Value	Net Death Benefit	IRR On Death Benefit	Policy Value	Net Surrender Value	Net Death Benefit	IRR On Death Benefit
41	87	33,624					1,462,836	1,462,836	5,000,000	5.39%
42	88	33,624					1,502,767	1,502,767	5,000,000	5.17%
43	89	33,624					1,539,667	1,539,667	5,000,000	4.97%
44	90	33,624					1,573,349	1,573,349	5,000,000	4.77%
45	91	33,624					1,604,016	1,604,016	5,000,000	4.59%
46	92	33,624					1,631,211	1,631,211	5,000,000	4.41%
47	93	33,624					1,655,215	1,655,215	5,000,000	4.24%
48	94	33,624					1,675,827	1,675,827	5,000,000	4.09%
49	95	33,624					1,693,076	1,693,076	5,000,000	3.94%
50	96	33,624					1,710,292	1,710,292	5,000,000	3.79%
Totals:		1,681,200								
51	97	33,624					1,725,163	1,725,163	5,000,000	3.66%
52	98	33,624					1,738,529	1,738,529	5,000,000	3.53%
53	99	33,624					1,748,701	1,748,701	5,000,000	3.40%
54	100	33,624					1,754,564	1,754,564	5,000,000	3.29%
55	101	33,624					1,756,716	1,756,716	5,000,000	3.17%
56	102	33,624					1,757,149	1,757,149	5,000,000	3.06%
57	103	33,624					1,758,968	1,758,968	5,000,000	2.96%
58	104	33,624					1,767,331	1,767,331	5,000,000	2.86%
59	105	33,624					1,787,820	1,787,820	5,000,000	2.77%
60	106	33,624					1,831,063	1,831,063	5,000,000	2.68%
Totals:		2,017,440								

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.

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.

## 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

Guaranteed and Nonguaranteed Values (cont'd)

Protection UL Form: 22PROUL

Presented By: Advanced Markets

### Illustration Assumptions

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Male - Super Preferred NonSmoker

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Initial Planned Premium: \$33,624.00 / Billing Mode: Annual

Death Benefit Option 1; Cash Value Accumulation Test

State: Michigan

Policy Year	EOY Age	Planned Premium	End of Year Guaranteed Assumptions 1.00% Minimum Rate, Maximum Charges				End of Year Non-Guaranteed Assumptions 4.95% Initial Current Rate, Current Charges			
			Policy Value	Net Surrender Value	Net Death Benefit	IRR On Death Benefit	Policy Value	Net Surrender Value	Net Death Benefit	IRR On Death Benefit
61	107	33,624					1,907,068	1,907,068	5,000,000	2.59%
62	108	33,624					2,036,404	2,036,404	5,000,000	2.50%
63	109	33,624					2,191,472	2,191,472	5,000,000	2.42%
64	110	33,624					2,356,774	2,356,774	5,000,000	2.34%
65	111	33,624					2,532,986	2,532,986	5,000,000	2.27%
66	112	33,624					2,720,827	2,720,827	5,000,000	2.20%
67	113	33,624					2,921,067	2,921,067	5,000,000	2.13%
68	114	33,624					3,134,522	3,134,522	5,000,000	2.06%
69	115	33,624					3,362,065	3,362,065	5,000,000	2.00%
70	116	33,624					3,604,626	3,604,626	5,000,000	1.93%
Totals:		2,353,680								
71	117	33,624					3,863,196	3,863,196	5,000,000	1.87%
72	118	33,624					4,138,832	4,138,832	5,000,000	1.81%
73	119	0					4,411,871	4,411,871	5,000,000	1.77%
74	120	0					4,702,930	4,702,930	5,000,000	1.73%
75	121	0					5,013,199	5,013,199	5,013,199	1.70%
76	122	0					5,326,524	5,326,524	5,326,524	1.80%
77	123	0					5,659,432	5,659,432	5,659,432	1.88%
78	124	0					6,013,146	6,013,146	6,013,146	1.97%
79	125	0					6,388,968	6,388,968	6,388,968	2.05%
Totals:		2,420,928								

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.

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.

