6 before '26

Six ways John Hancock can help close large cases before the 2026 sunset of the lifetime exemption

Less than two years remain before the scheduled sunset of the lifetime estate and gift tax exemption. On January 1, 2026, the exemption is set to be halved from the current $10 million exemption ($13.61 million in 2024) to a $5 million exemption (approximately $7.2 million, indexed for inflation). Estate planning can be a complex and ever-evolving process, particularly with the uncertainty around tax law changes. At John Hancock, we provide our customers with the tools and resources to make decisions today, with the protection they need for tomorrow. We are ready to be your partner to close large cases before the sunset by providing large-case expertise and offering options that support flexibility to meet changing estate planning needs. Here's how we can help:

1. Industry-leading capacity and retention

Capacity and retention are both drivers in choosing the right carrier to partner with on large cases. John Hancock has industry-leading automatic binding and retention limits. Our automatic binding and jumbo limits are up to face amounts of $65 million and our retention limit is $35 million. Capacity and retention, combined with our Underwriting team's deep expertise in complex estate planning cases, make John Hancock a natural fit for large and complex cases.

2. Concierge underwriting process

This forward-thinking experience is for large death benefit applications with the goal of eliminating, when possible, any need for an underwriting insurance exam. The concierge underwriting process can allow insureds ages 35–70 with a household net worth of $10 million or more to underwrite coverage of $5 million to $65 million with a review of comprehensive medical records, without the need to go through a medical examination.[1]

Many high-net-worth clients desire both increased privacy and efficiency during planning. The concierge underwriting process can help to support both of these objectives, helping high-net-worth clients feel more comfortable moving forward with their planning needs and allowing large cases to close more quickly. Additionally, the concierge underwriting process can be used for increasing options including death benefit option 2, which can be helpful in situations where more death benefit may be needed in anticipation of tax law changes.

3. Full suite of survivorship products

For married couples, a survivorship policy can be an attractive option to help provide liquidity for legacy planning goals, such as equalizing an estate amongst heirs. Additionally, federal estate taxes are generally due nine months after the date of the surviving spouse's death, meaning survivorship life insurance can be an invaluable tool to help pay for estate taxes without having to fire-sale other estate assets. Survivorship life insurance may allow a couple to purchase a combined higher death benefit at a lower premium outlay compared to the premiums on two single-life policies, making it a cost-effective option for married couples to secure the protection they need — this is especially helpful since estate taxes generally are not due until after the surviving spouse's death.

John Hancock has remained committed to the survivorship space with consistent enhancements to our survivorship portfolio. Our comprehensive suite of products includes UL, IUL and VUL survivorship policies, along with products designed with either a protection or accumulation focus, giving couples dynamic options that can work for a variety of risk tolerances, needs and goals. Additionally, credits earned through the John Hancock Vitality Program for healthy living can either reduce premiums paid or increase cash value potential (these credits are applied to both protection and accumulation products). Because large survivorship policies are generally trust owned, this could mean less gifting is required and may increase the total benefit to the trust beneficiaries.

4. Estate Preservation rider

When life insurance is a component of a high-net-worth client's estate plan, the insurance and estate planning processes do not always align. There are situations where the life insurance is ready to be issued, but the client's trust is not yet drafted, or more complex wealth transfer techniques are still being contemplated. The liquidity need, however, is immediate and should not be held up while the plan is being finalized. The problem is that if the policy is owned personally then it is included in the estate and subject to estate taxes. Even if the life insurance policy is gifted to the trust, then there is a three year look back period. To help offset the inclusion of the death benefit John Hancock has a potential solution.

For survivorship policies, one option to help ensure the coverage is placed and the client's family is protected is personal ownership with the Estate Preservation rider (EPR), while contemplating a future gift to the irrevocable trust. The EPR provides additional coverage during the first four policy years or if a death occurs within three years of a transfer to a trust. It is available for ages 20–75 and face amounts up to $65 million and at no added charge.

The EPR can also be helpful in situations where the client would like to take a "wait-and-see" approach due to the uncertainty of tax law changes. Some clients may be waiting until closer to 2026 to make a gift to a trust to hedge against higher lifetime exemptions being extended. In those situations, the clients could own the policy personally with the EPR and opt to transfer the policy to a trust when there is more certainty around tax laws.

