



Are you taking advantage of JH Solutions®?

JH Solutions is John Hancock's proprietary concept software that illustrates different planning techniques, from simple to complex solutions. The success of JH Solutions lies in the easy-to-read presentations customized for each client; the modules highlight the benefits of life insurance and outline important considerations for each situation. JH Solutions is available within the JH Illustrator software and has been providing concept-based illustrations since 1998.

JH Solutions Concepts in JH Illustrator

Read the following pages for a description of each concept.



Estate Planning

- Charitable Remainder Annuity Trust (CRAT)/Charitable Remainder Unitrust (CRUT)
- Estate Tax and Gifting Analysis
- Invest in Your Life
- Premium Financing
- Private Financing
- Private Split Dollar
- Sale to a Grantor Trust (SAGT)
- Spousal Lifetime Access Trust (SLAT)



Maximization Strategies

- Annuity Max
- IRA/Qualified Plan Max



Business Insurance

- Cross-Endorsement Buy-Sell (CEBS)
- Corporate Split Dollar
- Deferral
- Key Person
- Personal Key Person (PKP)
- Restricted Endorsement Bonus Arrangement (REBA)/Executive Bonus
- Supplemental Executive Retirement Plan (SERP)
- Traditional Buy-Sell



Individual/Retirement Planning

- Needs Analysis
- Retirement Backstop Analysis
- Supplementing Retirement Income with Life Insurance (LIRP)



Other Concepts Available Outside of JH Illustrator

- Charitable Gifts of Life Insurance
- Creditor Protection
- Dual Loan
- Estate Equalization
- Estate Tax Calculator
- Private Spousal ILIT (PriSpi)
- Qplan Backstop
- Qplan Legacy
- Retirement Needs Analysis Calculator
- Rolling GRAT Calculator
- Roth Analysis
- Term vs. Permanent Analysis
- Cost of Lost Step-up Basis



Estate Planning

These concepts focus on solutions to help with estate taxes and trust planning.

Charitable Remainder Annuity Trust (CRAT)/ Charitable Remainder Unitrust (CRUT)

This module illustrates the transfer of highly appreciated assets to a Charitable Remainder Trust. The transferred assets generate an income stream and provide a remainder to charity. The module illustrates the use of a separate trust to purchase a life insurance policy to replace the asset.

Estate Tax and Gifting Analysis

For clients who are interested in gifting to an Irrevocable Life Insurance Trust (ILIT), our popular gifting module illustrates the power of gifting and leveraging life insurance.

Invest in Your Life

Our most popular module that can be used to illustrate how life insurance offers liquidity, a competitive rate of return, and is self-completing.

Premium Financing

This module illustrates financing premiums using a third-party lender and also illustrates potential need for loan collateral.

Private Financing

This module is used for clients who are concerned with gifting. It illustrates the power of lending cash to an ILIT as well as illustrates the loan interest at an Applicable Federal Rate (AFR).

Private Split Dollar

This module is used for clients who are concerned with gifting. As an alternative, a split dollar arrangement is a way to fund a trust using Economic Benefit rates.

Sale to a Grantor Trust (SAGT)

This is a sophisticated strategy where a client sells assets (sometimes at a discount) to an ILIT.

Spousal Lifetime Access Trust (SLAT)

Many clients may be concerned with giving up control in an ILIT. This strategy illustrates the flexibility of a spousal access provision.





Business Insurance

JH Solutions includes a comprehensive package for clients who are business owners.

Cross-Endorsement Buy-Sell (CEBS)

This unique strategy allows each business owner to own their own life insurance, while endorsing a portion of the death benefit to other owners to cover buy-sell obligations.

Corporate Split Dollar

This module demonstrates the Economic Benefit of a split dollar concept as a means to purchase a life insurance policy for a valued employee.

- Non-Equity Collateral Assignment Split-Dollar
- Loan Regime Split-Dollar
- Endorsement Split-Dollar

Deferral

This module illustrates a salary deferral plan. This is a non-qualified plan where a key executive defers a portion of their compensation and the employer agrees to return the deferred amounts, with interest, at a future point in time.

Key Person

This module illustrates how purchasing life insurance on a key executive can provide protection to a business.

Personal Key Person (PKP)

For small business owners with no known successors, this module highlights how life insurance can help them by offering protection, succession planning, and other lifetime benefits.

Restricted Endorsement Bonus Arrangement (REBA)/Executive Bonus

The Restrictive Endorsement Bonus Arrangement (REBA) and Executive Bonus are ways that companies can bonus money to an employee to purchase life insurance. These non-qualified plans are a great way to recruit, retain, and reward key employees. A REBA illustrates the power of placing a restriction on the policy as an incentive for an employee to stay.

Supplemental Executive Retirement Plan (SERP)

This module illustrates another non-qualified type of plan where the employer agrees to pay a retirement benefit to the employee and uses life insurance to informally fund the plan.

