John Hancock INSURANCE

TECHNICAL GUIDE

Accumulation IUL with Vitality™

Comprehensive Product Resource Guide

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Product Overview

John Hancock's Accumulation IUL is designed to be one of the most competitive products in the industry for cash value accumulation and retirement income. Accumulation IUL offers clients the opportunity to earn interest linked to the performance of the S&P 500®[1], while protecting the policy's cash value from downside market risk. This gives clients the potential for strong cash value accumulation, and provides protection in poorly performing markets because the credited rate will *never be less than zero.*

Accumulation IUL also includes the John Hancock Vitality Program. Accumulation IUL with Vitality is an innovative life insurance solution that helps secure your clients financial future while supporting the pursuit of a healthier, longer life. In fact, the healthier the lifestyle, the greater the income potential, and the greater the rewards.

Applications

Individual Market

- Supplementary Retirement Income
- Wealth Transfer
- Death Benefit Protection
- Dynasty Trust

Business Market

- Business Continuation Plans
- Executive Bonus
- Key Person Protection
- Qualified Retirement Plans
- SERP and Deferred Compensation Plans
- Split Dollar and Supplemental Retirement Plans

Market Focus

Accumulation IUL is designed for individual and business clients who want to accumulate significant cash values as a source of supplemental retirement income — especially those who are maximizing their contributions to qualified retirement plans but still face a possible retirement income shortfall. It is positioned optimally for clients ages 35–70.

[1]. Excluding dividends. Standard & Poor's®, S&P®, S&P 500®, Standard & Poor's 500 and 500 are trademarks of Standard and Poor's Financial Services LLC, a subsidiary of The McGraw-Hill Companies, Inc. and have been licensed for use by John Hancock. The Product is not sponsored, endorsed, sold or promoted by Standard & Poor's, and Standard & Poor's makes no representation regarding the advisability of purchasing the Product. The S&P 500® Index is an index of 500 stocks that are generally representative of the performance of leading companies in leading industries within the U.S. You cannot invest directly in the S&P 500® Index.

The John Hancock Vitality Program

A New Kind of Life Insurance

At John Hancock, we're redefining life insurance. Now, your clients can save on premiums and earn valuable rewards and discounts by simply living a healthy life. Accumulation IUL with Vitality provides you with an opportunity to:
-Help clients increase income potential and earn valuable rewards
-Change the conversation by making it about living a healthy life
-Deliver more value and strengthen relationships throughout a client's lifetime

About Vitality

We've partnered with Vitality because they're the global leader in integrating wellness benefits with life insurance products. Vitality has an established track-record of creating interactive, personalized programs. Millions of members worldwide use their online tools to identify and track their health and lifestyle goals.
The Vitality Institute offers information, insight, and thought leadership in health promotion and disease prevention — all of which provide a unique benefit to John Hancock customers.

How it Works

Get Started

After the policy is issued, the insured begins the program by logging onto the member website and completing the online Vitality Health Review. Soon after, they'll receive a free Fitbit®, along with customized information on their lifestyle relative to their age, individual health goals, and tips on how to achieve them.

Accumulate Points

Each year members earn Vitality Points for things like exercising, getting annual health screenings, and staying tobacco-free. All they have to do is record their activities using our easy online tools and mobile app. Clients will then earn a Vitality Status (Bronze, Silver, Gold or Platinum) based on the number of points they accumulate each year. The more points they earn, the higher their Vitality Status and the greater their income potential and rewards. They can even carry over 10% of their points each year.

There are a number of ways to accumulate points. The core program is made up of the following categories:

VITALITY HEALTH REVIEW

Activity	Points	Maximum
Annual Vitality Health Review (VHR)	500	Once per year
Bonus – Complete VHR in first 90 days	250	Once per year
Bonus – First time VHR	500	Once per lifetime

PHYSICAL ACTIVITY

Activity	Points	Maximum
Physical activity review	250	Once per year
Workouts		
Light workout (5,000 to 9,999 steps per day)	10	You can earn points for one verified workout per day (30 point maximum). When multiple workouts are recorded for the same day, you'll be credited with the one that is worth the most points.
Standard workout (10,000 to 14,999 steps per day)	20	
Advanced workout (15,000 or more steps per day)	30	
Athletic Events		
Level 1	250	Subject to category maximum
Level 2	350	Subject to category maximum
Level 3	500	Subject to category maximum
Physical Activity Category Maximum	**7,000**	**Annually**