5. Policy Split Option rider

When purchasing a policy with a large face amount, some clients are hesitant to have large death benefits owned by an irrevocable trust, aware that both personal needs and tax laws are subject to change. For example, consider a married couple who does not currently have a federal estate tax. They may be hesitant to gift large premiums irrevocably to a trust for fear they may need access to the premium dollars or cash value during their retirement. If the sunset occurs in 2026, this couple may be subject to a federal estate tax, but they are reluctant to make the gift today, leading to delays in planning or no action being taken.

The Policy Split Option rider may be an option to add future flexibility and help the client feel comfortable moving forward with the planning today. The Policy Split Option rider allows the policy to be split into two equal, permanent single-life policies if the couple divorces or if tax laws change. In the above example, if the estate tax exemption is halved, and that couple now has a federal estate tax liability, they could consider splitting the policy into two separate single-life policies, retaining one policy for personal planning needs and transferring one to a trust for estate tax planning purposes.

6. Survivorship Guaranteed Purchase Option

Many clients are on the sidelines waiting to move forward with their planning due to estate tax uncertainty. To help address this, John Hancock is excited to introduce the Survivorship Guaranteed Purchase Option in 2024 that will automatically be included on qualifying survivorship policies. In 2026, this option will allow clients to purchase a new survivorship life insurance policy within a six-month window[2] of the estate tax sunset **without needing additional proof of insurability**.

Available on qualifying Protection SIUL and Protection SUL policies issued between June 3, 2024 and December 31, 2024. To qualify clients must have an attained age of 75 or less, have a rating of 200% or better, and the estate tax exemption must decrease to $8 million or below. The Survivorship Guaranteed Purchase Option provides the ability to purchase a new policy in 2026 for an amount up to the lesser of the original policy's face amount or $5 million at the same underwriting class. The new policy purchased in 2026 is fully commissionable to the insurance professional.

The Survivorship Guaranteed Purchase Option is an easy way for clients to access additional protection in preparation for anticipated tax law changes, enabling them to buy what they need today, with a simple option to acquire additional coverage in 2026 should the exemption be lowered. This option reaffirms John Hancock's commitment to maintaining our leadership position in the survivorship marketplace.

Dedicated Advanced Markets support

The John Hancock Advanced Markets team is recognized as one of the best in the industry, and our attorneys and consultants are here to help during every step of the case design process, from initial fact-finding and running estate tax projections, to navigating complex trust-funding techniques, to helping position a large case to an underwriter.

There are multiple **tools** and **resources** at your disposal to help. For example, our **Estate Tax Calculator** can be an essential tool to illustrate the impact of the estate tax sunset on a client's future estate. For clients who do not currently have a federal estate tax, showing their post-sunset projected estate tax liability can help to guide conversations around planning now for future liquidity needs. Our customizable **JH Solutions** gifting module can also help highlight the advantages of gifting to a trust and leveraging gifts to purchase life insurance. In addition, there are multiple client guides and our **Because You Asked** guides are great resources to share with the planning team (attorneys/CPAs) to help with some of the technical details integral in this type of planning.

Act today

Now is the time to have planning conversations before a flurry of planning is likely to occur in 2025. As your go-to carrier for high-net-worth clients, we can provide tailored options for their estate and tax planning needs, backed by cutting-edge underwriting, Advanced Markets expertise, and a full range of competitive products. Reach out to your local JH representative or to our Advanced Markets team to learn more.

1.Policy issuance is not guaranteed as any life insurance purchase is subject to completion of an application, including health questions, and underwriting approval. John Hancock may obtain additional information, including medical records, to evaluate the application for insurance; and after the policy is issued, to identify any misrepresentation in the application.

2. January 1–June 30, 2026 is the six-month window.

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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.

Vitality is the provider of the John Hancock Vitality Program in connection with policies issued by John Hancock. Premium savings through the John Hancock Vitality program are only available with Vitality PLUS.

Some riders may have additional fees and expenses associated with them.

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

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