Traditional Buy-Sell

This module illustrates multiple buy-sell options including Cross-Purchase, Entity-Purchase, and One-Way arrangements. The purpose of these strategies is to illustrate the need for a buy-sell plan and incorporate how life insurance can help with succession planning.



For many of the succession planning modules (e.g., buy-sell and key person) it is important to know the value of the business. To help with understanding **business valuation** and to get an idea of what the business might be worth, please visit:

[> JH Business Valuation](#)

In addition, for help finding the optimal executive benefit plan for a business, please visit:

[> JH Business Analyzer](#)



Individual/Retirement Planning

These concepts demonstrate the power of permanent life insurance not only as a valuable protection tool for families, but also to provide valuable living benefits. Many of these modules help explain the benefits of specific John Hancock products.

Needs Analysis

For clients who want a comprehensive analysis of their assets and debts to ensure they have coverage for their loved ones in the event of their death. Available in JH Illustrator or you may also visit our [Needs Analysis Calculator](#) website.

Retirement Backstop Analysis

This module shows how life insurance is a multifaceted product to help protect, provide, and preserve assets during retirement.

Supplementing Retirement Income with Life Insurance (LIRP)

This module shows taking distributions from the life insurance cash value for supplemental retirement income purposes. The client has a need for permanent life insurance and supplemental income.



Maximization Strategies

These concepts demonstrate how clients can use specific assets that are no longer needed and leverage them to purchase life insurance.

Annuity Max

For clients who do not need their deferred annuity for retirement income. This module can illustrate using the annuity to provide annual distributions and leverage the income with a life insurance policy.

IRA/Qualified Plan Max

For clients who have qualified plans and do not need them, this module illustrates using distributions from the qualified plan to fund a life insurance policy.





Other Concepts Available Outside of JH Illustrator*

Charitable Gifts of Life Insurance

This module illustrates how a charity can own life insurance on the life of a key donor. The donor can make gifts of cash to the charity that may be used to fund the premiums on the life insurance policy.

Creditor Protection

This tool gives state-specific information on the creditor protection afforded to life insurance. Visit our [Know the Law](#) website.

Dual Loan

This approach makes premiums available by combining two components: a private financing arrangement between the grantor and their ILIT, with interest at the Applicable Federal Rate (AFR), and a financing arrangement between the client and an institutional lender/bank.

Estate Equalization

This module illustrates how life insurance can be used to help divide an estate in a fair/equal manner among family members, especially when one child may inherit an illiquid asset such as a business; life insurance can become the equalizer in this type of planning.

Estate Tax Calculator

This module is a simple projection of the amount of potential estate tax exposure. Visit our [Estate Tax Calculator](#) website.

Oplan Backstop

This module examines how life insurance is used to allow owners of qualified plans to minimize taxations of qualified plan assets and extend the life of these assets while maintaining the income needs during retirement.

Oplan Legacy

This module examines how life insurance is used to enhance the value of IRAs to beneficiaries as well as create a legacy for future generations. We also examine the options available under the Secure Act to enhance the transfer of IRA assets to the heirs.

Retirement Needs Analysis Calculator

This module illustrates how life insurance can be used in retirement planning and focuses on calculating the potential shortfall. The analysis incorporates what the client would like for retirement income, their current retirement portfolio and savings, and then illustrates the potential retirement gap. Visit our [Retirement Needs Analysis Calculator](#) website.

Rolling GRAT Calculator

GRATs are a versatile estate planning tool. They facilitate the transfer of assets from one generation to the next at a minimal gift tax cost. This calculator can produce presentations on single long term GRATs or up to a series of 10 GRATs referred to as Rolling GRATs.

Roth Analysis

This module compares the alternatives of converting a Qualified Plan asset to a Roth IRA or using Life Insurance to enhance the values. This module examines the income tax impact of both alternatives.

Term vs. Permanent Analysis

This module is great for clients looking to compare “buy term and invest the difference.” This module can compare a term insurance policy with a side fund versus a permanent policy.

Cost of Lost Step-up Basis

This module can help you understand the potential cost of transferring an asset to an irrevocable trust, where the asset will not receive a basis step-up, compared to keeping the asset in your estate, where the asset will receive a basis step-up, but will be subjected to estate tax.



JH Solutions is a powerful tool that can demonstrate the value of life insurance for a wide range of client needs. Please contact John Hancock Advanced Markets for assistance designing JH Solutions presentations. You can reach us at **888-266-7498, option 3.**

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The rate of return on the 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.

Trusts should be drafted by an attorney familiar with such matters in order to take into account income and estate tax laws (including the generation-skipping tax). Failure to do so could result in adverse tax treatment of trust proceeds. There can be costs associated with drafting a trust.

Loans and withdrawals will reduce the death benefit, cash surrender value, and may cause the policy to lapse. Lapse or surrender of a policy with a loan may cause the recognition of taxable income. Policies classified as modified endowment contracts may be subject to tax when a loan or withdrawal is made. A federal tax penalty of 10% may also apply if the loan or withdrawal is taken prior to age 59½. Insurance policies and/or associated riders and features may not be available in all states.

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