VITALITY CHECK (ANNUAL HEALTH SCREENING)

Activity	Points	Maximum
Mass Index (BMI) check	125	Once per year
BMI of 18.5-24.9	1,000	Once per year
BMI of 25-28	500	If BMI improves (18.5-24.9) add 500 points
Glucose check	125	Once per year
Reading of <100 mg/dL	1,000	Once per year
Cholesterol check	125	Once per year
Reading of <200 mg/dL	1,000	Once per year
Blood pressure check	125	Once per year
Reading of < 120/80	1,000	Once per year
Non-tobacco user	1,000	Once per year

PREVENTION

Activity	Points	Maximum
Annual flu shot	400	Once per year
Pap Smear screening	200	Once per year
Mammogram screening	200	Once per year
Colonoscopy screening	200	Once per year
Dental screening	200	Once per year

ONLINE EDUCATION

Activity	Points	Maximum
Health assessment calculators	25 each	Four per year
Mental well-being reviews	50 each	Four per year
Nutrition courses	75 each	Six per year
Health assessment calculators	25 each	Four per year

ADDITIONAL POINTS

Activity	Points	Maximum
Carry over of 10% of previous year's points	Varies	N/A
Update email address	50	Once per year

Earn Status

Based on the number of points they accumulate, your clients will earn a Vitality Status — Bronze, Silver, Gold, or Platinum.

Vitality Status	Points needed
Bronze	0
Silver	3,500
Gold	7,000
Platinum	10,000

Enjoy Savings and Rewards

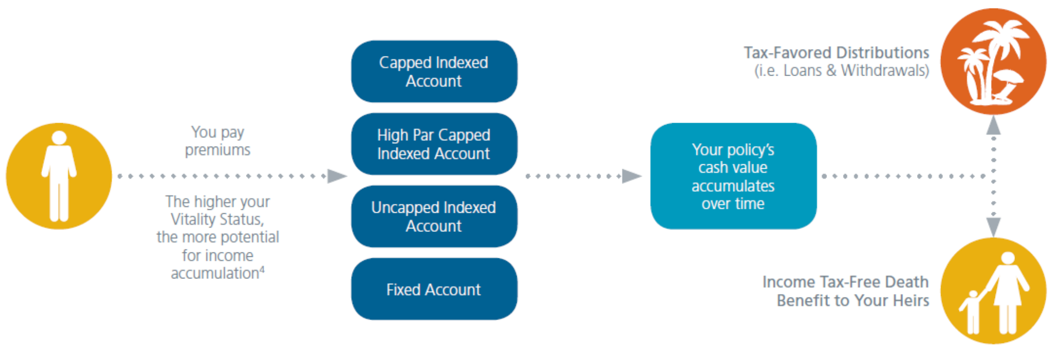
The insured's healthy behaviors determine their premiums and can also lead to rewards for travel, shopping, and entertainment.

Please note: In the event the owner is not the insured, the insured will receive all of the Vitality program rewards.

Policy Value

How an Accumulation IUL Policy Works

When clients make a premium payment, a Premium Charge is deducted. Premiums to support the death benefit can be allocated among four options: a Fixed Account[1] and three Indexed Account options (Capped, Uncapped and High Par Indexed Accounts). The Capped Indexed Account, Uncapped Indexed Account and the High Par Indexed Account options form the Index Appreciation Account. Designated policy values are formed into new Segments on the 15th of each month. At Segment Maturity (one year), an Index Segment Interest Credit is applied to the Segment and clients can then allocate their segment proceeds among any of the account options. Clients are also able to access the Policy Value via withdrawals or policy loans. Upon death, the policy's death benefit, less outstanding loans and interest, will be paid to the beneficiaries.



In Force Illustrations

To ensure that your client's policy continues to meet their objectives, we suggest that in addition to reviewing annual statements, in force illustrations are periodically requested. In force illustrations will provide an updated projection of the policy.

[1] Contractually, the Fixed Account is referred to as the Guaranteed Interest Account.

Accumulation IUL Interest Crediting

Accumulation IUL policy premium payments may be allocated (after deduction of a Premium Charge) to the Fixed Account, the Capped Indexed Account, the Uncapped Indexed Account, High Par Indexed Account or any combination of these accounts. The Indexed Accounts are collectively known as the Index Appreciation Account.