## 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

Death Benefit Illustration

Protection UL Form: 22PROUL

Presented By: Advanced Markets

### Illustration Assumptions

Owner 2

Male - Super Preferred NonSmoker

Age: 46

Initial Assumed Status: Bronze

Initial Death Benefit \$5,000,000

Face Amount \$5,000,000

Initial Planned Premium: \$33,624.00 / Billing Mode: Annual

Death Benefit Option 1; Cash Value Accumulation Test

State: Michigan

Based on Current Charges and an Initial Current Rate of 4.95%

Policy Year	EOY Age	Planned Premium	Face Amount	Required Additional Death Benefit	Policy Value	Total Death Benefit	Net Death Benefit
1	47	33,624	5,000,000	0	10,768	5,000,000	5,000,000
2	48	33,624	5,000,000	0	21,379	5,000,000	5,000,000
3	49	33,624	5,000,000	0	32,199	5,000,000	5,000,000
4	50	33,624	5,000,000	0	43,286	5,000,000	5,000,000
5	51	33,624	5,000,000	0	54,727	5,000,000	5,000,000
6	52	33,624	5,000,000	0	67,425	5,000,000	5,000,000
7	53	33,624	5,000,000	0	80,606	5,000,000	5,000,000
8	54	33,624	5,000,000	0	94,266	5,000,000	5,000,000
9	55	33,624	5,000,000	0	108,442	5,000,000	5,000,000
10	56	33,624	5,000,000	0	123,102	5,000,000	5,000,000
Totals:		336,240					
11	57	33,624	5,000,000	0	148,642	5,000,000	5,000,000
12	58	33,624	5,000,000	0	175,422	5,000,000	5,000,000
13	59	33,624	5,000,000	0	203,500	5,000,000	5,000,000
14	60	33,624	5,000,000	0	232,942	5,000,000	5,000,000
15	61	33,624	5,000,000	0	263,774	5,000,000	5,000,000
16	62	33,624	5,000,000	0	295,988	5,000,000	5,000,000
17	63	33,624	5,000,000	0	329,629	5,000,000	5,000,000
18	64	33,624	5,000,000	0	364,937	5,000,000	5,000,000
19	65	33,624	5,000,000	0	402,013	5,000,000	5,000,000
20	66	33,624	5,000,000	0	440,870	5,000,000	5,000,000
Totals:		672,480					
21	67	33,624	5,000,000	0	480,820	5,000,000	5,000,000
22	68	33,624	5,000,000	0	522,102	5,000,000	5,000,000
23	69	33,624	5,000,000	0	564,727	5,000,000	5,000,000
24	70	33,624	5,000,000	0	608,589	5,000,000	5,000,000
25	71	33,624	5,000,000	0	653,486	5,000,000	5,000,000
26	72	33,624	5,000,000	0	699,206	5,000,000	5,000,000
27	73	33,624	5,000,000	0	746,064	5,000,000	5,000,000
28	74	33,624	5,000,000	0	794,064	5,000,000	5,000,000
29	75	33,624	5,000,000	0	843,128	5,000,000	5,000,000
30	76	33,624	5,000,000	0	893,224	5,000,000	5,000,000
Totals:		1,008,720					

