

What you need to know about ***John Hancock's Living Benefit Riders***



CRITICAL ILLNESS BENEFIT RIDER
LONG-TERM CARE RIDER



**OFFERING CLIENTS SAVINGS AND
REWARDS FOR LIVING HEALTHY**

Living benefits

Helping your clients plan for a long life

Living a long life — and spending many years in retirement — are increasingly likely for most people. That means careful planning is a necessity.

Fortunately, not only does John Hancock life insurance protect a family's financial security in case of an untimely death, but a permanent policy can also offer clients several benefits they can take advantage of while living. For example, John Hancock Vitality motivates clients to take the steps that can help them live longer, healthier lives. At the same time, our Critical Illness Benefit and Long-Term Care riders can alleviate the potential financial and emotional burdens caused by a serious illness during your clients' working years, or by an ongoing chronic condition during retirement.

This guide can help you sell life insurance with living benefit riders by:

- Offering compelling reasons why your clients need this comprehensive protection
- Outlining John Hancock's solutions — and how they stand apart
- Showcasing how John Hancock's living benefit riders are uniquely positioned to help your clients plan for a long life



INSURANCE PRODUCTS:

Not FDIC Insured	Not Bank Guaranteed	May Lose Value
Not a Deposit	Not Insured by Any Federal Government Agency	

The takeaways

- The average life expectancy for today's 50-year-olds is **79.6 years for men**, and **83.2 years for women**.¹
- **Nearly 40% of people will be diagnosed with some form of cancer in their lifetime.**²
- Whether your clients are great planners or just trying to get a handle on what they will need for retirement, they should **consider all the financial ramifications of living a long life.**
- **The number of Americans needing long-term care will more than double by 2050.**³

Rewards for living healthy

At John Hancock, we are committed to helping our customers live long, healthy lives. That's why we introduced John Hancock Vitality, a new kind of life insurance that protects clients' financial future while offering significant savings and rewards for living healthy. But even your healthiest clients can face unexpected challenges, and that's where living benefit riders can help.

CRITICAL ILLNESS BENEFIT RIDER

Are your clients prepared for a critical illness diagnosis?

The unexpected can happen — and the direct and indirect costs associated with recovery from a serious illness can be high.

- Newly approved cancer drugs can **average \$10,000 per month**.⁴
- **Medical costs are increasing** — national health spending is projected to grow at an average rate of 5.6% percent per year through 2025.⁵
- The number of people living beyond a cancer diagnosis reached **nearly 14.5 million** in 2014.⁶
- A critical illness diagnosis during working years could **impact clients' ability to save for future goals** such as retirement, while still trying to meet everyday living expenses.

THE SOLUTION: John Hancock's Critical Illness Benefit rider

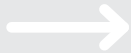
Our Critical Illness Benefit rider can help ensure your clients' financial plans stay on track, even in the event of a serious illness.

By adding the Critical Illness Benefit rider to their life insurance policy, your clients will be positioned to help alleviate a potentially significant financial and emotional burden that their spouse, children, or other family members could face if an critical illness event occurs.

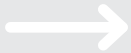
HOW IT WORKS



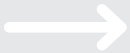
Client elects a benefit amount (10% or 25% of policy's face amount) at time of application



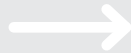
Client must satisfy waiting period of 30 calendar days



Client is initially diagnosed with one of the following: heart attack, stroke, cancer, coronary artery bypass graft, major organ failure, kidney failure, or paralysis



Client receives a lump-sum, income tax-free benefit up to \$250,000 that's separate from the death benefit



Protects client's lifestyle by helping to pay living expenses, continue savings, etc., while preserving the life insurance benefit



How does our Critical Illness Benefit rider stand apart?

John Hancock's approach offers a meaningful critical illness benefit without jeopardizing your clients' life insurance benefit or long-term care plans.