Amounts held in the Fixed Account (as well as amounts allocated to an Indexed Account that have not yet been designated to a Segment) earn a rate of interest as described in the Fixed Account Interest section (below).

- Amounts allocated to any of the Indexed Accounts form individual Segments.
- Segments are formed once per calendar month, on a Segment Initiation Date, and may earn an Index Segment Interest Credit at the end of a one year Segment Term. This is further described in the Capped Indexed Account , Uncapped Indexed Account and High Par Indexed Account sections.
- The Index Segment Interest Credit is calculated using a formula described in the policy that references an outside Index (Standard & Poor's 500 Composite Stock Price Index), excluding dividends and as measured on a point-to-point basis.
- The Indexed Accounts have a guaranteed Segment Floor Rate of 0%; however each reflects the positive performance of the Index differently. These differences are described further in the Capped Indexed Account, Uncapped Indexed Account and High Par Indexed Account sections.
- As each Segment matures, the policy owner may choose to allocate the Segment Proceeds to a different account option, or by default have it roll over to a new Segment of the same account type.

The Policy Value comprises the Fixed Account, the Index Appreciation Account, and a Loan Account, when applicable. We deduct the Monthly Deduction and any other charges from the Fixed Account and the Index Appreciation Account proportionately. Like other types of Universal Life policies, the owner may also take policy loans or withdrawals from the Policy Value, subject to certain limits and restrictions.

Fixed Account Interest

Policy Value allocated to the Fixed Account is deposited into the company's General Account and credited interest at a declared rate.

Each month, John Hancock evaluates the current rate of interest used to credit the Policy Value within the Fixed Account. The credited interest rate is a portfolio rate, reflecting the average earnings of the Universal Life Portfolio; a portfolio composed of an assortment of high-quality assets. The portfolio approach is designed to lead to less frequent rate changes than one might find using a "new money" approach. The current crediting rate will never be less than the guaranteed 2% interest rate.

- Current: As declared
- Guaranteed: 2.00%

Persistency Bonus
There is a (non-guaranteed) Persistency Bonus that is applied to the Fixed Account interest rate beginning in Policy Year 11, and thereafter.

- The Persistency Bonus is only applied to the un-loaned portion of Policy Value allocated to the Fixed Account and any amounts allocated to an Indexed Account not yet designated to a Segment.
- Currently the Persistency Bonus adds an additional 0.65% to the currently credited Fixed Account rate in years 11+.
- **New York Policies –** In New York, the Persistency Bonus is guaranteed and will be applied only if the currently credited Fixed Account rate is equal to or greater than 3.00%.

Index Appreciation Account

Policy Value allocated to the Index Appreciation Account earns an interest rate linked to the S&P 500 using a yearly point-to-point method. There are three Index Appreciation Account options, the **Capped Indexed Account**, **Uncapped Indexed Account and High Par Indexed Account**.

- Up to 12 Index Segments can exist in each Indexed Account – one for each month.
- Each Segment matures after 12 months, on its Segment Maturity Date.

- At its Segment Maturity Date, Segment Proceeds are allocated to a new 1-year Segment along with any Policy Value allocated from other sources to the same Indexed Account. The policy owner may also direct the proceeds to be allocated to a different Indexed Account or to the Fixed Account.
- Allocation and transfer instructions, and any new premium payments must be received at least three business days (the Lock In Date) prior to the Segment Initiation Date in order to be included in the next Segment.
- Index Segments are created on the 15th of each month and interest, in the form of an Indexed Segment Interest Credit, is credited separately to each Segment at its maturity.
- Transfers from the Fixed Account and new premiums allocated to the Indexed Accounts earn interest at the Fixed Account Rate until designated to a Segment.
- There is a Guaranteed Indexed Account Multiplier that will be applied to interest earned in the Index Appreciation Account at the beginning of policy year 6. Beginning in policy year 6, the multiplier increases the interest earned in each maturing Indexed Segment by 5.00%

Capped Indexed Account

Segments in the Capped Indexed Account may earn an Index Segment Interest Credit based on the performance of the Index, subject to the following:

- 11.5%[2] current Segment Cap Rate
  (guaranteed 3.0% Segment Minimum Cap Rate);
- 0% guaranteed Segment Floor Rate;
- S&P 500 Index, without dividends;
- 1 year Segment Term; and
- 100% guaranteed Participation Rate.