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

## A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Death Benefit Illustration (cont'd)

Protection UL Form: 22PROUL

Presented By: Advanced Markets

### Illustration Assumptions

Owner 2

Male - Super Preferred NonSmoker

Age: 46

Initial Assumed Status: Bronze

Initial Death Benefit \$5,000,000

Face Amount \$5,000,000

Initial Planned Premium: \$33,624.00 / Billing Mode: Annual

Death Benefit Option 1; Cash Value Accumulation Test

State: Michigan

Based on Current Charges and an Initial Current Rate of 4.95%

Policy Year	EOY Age	Planned Premium	Face Amount	Required Additional Death Benefit	Policy Value	Total Death Benefit	Net Death Benefit
31	77	33,624	5,000,000	0	943,549	5,000,000	5,000,000
32	78	33,624	5,000,000	0	994,477	5,000,000	5,000,000
33	79	33,624	5,000,000	0	1,046,049	5,000,000	5,000,000
34	80	33,624	5,000,000	0	1,098,084	5,000,000	5,000,000
35	81	33,624	5,000,000	0	1,150,575	5,000,000	5,000,000
36	82	33,624	5,000,000	0	1,203,356	5,000,000	5,000,000
37	83	33,624	5,000,000	0	1,256,673	5,000,000	5,000,000
38	84	33,624	5,000,000	0	1,310,515	5,000,000	5,000,000
39	85	33,624	5,000,000	0	1,365,226	5,000,000	5,000,000
40	86	33,624	5,000,000	0	1,420,333	5,000,000	5,000,000
Totals:		1,344,960					
41	87	33,624	5,000,000	0	1,462,836	5,000,000	5,000,000
42	88	33,624	5,000,000	0	1,502,767	5,000,000	5,000,000
43	89	33,624	5,000,000	0	1,539,667	5,000,000	5,000,000
44	90	33,624	5,000,000	0	1,573,349	5,000,000	5,000,000
45	91	33,624	5,000,000	0	1,604,016	5,000,000	5,000,000
46	92	33,624	5,000,000	0	1,631,211	5,000,000	5,000,000
47	93	33,624	5,000,000	0	1,655,215	5,000,000	5,000,000
48	94	33,624	5,000,000	0	1,675,827	5,000,000	5,000,000
49	95	33,624	5,000,000	0	1,693,076	5,000,000	5,000,000
50	96	33,624	5,000,000	0	1,710,292	5,000,000	5,000,000
Totals:		1,681,200					
51	97	33,624	5,000,000	0	1,725,163	5,000,000	5,000,000
52	98	33,624	5,000,000	0	1,738,529	5,000,000	5,000,000
53	99	33,624	5,000,000	0	1,748,701	5,000,000	5,000,000
54	100	33,624	5,000,000	0	1,754,564	5,000,000	5,000,000
55	101	33,624	5,000,000	0	1,756,716	5,000,000	5,000,000
56	102	33,624	5,000,000	0	1,757,149	5,000,000	5,000,000
57	103	33,624	5,000,000	0	1,758,968	5,000,000	5,000,000
58	104	33,624	5,000,000	0	1,767,331	5,000,000	5,000,000
59	105	33,624	5,000,000	0	1,787,820	5,000,000	5,000,000
60	106	33,624	5,000,000	0	1,831,063	5,000,000	5,000,000
Totals:		2,017,440					



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

## A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Death Benefit Illustration (cont'd)

Protection UL Form: 22PROUL

Presented By: Advanced Markets

### Illustration Assumptions

Owner 2

Male - Super Preferred NonSmoker

Age: 46

Initial Assumed Status: Bronze

Initial Death Benefit \$5,000,000

Face Amount \$5,000,000

Initial Planned Premium: \$33,624.00 / Billing Mode: Annual

Death Benefit Option 1; Cash Value Accumulation Test

State: Michigan

Based on Current Charges and an Initial Current Rate of 4.95%

Policy Year	EOY Age	Planned Premium	Face Amount	Required Additional Death Benefit	Policy Value	Total Death Benefit	Net Death Benefit
61	107	33,624	5,000,000	0	1,907,068	5,000,000	5,000,000
62	108	33,624	5,000,000	0	2,036,404	5,000,000	5,000,000
63	109	33,624	5,000,000	0	2,191,472	5,000,000	5,000,000
64	110	33,624	5,000,000	0	2,356,774	5,000,000	5,000,000
65	111	33,624	5,000,000	0	2,532,986	5,000,000	5,000,000
66	112	33,624	5,000,000	0	2,720,827	5,000,000	5,000,000
67	113	33,624	5,000,000	0	2,921,067	5,000,000	5,000,000
68	114	33,624	5,000,000	0	3,134,522	5,000,000	5,000,000
69	115	33,624	5,000,000	0	3,362,065	5,000,000	5,000,000
70	116	33,624	5,000,000	0	3,604,626	5,000,000	5,000,000
Totals:		2,353,680					
71	117	33,624	5,000,000	0	3,863,196	5,000,000	5,000,000
72	118	33,624	5,000,000	0	4,138,832	5,000,000	5,000,000
73	119	0	5,000,000	0	4,411,871	5,000,000	5,000,000
74	120	0	5,000,000	0	4,702,930	5,000,000	5,000,000
75	121	0	5,000,000	13,199	5,013,199	5,013,199	5,013,199
76	122	0	0	0	5,326,524	0	5,326,524
77	123	0	0	0	5,659,432	0	5,659,432
78	124	0	0	0	6,013,146	0	6,013,146
79	125	0	0	0	6,388,968	0	6,388,968
Totals:		2,420,928					

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

## A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Protection UL Form: 22PROUL

Glossary of Terms

Presented By: Advanced Markets

### Illustration Assumptions

Owner 2

Male - Super Preferred NonSmoker

Age: 46

Initial Assumed Status: Bronze

Initial Death Benefit \$5,000,000

Face Amount \$5,000,000

Initial Planned Premium: \$33,624.00 / Billing Mode: Annual

Death Benefit Option 1; Cash Value Accumulation Test

State: Michigan

Based on Current Charges and an Initial Current Rate of 4.95%

### Advance Contribution Charge

An Advance Contribution Charge is assessed on each monthly processing date when the cumulative premiums paid exceed the Advance Contribution Limit times the current Policy Year. It is deducted for the first 10 Policy Years. The Advance Contribution Charge rates and Advance Contribution Limit are both shown in the policy contract.