Unlike many critical illness riders, which offer a discounted acceleration of the policy's death benefit, John Hancock's Critical Illness Benefit rider is paid from a separate benefit pool. This provides several advantages to your clients, including:

- **Better planning**, because they know the benefit amount and rider charge upfront
- **Flexibility** to use the money as needed — pay medical costs, lifestyle expenses, savings plans, etc.
- **Death benefit remains intact** to provide financial security to their loved ones or to pay for long-term care costs, if applicable

CASE STUDY:

Joe planned to retire comfortably at 65

- Joe was 45 when he had a stroke
- New therapies, unexpected costs, and his inability to work full-time all contributed to his soaring expenses, which exceeded \$100,000
- Joe came up with the money to pay his day-to-day expenses by dipping into his retirement savings. Now Joe is significantly off course for his plans for retirement
- If Joe had added the Critical Illness Benefit rider to his John Hancock life insurance policy, he would have had the resources to continue with his retirement savings plans throughout his recovery. As this case study shows, the rider can help your clients be better prepared financially to live a long life

LONG-TERM CARE RIDER

Are your clients prepared for a long-term care need?

If your clients have not allocated anything to pay for long-term care, they may end up allocating everything. Paying for care can have a significant impact on the income needed to support their lifestyle in retirement. What's more, when those closest to them must provide care, the emotional and physical toll is often irreversible.

- Nearly 44 million adults in the U.S. are providing personal assistance for family members with disabilities or other care needs.⁷
- Up to 70% of caregivers have significant symptoms of depression.⁸
- The national average for 24-hour home care or one year in a nursing home is more than \$102,000.⁹

THE SOLUTION: John Hancock's Long-Term Care rider

By adding a Long-Term Care rider to their life insurance policy, your clients will be positioned to help alleviate a potentially significant financial and emotional burden that their spouse, children, or other family members could face if a long-term care event occurs.

Our Long-Term Care rider gives your clients the flexibility to use all, some, or none of their life insurance benefit to pay for long-term care expenses:

HOW IT WORKS



Client elects an accelerated benefit percentage and monthly acceleration percentage — when applying for life insurance policy



Client is unable to perform two of the six Activities of Daily Living (ADLs) without substantial assistance (bathing, dressing, eating, continence, toileting, and transferring), or supervision is required due to a cognitive impairment



Client satisfies Elimination Period of 100 dates of service



John Hancock reimburses qualified LTC expenses incurred each month up to the client's maximum monthly benefit amount



- Pays for professional care
- Money not spent on LTC remains in policy for beneficiaries
- Protects client's lifestyle by handling long-term care expenses, so retirement income can continue to be used as intended

How does our Long-Term Care rider stand apart?

John Hancock's Long-Term Care rider pays for professional care and services, reimbursing clients for qualified long-term care expenses incurred each month, and leaving unused benefits for their beneficiaries.

- **Lower cost and guaranteed rates** — the reimbursement claims model is designed to keep costs down and can help your clients get the most out of their total benefit pool. It is often less expensive than other long-term care riders — and our rates are guaranteed to never increase.
- **Better coverage** — we can offer substantially higher maximum benefits, which are received income tax-free up to the maximum amount the policyholder chooses — not to the IRS per diem limit.
- **Backed by extensive claims experience** — we based the design of our Long-Term Care rider on our extensive experience in the long-term care insurance market, which includes paying more than \$10 billion in claims. And our registered nurses on staff can help your clients navigate the long-term care continuum.