On its Segment Maturity Date, each Segment earns and Index Segment Credit at a Segment Growth Rate equal to the rate of change in the Index during the Segment Term multiplied by the Participation Rate. The Segment Growth Rate is floored at the 0% Segment Floor Rate and capped at the Segment Cap Rate. Starting in Policy Year 6, the Segment Growth Rate is multiplied by 1.05.

John Hancock may change the Segment Cap Rate for future Segments; however it will never be less than the Segment Minimum Cap Rate. The rate in effect on the Segment Initiation Date is guaranteed for the full duration of that Segment Term.

Uncapped Indexed Account

Segments in the Uncapped Indexed Account may earn an Index Segment Interest Credit based on the performance of the Index, subject to the following:

- No Segment Cap Rate;
- 6%[3] current Segment Threshold Rate
  (20% guaranteed Segment Maximum Threshold Rate);
- 0% guaranteed Segment Floor Rate;
- S&P 500 Index, without dividends;
- 1 year Segment Term; and
- 100% guaranteed Participation Rate.

On its Segment Maturity Date, each Segment earns and Index Segment Credit at a Segment Growth Rate equal to the rate of change in the Index during the Segment Term minus the Segment Threshold Rate. The Segment Growth Rate is floored at the 0% Segment Floor Rate. Starting in Policy Year 6, the Segment Growth Rate is multiplied by 1.05.

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[2] For New York policies, the current Segment Cap Rate is 10.5%.
[3] For New York policies, the current Segment Threshold Rate is 6.5%.

John Hancock may change the Segment Threshold Rate for future Segments; however it will never be greater than the Segment Maximum Threshold Rate. The rate in effect on the Segment Initiation Date is guaranteed for the full duration of that Segment Term.

High Par Capped Indexed Account

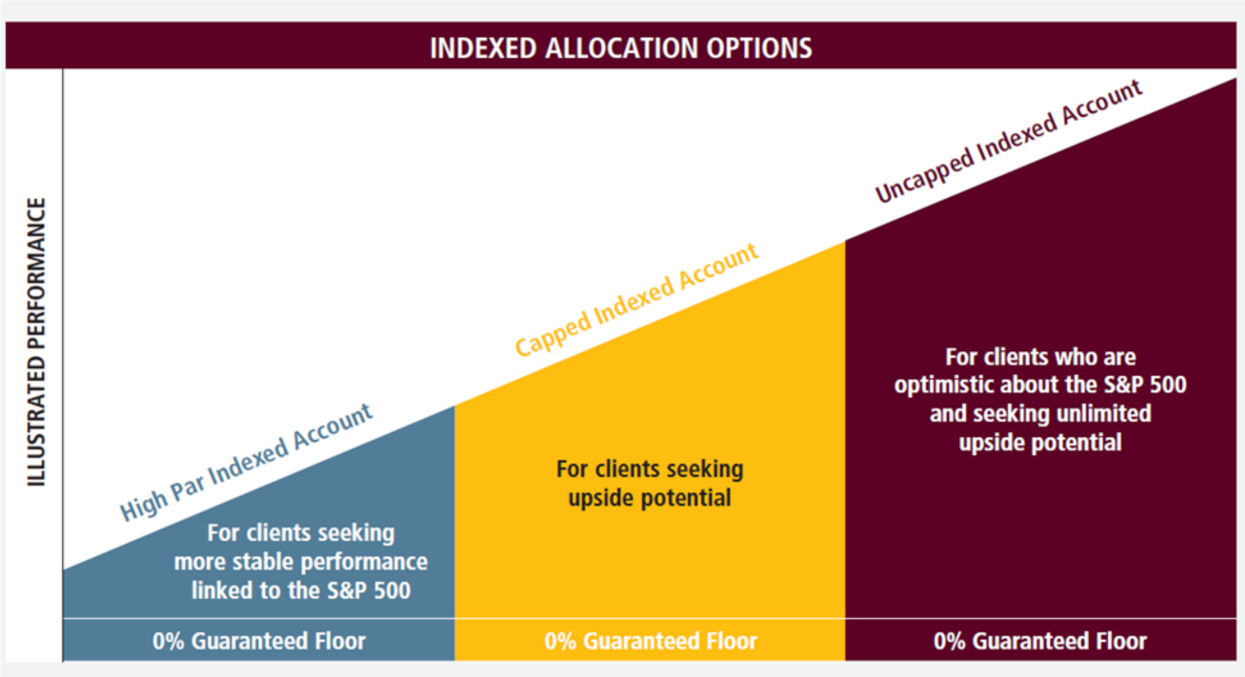
Segments in the High Par Indexed Account may earn an Index Segment Interest Credit based on the performance of the Index, subject to the following:

