



Adding flexibility to protection planning

Life insurance with the
Chronic Illness rider



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JOHN HANCOCK LIFE INSURANCE COMPANY (U.S.A.)

LIFE-1605 9/23 Consumer

Build a *stronger* plan

When building a financial plan, it's natural to focus on how you hope life will unfold — saving for a long retirement, college or even annual family vacations. At the same time, you probably want to plan for the “what-ifs” of life. That's where life insurance can play a key role, as the policy's death benefit can help ensure your family will be financially secure to realize the future you envision, even if you're not around.

Chronic illness is another “what-if” possibility that can derail plans. Such an event could impact your savings, limit your choices on how you want to live and negatively impact the long-term financial security of your loved ones. Again, your life insurance policy can help.





Here's how it *works*

If you become chronically ill, you would want your entire focus to be on living comfortably on your terms, not worrying about the financial implications. You can help prepare for such a need by **adding the Chronic Illness rider** to a John Hancock permanent life insurance policy.

This would give you:

- **Access to your policy's death benefit on a tax-favored basis** when you are certified as chronically ill
- **Flexibility** to personalize your coverage to meet your specific needs:
 - **When you qualify for your benefit**, you can choose a monthly or annual payment¹ up to the IRS per diem in the year benefits are accelerated
- **No receipts required and no restrictions on how you spend your benefit** — use it any way you see fit, whether it's to help pay for home care/home modifications to accommodate your condition, keep your savings on track or continue to meet your financial obligations if your income is impacted, etc

How to access your benefits?

You can tap into your policy's death benefit when you are certified as **chronically ill**, i.e., requiring assistance to perform two of six activities of daily living: bathing, dressing, eating, continence, transferring and toileting OR demonstrate severe cognitive impairment that requires professional care, e.g., Alzheimer's disease, dementia, and

- **You satisfy the one-time** "Elimination Period" of 90-calendar days
- **You must re-certify** every twelve months to continue receiving benefits



An example

Opting for more *flexibility* and *choice* in planning

Rosa is a 48-year-old paralegal at a large law firm. She has two children in college, and in her free time helps care for her dad, who recently suffered a stroke. Not only does Rosa want to make sure her kids are financially secure in the event of her premature death, but she is also concerned about the impact on her plans and family if she should become chronically ill.

The recommendation

- Rosa purchases a life insurance policy with the Chronic Illness rider
- The base life insurance face amount is \$500,000
- She elects a 2% monthly chronic illness benefit amount which equals \$10,000 monthly benefit

The outcome

Rosa has the comfort of knowing she is better prepared financially for unexpected life events, including:



If she should become chronically ill, **she can access that death benefit**, and withdraw up to \$10,000 per month



She will receive the funds on a **tax-advantaged basis**



She has the flexibility to use her Chronic Illness benefit dollars any way she wants — and she can choose to receive the funds either monthly or annually*



In the event of her passing, **her children will receive her policy's remaining death benefit**, income tax free²

Get started

Is the Chronic Illness rider right for you? Explore your options with your life insurance agent.

- **Determine** your protection needs
- **Consider** the cost of coverage
- **Understand** when you would qualify — and how you can use your benefit dollars

* If annual benefit payments are elected, these payments will be reduced by an annualized discount factor. This is a hypothetical example for illustrative purposes only.



There's one more advantage for choosing this coverage through John Hancock – your policy gives you the unique opportunity to engage in John Hancock Vitality, a program that offers savings and rewards for the everyday things you do to live a longer, healthier, better life.

Strength. Stability. John Hancock.

John Hancock is among the highest-rated companies for financial strength and stability as demonstrated by its A+ rating from A.M. Best.³ Financial strength ratings are a comprehensive measure of a company's financial strength and stability, and are important as they reflect a life insurance company's ability to pay claims in the future.

With 160 years of experience, John Hancock offers clients a diverse range of insurance products and services through its extensive network of employees, agents, and distribution partners.

For more information and a personalized product illustration, please contact your insurance agent.

1. Benefit payment frequency is elected at the time of first claim and cannot be changed.
2. Life insurance death benefit proceeds are generally excludable from the beneficiary's gross income for income tax purposes. There are a few exceptions such as when a life insurance policy has been transferred for valuable consideration.
3. A.M. Best, A+ (2nd highest of 13 ratings) Superior ability to meet ongoing insurance obligations. Financial strength ratings, which are current as of June 30, 2023, and are subject to change, apply to John Hancock Life Insurance Company (U.S.A.) as a measure of the company's financial ability to pay claims and to honor any guarantees provided by the contract and any applicable optional riders. The ratings are not an assessment or recommendation of specific products, policy provisions, premium rates, performance of the products, the value of any investment in these products upon withdrawal, individual securities held in any portfolio, or to the practices of the insurance company. Financial strength ratings do not apply to the safety and performance of separate accounts.

The Chronic Illness Rider allows for an acceleration of the death benefit when the insured is certified as chronically ill. The maximum monthly benefit amount is the lower of \$30,000 or the IRS per diem limit for a given month. Accelerated benefit payments paid under this rider reduce the death benefit dollar for dollar by the accelerated amount and reduce the policy value proportionately. There is a monthly charge for this optional rider. The benefits provided by this rider are intended to receive favorable tax treatment under internal revenue code section 101 (g); however, there might be situations in which the benefits or charges for this rider are taxable. Receipt of benefits may affect eligibility for public assistance programs. This policy or certificate does not provide long-term care insurance and is not a Medicare supplement policy.

Comments on taxation are based on John Hancock's understanding of current tax law, which is subject to change. No legal, tax or accounting advice can be given by John Hancock, its agents, employees or licensed agents. Prospective purchasers should consult their tax professional for details.

The life insurance policy describes coverage under the policy, exclusions and limitations, what you must do to keep your policy in force, and what would cause your policy to be discontinued. Please contact your licensed agent or John Hancock for more information, costs, and complete details on coverage to help you determine if this policy is suitable for your needs. Availability of policies, features, and benefits may vary by state.

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

Insurance policies and/or associated riders and features may not be available in all states.

This guide must accompany a base policy consumer guide.

This material is for informational purposes only and is not investment advice or a recommendation.

Not for use in California.

Insurance products are issued by John Hancock Life Insurance Company (U.S.A.), Boston, MA 02116.

John Hancock rider form: ICC23 23DBCHR; 23DBCHR

MLI080823514-1