CASE STUDY: **Anna's plan for tomorrow**

- Anna is 50 years old
- She had been providing care to her 85-year-old mother for the past several years, until she was placed in a nursing home needing care full time
- Anna experienced the struggle of working full time, while raising her own family and providing her mother's care
- Adding the Long-Term Care rider to her John Hancock life insurance policy helped give Anna the assurance that she would be able to afford professional help if she needs long-term care in the future, alleviating her children of that potential burden





Life Insurance that rewards healthy living

Now, all your clients can be rewarded for living healthy with two great versions of the John Hancock Vitality program. **Vitality GO** is a basic “be healthy” option that’s included on all our flagship products — at no additional cost. **Vitality PLUS** is a full rewards version of the program that you already know, and can be added to a client’s policy for as little as \$2 a month.*

Vitality GO

- Amazon.com Discounts
- Healthy gear discounts from REI
- Wearable device discounts
- *Tufts Health & Nutrition Letter* and *Live More Magazine*

Vitality PLUS

- + Up to 15% in annual premium savings¹⁰
- + The opportunity to earn an **Apple Watch®** for as little as \$25, plus tax,¹¹ or get a complimentary Fitbit device
- + Up to \$600 in annual savings on the healthy food you buy¹²
- + **NEW exclusive discounts** at more than 400,000 hotels around the world with Hotels.com¹³
- + **Entertainment and shopping rewards and discounts** from name brands like Amazon.com, REI, Starbucks, and more¹⁴
- + A free 12-month subscription to **Headspace®**, a top-rated meditation app¹⁵
- + An easy-to-use app and website with health-related resources

*For John Hancock Term policies with the optional Vitality rider, the cost for Vitality PLUS is 3% of your annual premium and for Protection SIUL policies, the cost for Vitality PLUS rider is \$4.00 a month.





MAKING IT ALL WORK TOGETHER

Your clients want to live a long, healthy life — and have the financial resources to meet the challenges that a long life can present. This example shows how John Hancock’s living benefits work together to give your clients comprehensive protection, no matter what life brings:

<i>DEATH BENEFIT</i>	<i>\$500,000</i>
<i>CRITICAL ILLNESS BENEFIT</i>	<i>\$50,000</i>
<i>LTC MONTHLY BENEFIT</i>	<i>\$10,000</i>
<i>PREMIUM SAVINGS WHEN ENGAGING IN VITALITY</i>	<i>\$500/YEAR</i>

Example based on Male, Age 55, \$500,000 Face Amount,
Preferred Non-Smoker, \$50k Lump Sum, 10% CIBR and 2% LTCR.

Strength. Stability. **John Hancock.**

John Hancock's strong ratings, as judged by the major rating agencies, are a comprehensive measure of the company's financial strength and stability. This is important because these financial ratings reflect the life insurance company's ability to pay claims in the future. With over 150 years of experience, John Hancock offers clients a diverse range of financial protection products and wealth management services through its extensive network of employees, agents, and distribution partners.





For more information,
visit **JHSalesHub.com**

1. Social Security Actuarial Life Tables, Office of the Chief Actuary. (2014). Retrieved from <https://www.ssa.gov/oact/STATS/table4c6.html>
2. National Cancer Institute. Cancer Statistics. March 22, 2017. <https://www.cancer.gov/about-cancer/understanding/statistics>
3. Source: Kaiser Family Foundation (<http://www.kff.org>) analysis. Original data and detailed source information are available at http://facts.kff.org/JAMA_082813.
4. Schindler, Joel, PhD, Rising Oncology Medication Costs and the Impact on Patients. American Marketing Association, November 17, 2016. <https://www.ama.org/publications/MarketingHealthServices/Pages/rising-oncology-medication-costs-and-the-impact-on-patients.aspx>.
5. Centers for Medicare & Medicaid Services. Office of the Actuary. NHE Projections 2016-2015 — Forecast Summary. CMS.gov. 11/21/2017. <https://www.cms.gov/research-statistics-data-and-systems/statistics-trends-and-reports/nationalhealthexpenddata/nationalhealthaccountsprojected.html>.
6. National Cancer Institute. Cancer Statistics. March 22, 2017. <https://www.cancer.gov/about-cancer/understanding/statistics>
7. Caregiving in the U.S. 2015. <http://www.caregiving.org/caregiving2015/>
8. John Hancock Cost of Care Survey, conducted by Life Plans, Inc., 2016
9. Family Caregiver Alliance. National Center on Caregiving. <https://www.caregiver.org/caregiver-health>
10. Premium savings are in comparison to the same John Hancock policy without the Vitality Program. Annual premium savings will vary based upon policy type, the terms of the policy, and the level of [the insured's] participation in the John Hancock Vitality program.