• 10%[4] current Segment Cap Rate)
(guaranteed 2.5% Segment Minimum Cap Rate in all jurisdictions);
• 160% Participation Rate (140% guaranteed)
• 0% guaranteed Segment Floor Rate;
• S&P 500 Index, without dividends; and
• 1 year Segment Term

On its Segment Maturity Date, each Segment earns and Index Segment Credit at a Segment Growth Rate equal to the rate of change in the Index during the Segment Term multiplied by the Participation Rate. The Segment Growth Rate is floored at the 0% Segment Floor Rate and capped at the Segment Cap Rate. Starting in Policy Year 6, the Segment Growth Rate is multiplied by 1.05.

John Hancock may change the Segment Cap Rate for future Segments; however it will never be less than the Segment Minimum Cap Rate. John Hancock may also change the participation rate for future segments; however it will never be less than the guaranteed Participation Rate. The rate in effect on the Segment Initiation Date is guaranteed for the full duration of that Segment Term.

[4] For New York policies, the current Segment Cap Rate is 9%.



Premium and Segment Proceeds Allocations

Premium allocation instructions as well as Segment Proceeds allocations are both subject to the Lock In Date and may be subject to a Lock Out Period. Accumulation IUL's Lock In Date is the end of the third Business Day prior to the Segment Initiation Date, and the Segment Initiation Date is the 15th of each calendar month. A Lock Out Period only occurs as a result of some types of withdrawals. See the Withdrawals section for more information on the Lock Out Period.

Premium Allocations

John Hancock allocates Net Premiums (premium received less a Premium Charge) as instructed by the policy owner to any combination of the Fixed Account, the Capped Indexed Account, Uncapped Indexed Account and the High Par Indexed Account.

- Any amounts allocated to an Indexed Account earn interest at the same rate as the Fixed Account, until being designated to a Segment.
- Net Premiums received prior to the Lock In Date and allocated to an Indexed Account will be included in the Initial Segment Balance for a new Segment at that Segment Initiation Date.
- Net Premiums received after a Lock In Date and allocated to an Indexed Account will be included in an Initial Segment Balance for a new Segment on the next following Segment Initiation Date.
- Any change requested to premium allocation instructions will affect the allocation of future premiums, but not change the allocation of any previous premium payments made.

Segment Proceeds Allocations

On the Segment Maturity Date maturing Segment Proceeds are allocated as instructed by the policy owner to any combination of the Fixed Account, the Capped Indexed Account, Uncapped Indexed Account and the High Par Indexed Account.

- Indexed Account Segment Proceeds allocation instructions received after the Lock In Date will only apply to Indexed Account Segments maturing on the next following Segment Maturity Date.
- In the absence of Segment Proceeds reallocation instructions, a maturing Segment will by default reallocate to a new Segment of the same Indexed Account type.

Example: If the Segment starts in January, the policy owner has until the next January to change where maturing Segments are allocated.

Transfers to the Indexed Accounts

A policy owner may transfer a portion of their Policy Value from the Fixed Account to any Indexed Account at any time.

- Amounts transferred to an Indexed Account prior to the Lock In Date will be included in the Indexed Account's Initial Segment Balance at that month's Segment Initiation Date.
- Amounts transferred to an Indexed Account after a Lock In Date will be included in the Initial Segment Balance on the next following month's Segment Initiation Date.
- A request to transfer Policy Value to an Indexed Account may be specified as a dollar amount or a percentage of the Fixed Account.
- Transferring balances from any Indexed Account to the Fixed Account is not allowed; however the policy owner may elect to allocate maturing Segment Proceeds to the Fixed Account. Those funds move to the Fixed Account at the Segment Maturity Date.
- Transfers are subject to a Lock Out Period following a withdrawal from a Segment as described in the Withdrawals section.