### Asset Bonus

Beginning in Policy Year 11 and continuing beyond Age 121, we apply an Asset Bonus at the Asset Bonus Annual Rate to any balances in your Fixed Account as described in your policy. The Asset Bonus Rates vary by issue age, gender, and policy duration.

### 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 Loaded CSO Smoker Distinct Ultimate Age Nearest Birthday mortality, adjusted for any applicable ratings.

### 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.

### 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.

### Face Amount Charge

The Base Face Amount Charge is an additional \$0.1337 of Face Amount per policy month in years 1-3. In years 4-10, the rate is \$0.1337. This charge varies by the insured's issue age, gender, risk classification and the policy duration.

### Monthly Administrative Charge

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

### Net Death Benefit

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.

### Net Income

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

### 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

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Version: 19.1.1 R[0-0-0-24592-2560-8192] - 181

Page 18 of 19

07/06/2023 03:19:18 PM

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

## A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Protection UL Form: 22PROUL

Glossary of Terms (cont'd)

Presented By: Advanced Markets

### Illustration Assumptions

Owner 2

Male - Super Preferred NonSmoker

Age: 46

Initial Assumed Status: Bronze

Initial Death Benefit \$5,000,000

Face Amount \$5,000,000

Initial Planned Premium: \$33,624.00 / Billing Mode: Annual

Death Benefit Option 1; Cash Value Accumulation Test

State: Michigan

Based on Current Charges and an Initial Current Rate of 4.95%

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.

### 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

The Policy Value is the sum of amounts held in the Fixed Account and any value in the Loan Account. When premiums are paid, the balance, after a premium charge is deducted, goes into the Policy Value. The Fixed Account is credited daily with a guaranteed interest rate of 1% or the current rate, whichever is greater. Also, once each month, Cost of Insurance and any other charges are deducted from the Fixed Account.

### Policy Value Credit

An additional credit provided to the Policy Value on a monthly basis. The amount of the Policy Value Credit varies based on the insureds age, gender, Risk Class, Policy Value, and Face Amount.

### Premium Charge

A Premium Charge of 45.0% is deducted from each premium in years 1-10. In years 11+, the charge is 42.0%.

### 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.

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

## A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Input Summary ~~ Agent Use Only ~~

Protection UL Form: 22PROUL

Presented By: Advanced Markets

### Illustration Assumptions

Owner 2  
Male - Super Preferred NonSmoker  
Age: 46  
Initial Assumed Status: Bronze

Initial Death Benefit \$5,000,000  
Face Amount \$5,000,000  
Initial Planned Premium: \$33,624.00 / Billing Mode: Annual  
Death Benefit Option 1; Cash Value Accumulation Test  
State: Michigan

### Product & Concept

Concept Buy-Sell  
Approved in Any State  
Product Type All Products  
Product Protection UL 22

### Concept Design

Buy-Sell Plan Option Entity Purchase  
Business Name The Business  
Business Value 10,000,000  
Number of Owners in Plan 2  
Ownership Percentage 50%  
Ownership Amount 5,000,000

### Policy Design

Insured Name Owner 2  
Sex Male  
Issue Age / Birthdate 46  
State Michigan  
Risk Class Super Preferred NonSmoker  
Vitality PLUS Rider Yes  
Assumed Vitality PLUS Status Bronze  
Total Face Amount 5,000,000  
Death Benefit Option Option 1  
Premium Schedule  
-- Solve 1 Lifetime  
Premium Duration Lifetime  
LifeTrack Billing Yes  
Premium Mode Annual  
Target Cash Value Endow  
Target Year Lifetime  
Crediting Rate Current  
Agent Name Advanced Markets