11. Apple Watch program is not available in New York. Your clients can order Apple Watch Series 3 (GPS) by electronically signing, at checkout, a Retail Installment Agreement with the Vitality Group, for the retail price of the watch. After an initial payment of \$25 plus tax, over the next two years, monthly out-of-pocket payments are based on the number of workouts completed. Upgrade fees apply if you choose Apple Watch Series 3 (GPS + Cellular), certain bands and case materials. Apple Watch Series 3 (GPS) requires an iPhone 5s or later with iOS 11 or later. Apple Watch Series 3 (GPS + Cellular) requires an iPhone 6 or later with iOS 11 or later. Apple Watch Series 3 (GPS + Cellular) and iPhone service provider must be the same. Cellular is not available with all service providers. Roaming is not available outside your carrier network coverage area. Wireless service plan required for cellular service. Contact your service provider for more details. Check www.apple.com/watch/cellular for participating wireless carriers and eligibility. Apple is not a participant in or sponsor of this promotion. Apple Watch is a registered trademark of Apple Inc. All rights reserved.
12. The HealthyFood benefit is available on qualifying purchases in the first year in the Vitality program. In subsequent years, HealthyFood savings apply to members who earn Gold or Platinum Status in the Vitality program.
13. The Hotels.com discounts is not available in New York.
14. In New York, entertainment, shopping, and travel rewards are not available and are replaced by healthy living and active lifestyle rewards.

NOTE TO PRODUCERS: Most states have adopted the training requirements outlined in the Deficit Reduction Act of 2006 and the NAIC Long-Term Care Model Act. This requires producers selling LTC insurance products, including LTC riders, to take an initial eight-hour NAIC Partnership training course, followed by a four-hour refresher every two years. All courses must be approved by ClearCert in order to be accepted as valid training.

- To determine if a course is approved, please visit www.ClearCert.com
- To take an approved course at a discounted rate, please visit www.JHInsuranceCE.com

Not applicable in CA, CT, DC, IN, HI, MS, NM and NY.

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

In New York, entertainment, shopping, and travel rewards are not available and are replaced by healthy living and active lifestyle rewards.

Rewards and discounts are subject to change and are not guaranteed to remain the same for the life of the policy.

Guaranteed product features are dependent upon minimum premium requirements and the claims-paying ability of the issuer.

The Critical Illness Benefit Rider provides a one-time lump sum benefit for covered critical illnesses subject to eligibility requirements. The benefit will not be paid for critical illnesses initially diagnosed before the rider effective date or during the waiting period. See the product producer guide for additional details.

John Hancock anticipates that the Critical Illness Benefit paid under this rider will generally be excludable from income under Internal Revenue Code Section 104(a)(3). However, the benefit may not qualify for this exclusion with certain third-party ownership arrangements.

The Long-Term Care (LTC) rider is an accelerated death benefit rider and may not be considered long-term care insurance in some states. There are additional costs associated with this rider. The Maximum Monthly Benefit Amount is \$50,000. When the death benefit is accelerated for long-term care expenses it is reduced dollar for dollar, and the cash value is reduced proportionately. Please go to www.jhsaleshub.com to verify state availability. This rider has exclusions and limitations, reductions of benefits, and terms under which the rider may be continued in force or discontinued. Consult the state-specific Outline of Coverage for additional details.

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

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Insurance products are issued by John Hancock Life Insurance Company (U.S.A.), Boston, MA 02210 (not licensed in New York) and John Hancock Life Insurance Company of New York, Valhalla, NY 10595.

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