Automated Transfers

A strategy that may help reduce exposure to market volatility by transferring a set dollar amount from the Fixed Account to the Indexed Account(s) every month. In order to use the Automated Transfer Option:

- The policy owner initially allocates some portion of their net premium (up to 100%) to the Fixed Account, and then completes a Transfer and Allocation Change form specifying the amount that they wish to have transferred to any (or all) of the Indexed Accounts each month.
- Then on each monthly processing date, we begin transferring the requested amount as directed by the policy owner. Assuming that the transfer request is submitted at least three business days before the Segment Initiation Date, a new Segment will be created on the next Segment Initiation Date.
- Automated Transfers will continue until the policy owner requests that they be terminated, or the balance in the Fixed Account is no longer sufficient to complete the transfer.

Allocation & Transfer Cancellation

Should a policy owner change their mind and wish to cancel a previously requested allocation and/or transfer to the Indexed Accounts, prior to those amounts being allocated to a new Segment, the policy owner must submit a cancellation request.

- Cancellation requests must be in writing, and submitted no later than the Lock In Date.
- A cancellation changes the earlier transfer and/or allocation of funds instructions, and results in a direction of those amounts to the Fixed Account.

Cumulative Guarantee

A Cumulative Guarantee ensures a minimum average annualized rate of return of 2% (less policy charges) over the life of the policy, upon surrender. Accumulation IUL policies includes a Cumulative Guarantee used for purposes of calculating the Insurance Benefit and the Cash Surrender Value. The Policy Value used for these purposes (only) is the greater of the usual Policy Value and an alternate Policy Value calculated assuming:

- Net Premiums accumulate at interest in the manner applicable to amounts accumulated in the Fixed Account;
- Monthly Deductions and withdrawals, including any applicable charges, are made from the amount accumulated as described above, in the manner applicable to the Fixed Account; and
- A 2% Cumulative Guaranteed Interest Rate is used to credit this amount.

The Cumulative Guarantee does not increase the amount available for withdrawals or policy loans, and does not affect the amount available for transfers or allocations.

Flexible Death Benefit Options

Policy owners choose a level or an increasing death benefit at the time the policy is issued.

Option 1 — Level

The death benefit is equal to the total face amount plus the Return of Premium (ROP) benefit, if elected. As the Policy Value increases, the pure insurance protection (Net Amount at Risk) decreases. Cost of Insurance charges are assessed on the basis of the Net Amount at Risk.

If the Return of Premium (ROP) rider is elected, the death benefit will increase according to the provision of the ROP rider. For additional information, please see the Return of Premium, in the Rider section.

Option 2 — Increasing Death Benefit

The death benefit equals the Total Face Amount plus the Policy Value each year (note that some riders are not available in combination with this option). The result is a death benefit pattern that varies based on the Policy Value. Policy owners should select the increasing death benefit option if they wish to have the Policy Value reflected in the death benefit; so that any increase in the Policy Value will increase the death benefit.

Death Benefit Option Changes

Policy owners may switch from Death Benefit Option 2 to Death Benefit Option 1 after the first Policy Year. This is a contractual change that must be requested in writing. A switch in options is effective on policy anniversary only. Death Benefit Option changes from Option 1 to Option 2 are not permitted.

- Changing from the Increasing Death Benefit Option (2) to the Level Death Benefit Option (1) is not considered a material change for Technical and Miscellaneous Revenue Act (TAMRA) purposes because the overall death benefit will not increase. No additional underwriting is required.

Definition of Life Insurance

There are two tests used to determine if a policy qualifies as life insurance for income tax purposes:

- The Cash Value Accumulation Test (CVAT), and
- The Guideline Premium Test (GPT).

One of these two definitions must be selected at issue. Once elected, the tax test cannot be changed. Ultimately, the choice of insurance tax tests must be made on a case-by-case basis.

- For older insured's and in highly funded situations, CVAT may be the preferred choice.
- For minimum-funded situations, the choice of tax tests will normally not be an issue; since the death benefit will usually remain level.
- For higher funded situations, particularly for younger insureds, the choice can have a significant impact on value. You will want to review illustrations utilizing both tests before making a decision.

Available Coverage

Base Face Amount (BFA)

All Accumulation IUL policies include a Base Face Amount; which is the principal life insurance coverage provided by the policy.

Supplemental Face Amount (SFA)

The Supplemental Face Amount is an additional amount of insurance coverage that may be used to supplement the Basic Face Amount. SFA may be elected at issue, or added after the first Policy Year. Supplemental Face Amount coverage may be defined in one of three ways:

- As a level amount for the life of the policy;

- As an amount which increases by a specified percentage from year to year, over the life of the policy; or
- As an amount which increases by a specific dollar amount according to a schedule.

