

John Hancock

LIFE INSURANCE

Corporate VUL Underwriting



- Full Underwriting
- Simplified Issue
- Guaranteed Issue
- Executive Guaranteed Issue

FOR BROKER/DEALER USE ONLY. THIS MATERIAL MAY NOT BE USED WITH THE PUBLIC.

John Hancock’s Corporate Variable Universal Life insurance product, Corporate VUL,¹ is designed to help employers attract, reward and retain key employees. Corporate VUL is a great tool for funding Supplemental Executive Benefits, such as Salary Deferral Plans, Supplemental Executive Retirement Plans (SERPs), and after-tax Executive Bonus Plans. It is a highly competitive variable universal life product which focuses on high early year’s cash values, potential long-term cash value accumulation, an outstanding selection of investment options, and tax favored death benefit² coverage — all designed to meet the competitive needs required within the Supplemental Executive Benefits marketplace.

Within this particular market, case sizes generally tend to be multi-life (10+ lives) in nature. To further meet the competitive needs within this marketplace, Corporate VUL is the only life insurance product within John Hancock’s product portfolio that offers Guaranteed Issue³ (GI), as well as offering Fully Underwritten and Simplified Issue.

Underwriting Categories

Full Underwriting

Minimum Number of Lives – 1

Initial Requirements – Medical requirements based on issue age and face amount.

Simplified Issue (SI) Underwriting

Simplified Issue underwriting is more flexible and variable than Guaranteed Issue underwriting.

Simplified Issue can be designed to suit the particular needs of a case based on the plan design, number of lives and desired death benefits.

A variety of plan designs can be appropriate for Simplified underwriting. These include small Supplemental Executive Benefits plans such as Salary Deferral Plans and Supplemental Executive Retirement Plans (SERPs), as well as Section 162 Executive Bonus Plans, Death Benefit Only and stock redemption plans.

Positive features for consideration of a case for Simplified Issue Underwriting are:

- Corporate /Trust Owned
- Formula based death benefits: based on salary, position, liability etc.
- “White collar/key employee/executive” participants
- 10 or more participants (fewer may be considered)

SIMPLIFIED ISSUE LIMIT

The maximum issue amount for Corporate VUL on a Simplified Issue basis is \$6 million. The table below outlines our Simplified Issue Death Benefit Factors. These factors assume the case fits John Hancock’s parameters for simplified issue.

NUMBER OF LIVES	SIMPLIFIED ISSUE	SIMPLIFIED ISSUE PLUS**
10* – 15	\$40,000	\$60,000
16 – 20	\$60,000	\$80,000
21 – 40	\$80,000	\$100,000
41+	\$90,000	\$110,000

* Fewer may be considered ** Requires Attending Physician Statement (APS)

The Death Benefit Factors formula is calculated as follows: # of lives x the underwriting factor = allowable death benefit.

Guaranteed Issue (GI) Underwriting

Guaranteed Issue underwriting was developed for the Corporate Owned Life Insurance (COLI) market to help facilitate ease of enrollment and underwriting for insurance programs where there is reduced anti-selection by corporate/trust ownership and beneficiary designations, through such non-qualified deferred compensation plans as Salary Deferral Plans and SERPs.

1. Insurance policies and/or associated riders and features may not be available in all states. Some riders may have additional fees and expenses associated with them. Refer to the product prospectus for additional information.
2. Life Insurance death 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.
3. Simplified & Guaranteed Underwriting is only available on issue ages 20 – 65 and on Standard & Standard Smoking Rates only.

It is important to note that charges for Guaranteed Issue Underwriting are only adequate to cover the additional mortality associated with a “group” of key employees/executives who are actively at work on a full-time basis. The charges are not sufficient to cover “groups” where it is known that there are highly substandard or uninsurable lives.

Guaranteed Issue Underwriting was not designed for placing substandard or uninsurable risks and requires thorough field underwriting on the part of the agent/broker prior to case submission. The agent/broker should exercise a high degree of control over this process. In particular, if there are any key employees/executives who have been rated or declined for individual insurance, details must be provided to the COLI Products Underwriter. Underwriting will be required on these lives and they should be excluded from any calculation used to determine the Guaranteed Issue limit.

Positive features for consideration of a case for GI Underwriting are:

- Corporate/Trust Owned
- Corporate/Trust Beneficiary
- Minimum NonMEC, aggregate funded plan design, with either equal death benefits or equal premiums
- Plan design should be focused on cash value accumulation; should not be death benefit driven
- “White collar/highly compensated key employee/executive” participants

GUARANTEED ISSUE LIMIT

The maximum issue amount for Corporate VUL on a Guaranteed Issue basis is \$6 million. The table below outlines our Guaranteed Issue Death Benefit Factors. These factors assume the case fits John Hancock’s parameters for guaranteed issue:

NUMBER OF LIVES	GUARANTEED ISSUE	GUARANTEED ISSUE PLUS*
10 – 15	\$25,000	\$45,000
16 – 20	\$45,000	\$65,000
21 – 40	\$65,000	\$85,000
41+	\$75,000	\$95,000

* Requires Attending Physician Statement (APS)
 The Death Benefit Factors formula is calculated as follows: # of lives x the underwriting factor = allowable death benefit.
 Other options may be available for Public companies under Guaranteed Issue on a case by case basis.