### Policy Options

Estimated Policy Issue Date Today + 1 Month  
Charges Current  
Lump Sum Month Year 1 1  
Lump Sum Month Years 2+ 1  
MEC Testing Allow MEC  
Target Cash Value Endow

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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Version: 19.1.1 R[0-0-0-24592-2560-8192] - 181

07/06/2023 03:19:18 PM

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

## A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy  
Input Summary ~~ Agent Use Only ~~ (cont'd)

Protection UL Form: 22PROUL

Presented By: Advanced Markets

### Illustration Assumptions

Owner 2	Initial Death Benefit \$5,000,000
Male - Super Preferred NonSmoker	Face Amount \$5,000,000
Age: 46	Initial Planned Premium: \$33,624.00 / Billing Mode: Annual
Initial Assumed Status: Bronze	Death Benefit Option 1; Cash Value Accumulation Test State: Michigan

Target Year	Lifetime
Withdrawal Cap	Basis
Loan Cap	None
Loan Interest Payment Type	Borrow
Variable Loan Interest Rate	5.00%

### Optional Reports

Optional Presentations	Buy-Sell
Summary Year	20
Optional Reports	Yes
Input Summary	Yes
Vitality PLUS Presentation	Yes

Protection UL

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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Version: 19.1.1 R[0-0-0-24592-2560-8192] - 181

07/06/2023 03:19:18 PM

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

**A LIFE INSURANCE POLICY ILLUSTRATION**  
**A Flexible Premium Universal Life Insurance Policy**  
**Composite: Census Summary**  
**(Composite of 2 policies)**

**Protection UL Form: 22PROUL**  
**Presented By: Advanced Markets**

No.	No. of Lives	Name	Issue Age	Sex	Risk Class	Initial Premium	Target Premium	Initial Face Amount	DBP Duration	MEC?
1	1	Owner 1	45	Male	Super Preferred NonSmoker	\$31,766	\$33,573	\$5,000,000	27	No
2	1	Owner 2	46	Male	Super Preferred NonSmoker	\$33,624	\$35,523	\$5,000,000	26	No
Totals:						2	\$65,390	\$69,097	\$10,000,000	

I have reviewed the attached illustration(s) and understand that any non-guaranteed elements illustrated are subject to change and could be either higher or lower. The representative has told me that they are not guaranteed.

---

Applicant's Signature

Date

---

Representative's Signature

Date <ins1si>

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

## A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Composite: Guaranteed and Nonguaranteed Values

(Composite of 2 policies)