Supplemental Face Amount does not have a specific billable premium associated with it, and there are no Surrender Charges associated with this coverage. SFA uses unique Cost of Insurance rates.

Face Amount Limits

Minimum Face Amounts

Total Face Amount:	$50,000
Base Face Amount (BFA):	$50,000
Supplemental Face Amount (SFA):	No minimum

Maximum Face Amounts at Issue

Base Face Amount (BFA)

- There is no specific maximum for BFA; however the Face Amount is subject to underwriting and retention limits

Supplemental Face Amount (SFA)

- Up to four times the Face Amount is allowed
- Maximum coverage is subject to underwriting and retention limits

Face Increases

BFA Coverage

- Base Face Amount increases are not permitted

SFA Coverage

- Scheduled SFA increases are available up to attained age 90
- Subject to underwriting approval
- Total increases may not exceed four times the Total Face Amount at issue
- Increases in one Policy Year may not exceed 25% of the Total Face Amount at issue
- The minimum amount of SFA increase is $50,000
- Not allowed with Term Conversions, Return of Premium rider, LTC rider or Disability Payment of Specified Premium riders

Face Decreases

- Allowed after the first policy anniversary
- Minimum Face Amount decrease permitted is $50,000
- Base Face Amount may not be decreased below Minimum Base Face Amount
- Pro rata Surrender Charges will apply during the Surrender Charge period
- Requests to reduce the face amount or stop previously scheduled increases will terminate any future scheduled increases.
- A 10% Base Face Amount decrease is permitted without a Surrender Charge at the time of decrease

Product Features

Issue Ages and Risk Classes

Fully-Underwritten Risk Classes	**Issue Ages**
Super Preferred Non Smoker	20 – 80
Preferred Non Smoker	20 – 90
Standard Plus Non Smoker	20 – 90
Standard Non Smoker	3 months – 90
Substandard Non Smoker	3 months – 90
Preferred Smoker	20 – 90
Standard Smoker	20 – 90
Substandard Smoker	20 – 90

Note: Accumulation IUL with Vitality available at ages 20-70

Flat Extras – Non-medical flat extras for aviation, avocations, and foreign risks are allowed on all fully underwritten risk classes except Super Preferred. Medical flat extras are not allowed on risk classes better than Standard. See the Underwriting Guide for complete details.

No-Lapse Guarantee

During the No-Lapse Guarantee Period, if the policy's Net Cash Surrender Value should fall to zero or below, the policy's Base Face Amount coverage will continue provided that the No-Lapse Guarantee Cumulative Premium Test is satisfied. The policy's Supplemental Face Amount coverage and any Return of Premium coverage are also covered by this feature, but generally for a shorter period (see the table below). There is no additional charge for the No-Lapse Guarantee benefit, and it is included with every Accumulation IUL policy.

- If a policy loan is outstanding at the time your Net Policy Value falls to zero, the No-Lapse Guarantee will not prevent the policy from lapsing.
- Once the No-Lapse Guarantee benefit is terminates, it cannot be reinstated.

No Lapse Guarantee Coverage Period

Base Face Amount	The length of the No-Lapse Guarantee is generally 15 years; however varies for older insureds and for policies electing increasing Supplemental Face Amount coverage or the Return of Premium Rider.* **Insureds 0-55** 15 years **Insureds 56-64** For issue ages 56-64, the NLG Period grades down 1 year for each age (e.g. 14 years for 56, 13 years for 57, etc) until reaching 5 years. **Insureds 65+** 5 years
Supplemental Face Amount	First 5 Policy Years.
Return of Premium Coverage	First 5 Policy Years.

* Note that if increasing Supplemental Face Amount coverage or the Return of Premium Death Benefit Rider are elected, No-Lapse Guarantee protection for the Base Face Amount coverage is limited to the first 5 Policy Years.

No-Lapse Guarantee Premium Test

The No-Lapse Guarantee Premium Test is performed each policy month that the policy would otherwise be in default.

- The policy satisfies the test if the sum of the premiums received, less any loans and withdrawals taken on or before that date, is equal to or greater than the sum of the monthly No-Lapse Guarantee Premiums due from the Policy Date to the date of the test.
- The No-Lapse Guarantee Premium is shown as an annualized amount on the policy contract.
- A Death Benefit Option change; adding, terminating or changing a rider; an unscheduled increase or decrease to the Supplemental Face Amount coverage; a Base Face Amount decrease; or a change to the Life Insured's Risk Classification or Additional Rating may all cause the No-Lapse Guarantee Premium to be recalculated, or in some cases result in the No-Lapse Guarantee terminating.