During the Guaranteed Issue underwriting process, the following three questions, which are located on the consent form, are relied upon by the underwriter in determining Guaranteed Issue suitability/approval:

1. Are you actively at full-time work and physically able to perform all the duties of your usual employment at least 30 hours per week, five days a week at your regular place of employment?
2. During the past three months, have you been absent from work because of illness or injury for more than five consecutive work days?
3. During the last twelve months, have you smoked any cigarettes? If “Yes,” how many cigarettes per day?

Executive Guaranteed Issue Underwriting

Executive Guaranteed Issue (Executive GI) was developed for the Corporate VUL product to allow for GI underwriting within the Corporate Sponsored, Individually Owned, multi-life after-tax plan marketplace.

Positive features for consideration of a case for Executive GI:

- All plans must be corporate sponsored
- Must have at a minimum, 10 lives or 25% participation, whichever is greater
- The minimum annual contribution amount is \$5,000
- White collar/key employee/executive with a minimum \$125,000 total annual compensation, of which a minimum of \$100,000 must be salary
- Executives must be actively at work

CONTRIBUTION LIMITS

Under Executive GI underwriting, Corporate VUL insurance policies will be capped at the minimum Non-MEC death benefit for a given contribution limit. Contribution limits increase based on enrollment size and employer contributions:

MAXIMUM ANNUAL TOTAL CONTRIBUTION				
ENROLLMENT	NO EMPLOYER CONTRIBUTION	WITH EMPLOYER MATCH (25% MIN)	WITH EMPLOYER PAID CONTRIBUTION (MIN \$5,000 TO 100% OF GROUP)	ADDITIONAL CONTRIBUTION WITH EXECUTIVE GI PLUS* UNDERWRITING
10	\$10,000	\$12,500	\$12,500 + Emp. Cont.	\$10,000
15	\$12,500	\$15,000	\$15,000 + Emp. Cont.	\$10,000
20	\$15,000	\$20,000	\$20,000 + Emp. Cont.	\$10,000
30+	\$20,000	\$25,000	\$25,000 + Emp. Cont.	\$10,000

*Requires Attending Physician Statement (APS)

Requesting an Underwriting Offer

To request a Simplified, Guaranteed or Executive Guaranteed Issue underwriting offer, a Corporate Insurance Products New Case Questionnaire should be completed by the agent/broker and submitted for review to the Corporate Products & Design Group. This questionnaire is used in order to obtain a description of the plan design along with a detailed participant census. The census, preferably in Excel format, should include the following information:

- Full name of each participant
- Social Security number
- Workplace address, including zip code
- Date of birth or age
- Gender
- Smoking status
- Job title/position
- Annual salary
- Estimated annual premium/deferrals
- Proposed death benefit (if known/applicable for Death Benefit Only Plans)

All underwriting on a Simplified and Guaranteed Issue basis for the Corporate VUL is handled by John Hancock's Corporate Product & Design Group's dedicated COLI underwriting unit located in Toronto. Offering Simplified and Guaranteed Issue as well as having a dedicated COLI underwriting unit enables us to provide flexible, unique solutions for a variety of plan designs found within the non-qualified plan and business marketplace and further reinforces John Hancock's commitment to these markets.

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

This material does not constitute tax, legal or accounting advice and neither John Hancock nor any of its agents, employees or registered representatives are in the business of offering such advice. It was not intended or written for use and cannot be used by any taxpayer for the purpose of avoiding any IRS penalty. It was written to support the marketing of the transactions or topics it addresses. Anyone interested in these transactions or topics should seek advice based on his or her particular circumstances from independent professional advisors.

Please contact 1-888-266-7498, option 5 to obtain product and fund prospectuses or if you are interested in obtaining a selling agreement with John Hancock Distributors LLC (for New York, contact 1-800-743-5542, option 5). The prospectuses contain complete details on investment objectives, risks, fees, charges and expenses as well as other information about the investment company. Please advise your clients to carefully read the prospectuses which contain this and other information on the product and the underlying portfolios, and consider these factors carefully before investing.

For Broker/Dealer Use Only. This material may not be used with the public.

Insurance products are issued by: John Hancock Life Insurance Company (U.S.A.), Boston, MA 02116 (not licensed in New York) and John Hancock Life Insurance Company of New York, Valhalla, NY 10595 and securities offered through **John Hancock Distributors LLC** through other broker/dealers that have a selling agreement with John Hancock Distributors LLC, 197 Clarendon Street, Boston, MA 02116.