Protection UL Form: 22PROUL

Presented By: Advanced Markets

Policy Year	Planned Premium	Net Outlay	Guaranteed Policy Value	Guaranteed Net Surrender Value	Guaranteed Net Death Benefit	Guaranteed IRR on Death Benefit	Policy Value	Net Surrender Value	Net Death Benefit	IRR on Death Benefit
1	65,390	65,390	19,822	0	10,000,000	15,192.86%	20,895	0	10,000,000	15,192.86%
2	65,390	65,390	38,492	0	10,000,000	1,087.65%	41,482	0	10,000,000	1,087.65%
3	65,390	65,390	56,715	0	10,000,000	397.58%	62,491	0	10,000,000	397.58%
4	65,390	65,390	74,554	0	10,000,000	221.10%	84,022	0	10,000,000	221.10%
5	65,390	65,390	92,152	5,356	10,000,000	147.05%	106,248	19,452	10,000,000	147.05%
6	65,390	65,390	98,974	29,258	10,000,000	107.71%	130,940	61,224	10,000,000	107.71%
7	65,390	65,390	103,410	50,774	10,000,000	83.74%	156,592	103,956	10,000,000	83.74%
8	65,390	65,390	105,073	69,516	10,000,000	67.77%	183,180	147,623	10,000,000	67.77%
9	65,390	65,390	103,790	85,302	10,000,000	56.46%	210,758	192,270	10,000,000	56.46%
10	65,390	65,390	99,327	97,908	10,000,000	48.07%	239,281	237,861	10,000,000	48.07%
Totals:		653,900	653,900							
11	65,390	65,390	110,568	110,568	10,000,000	41.61%	289,038	289,038	10,000,000	41.61%
12	65,390	65,390	119,466	119,466	10,000,000	36.52%	341,247	341,247	10,000,000	36.52%
13	65,390	65,390	125,981	125,981	10,000,000	32.40%	395,993	395,993	10,000,000	32.40%
14	65,390	65,390	129,830	129,830	10,000,000	29.01%	453,414	453,414	10,000,000	29.01%
15	65,390	65,390	130,452	130,452	10,000,000	26.18%	513,561	513,561	10,000,000	26.18%
16	65,390	65,390	126,805	126,805	10,000,000	23.78%	576,440	576,440	10,000,000	23.78%
17	65,390	65,390	117,557	117,557	10,000,000	21.73%	642,091	642,091	10,000,000	21.73%
18	65,390	65,390	101,589	101,589	10,000,000	19.95%	710,954	710,954	10,000,000	19.95%
19	65,390	65,390	77,718	77,718	10,000,000	18.40%	783,331	783,331	10,000,000	18.40%
20	65,390	65,390	44,586	44,586	10,000,000	17.04%	859,228	859,228	10,000,000	17.04%
Totals:		1,307,800	1,307,800							
21	65,390	65,390	6,669	6,669	10,000,000	15.83%	937,424	937,424	10,000,000	15.83%
22	65,390	65,390	0	0	10,000,000	14.76%	1,018,406	1,018,406	10,000,000	14.76%
23	65,390	65,390	0	0	10,000,000	13.80%	1,102,108	1,102,108	10,000,000	13.80%
24	65,390	65,390	0	0	10,000,000	12.93%	1,188,342	1,188,342	10,000,000	12.93%
25	65,390	65,390	0	0	10,000,000	12.15%	1,276,782	1,276,782	10,000,000	12.15%
26	65,390	65,390	0	0	10,000,000	11.43%	1,366,980	1,366,980	10,000,000	11.43%
27	65,390	65,390	0	0	5,000,000	6.75%	1,459,705	1,459,705	10,000,000	10.79%
28	65,390	65,390	0	0	0	0.00%	1,554,775	1,554,775	10,000,000	10.19%
29	65,390	65,390	0	0	0	0.00%	1,652,087	1,652,087	10,000,000	9.65%
30	65,390	65,390	0	0	0	0.00%	1,751,444	1,751,444	10,000,000	9.15%
Totals:		1,961,700	1,961,700							

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.

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.

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

## A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Composite: Guaranteed and Nonguaranteed Values (cont'd)

(Composite of 2 policies)

Protection UL Form: 22PROUL

Presented By: Advanced Markets

Policy Year	Planned Premium	Net Outlay	Guaranteed Policy Value	Guaranteed Net Surrender Value	Guaranteed Net Death Benefit	Guaranteed IRR on Death Benefit	Policy Value	Net Surrender Value	Net Death Benefit	IRR on Death Benefit
31	65,390	65,390	0	0	0	0.00%	1,851,351	1,851,351	10,000,000	8.68%
32	65,390	65,390	0	0	0	0.00%	1,952,617	1,952,617	10,000,000	8.26%
33	65,390	65,390	0	0	0	0.00%	2,055,253	2,055,253	10,000,000	7.86%
34	65,390	65,390	0	0	0	0.00%	2,158,942	2,158,942	10,000,000	7.49%
35	65,390	65,390	0	0	0	0.00%	2,263,695	2,263,695	10,000,000	7.15%
36	65,390	65,390	0	0	0	0.00%	2,369,140	2,369,140	10,000,000	6.83%
37	65,390	65,390	0	0	0	0.00%	2,475,492	2,475,492	10,000,000	6.52%
38	65,390	65,390	0	0	0	0.00%	2,582,972	2,582,972	10,000,000	6.24%
39	65,390	65,390	0	0	0	0.00%	2,692,101	2,692,101	10,000,000	5.98%
40	65,390	65,390	0	0	0	0.00%	2,802,496	2,802,496	10,000,000	5.73%
Totals:		2,615,600	2,615,600							
41	65,390	65,390	0	0	0	0.00%	2,889,277	2,889,277	10,000,000	5.50%
42	65,390	65,390	0	0	0	0.00%	2,971,474	2,971,474	10,000,000	5.27%
43	65,390	65,390	0	0	0	0.00%	3,048,131	3,048,131	10,000,000	5.07%
44	65,390	65,390	0	0	0	0.00%	3,118,536	3,118,536	10,000,000	4.87%
45	65,390	65,390	0	0	0	0.00%	3,182,430	3,182,430	10,000,000	4.68%
46	65,390	65,390	0	0	0	0.00%	3,240,037	3,240,037	10,000,000	4.51%
47	65,390	65,390	0	0	0	0.00%	3,290,941	3,290,941	10,000,000	4.34%
48	65,390	65,390	0	0	0	0.00%	3,335,337	3,335,337	10,000,000	4.18%
49	65,390	65,390	0	0	0	0.00%	3,372,999	3,372,999	10,000,000	4.03%
50	65,390	65,390	0	0	0	0.00%	3,407,283	3,407,283	10,000,000	3.88%
Totals:		3,269,500	3,269,500							
51	65,390	65,390	0	0	0	0.00%	3,439,201	3,439,201	10,000,000	3.74%
52	65,390	65,390	0	0	0	0.00%	3,467,183	3,467,183	10,000,000	3.61%
53	65,390	65,390	0	0	0	0.00%	3,490,564	3,490,564	10,000,000	3.49%
54	65,390	65,390	0	0	0	0.00%	3,506,463	3,506,463	10,000,000	3.37%
55	65,390	65,390	0	0	0	0.00%	3,514,371	3,514,371	10,000,000	3.25%
56	65,390	65,390	0	0	0	0.00%	3,516,885	3,516,885	10,000,000	3.14%
57	65,390	65,390	0	0	0	0.00%	3,519,118	3,519,118	10,000,000	3.04%
58	65,390	65,390	0	0	0	0.00%	3,529,357	3,529,357	10,000,000	2.94%
59	65,390	65,390	0	0	0	0.00%	3,558,378	3,558,378	10,000,000	2.84%
60	65,390	65,390	0	0	0	0.00%	3,622,451	3,622,451	10,000,000	2.75%
Totals:		3,923,400	3,923,400							

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

## A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Composite: Guaranteed and Nonguaranteed Values (cont'd)  
(Composite of 2 policies)

Protection UL Form: 22PROUL

Presented By: Advanced Markets

Policy Year	Planned Premium	Net Outlay	Guaranteed Policy Value	Guaranteed Net Surrender Value	Guaranteed Net Death Benefit	Guaranteed IRR on Death Benefit	Policy Value	Net Surrender Value	Net Death Benefit	IRR on Death Benefit
61	65,390	65,390	0	0	0	0.00%	3,742,318	3,742,318	10,000,000	2.66%
62	65,390	65,390	0	0	0	0.00%	3,948,721	3,948,721	10,000,000	2.58%
63	65,390	65,390	0	0	0	0.00%	4,234,414	4,234,414	10,000,000	2.49%
64	65,390	65,390	0	0	0	0.00%	4,554,066	4,554,066	10,000,000	2.42%
65	65,390	65,390	0	0	0	0.00%	4,894,815	4,894,815	10,000,000	2.34%
66	65,390	65,390	0	0	0	0.00%	5,258,054	5,258,054	10,000,000	2.27%
67	65,390	65,390	0	0	0	0.00%	5,645,266	5,645,266	10,000,000	2.20%
68	65,390	65,390	0	0	0	0.00%	6,058,034	6,058,034	10,000,000	2.13%
69	65,390	65,390	0	0	0	0.00%	6,498,046	6,498,046	10,000,000	2.06%
70	65,390	65,390	0	0	0	0.00%	6,967,097	6,967,097	10,000,000	2.00%
Totals:	4,577,300	4,577,300								
71	65,390	65,390	0	0	0	0.00%	7,467,107	7,467,107	10,000,000	1.94%
72	65,390	65,390	0	0	0	0.00%	8,000,116	8,000,116	10,000,000	1.88%
73	31,766	31,766	0	0	0	0.00%	8,547,516	8,547,516	10,000,000	1.83%
74	0	0	0	0	0	0.00%	9,111,404	9,111,404	10,000,000	1.79%
75	0	0	0	0	0	0.00%	9,712,508	9,712,508	10,013,199	1.75%
76	0	0	0	0	0	0.00%	10,335,863	10,335,863	10,335,863	1.78%
77	0	0	0	0	0	0.00%	10,981,854	10,981,854	10,981,854	1.87%
78	0	0	0	0	0	0.00%	11,668,220	11,668,220	11,668,220	1.96%
79	0	0	0	0	0	0.00%	12,397,484	12,397,484	12,397,484	2.04%
80	0	0	0	0	0	0.00%	6,384,048	6,384,048	6,384,048	0.65%
Totals:	4,739,846	4,739,846								

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