Quit Smoking Incentive

The Quit Smoking Incentive (QSI) allows all Standard and Preferred Smokers to receive Standard Non Smoker policy charges for the first three policy years. To maintain Non Smoker policy charges beyond year three, the insured must provide satisfactory evidence* that he/she has quit smoking for at least 12 consecutive months and their microurinalysis must be free of nicotine or metabolites.

Please note the following:

- Available for issue ages 20–70
- Not available for substandard ratings
- Term Conversions and internal replacements will require additional underwriting if the original policy (replaced or converted) was issued more than three years ago
- Policies upgraded to Standard Smoker via the HealthStyles program will require additional underwriting
- The earliest an insured can request a change to Non Smoker is on or after the first policy anniversary

*For more details on the underwriting evidence required, please refer to our smoking class change guidelines.

Coverage Beyond Age 121

The policy does not mature; provided that funding is sufficient, the policy will remain in force until the insured's death. At age 121:

- Policy and rider charges cease.
- Premiums are not required or permitted.
- Interest continues to accumulate on the policy value.
- Loan repayments continue to be accepted on existing loans.
- Interest continues to be charged on outstanding loans until a death claim is made (the policy may lapse if policy debt ever equals or exceeds the policy value).
- New loans and withdrawals are allowed.
- SFA coverage will terminate.
- Persistency Bonus will cease

Flexible Premium Payments

Policy owners may choose when to make premium payments and how much to pay (the maximum subject to underwriting and tax implications).

Minimum Initial Premium (MIP)

This is the premium amount required to issue the policy, including all riders in force for the first policy month.

- The MIP is equal to 1/12 of the Annual No Lapse Guarantee Premium.
- If the Cash Value Enhancement (CVE) is elected, the rider charge is added to the MIP calculation.
- The selection of SFA or ROP rider may increase the minimum initial premium.
- A greater amount of initial premium is also required if the policy is backdated.

Maximum First-Year Premium

First-year premiums on MEC policies are limited to a maximum of $3 million.

Target Commissionable Premium (TCP)

This is the amount of premium that is fully commissionable. The target premium includes all commissionable riders and ratings. This premium will not necessarily keep the policy in force through age 121.

Rolling Targets

If the premium received in the first year is less than the Target Commissionable Premium, premium paid in the second year up to the TCP will earn first year commission rate. Rolling Targets is not available in New York.

Planned Premium

The premium the policy owner plans to pay, subject to maximum premium limits. The Planned Premium may be changed at any time. The available premium modes are:

- Annual;
- Semi-annual;
- Quarterly; or
- Monthly (requires electronic fund transfer)

Maximum Premium

For Guideline Premium Test policies, the sum of the premiums paid may never exceed the greater of:

a) The single premium necessary to fund future benefits under the contract (DEFRA Guideline Single Premium), or

b) The sum of the maximum annual premiums to the end of the current Policy Year i.e. DEFRA Guideline Level Premium (GLP). This sum will end at attained age 100. The maximum premiums under this test will not increase for issue ages above 100. However, if the policy is still in-force at age 100, John Hancock does not allow for future premium payments to be made.

7-Pay Premium:

The 7-pay premiums will be based on the guaranteed COI rates and 4% interest. The 7-pay test is initiated at issue and each time there is a material change (a change in the terms or benefits under the contract). Failure of the policy to pass the 7-pay test will result in the reclassification of the policy as a Modified Endowment Contract (MEC), rather than as a regular life insurance contract. In order to pass the 7-pay test, a policy's cumulative premium payments may not exceed the cumulative 7-pay maximum annual premium. The 7-pay premium is based on the lowest death benefit within seven years of issue or within seven years of a material change.

LifeTrack Policy Management

LifeTrack is an optional approach to policy management. This industry-first, quick and easy solution is designed to keep your clients' policies on track to meet their coverage objectives. Each year, LifeTrack automatically calculates a premium that takes into account actual policy performance and updated assumptions about the future. With LifeTrack, you can be confident your clients are paying the right amount of premium to meet their goals. We'll even send them an Annual Report showing how their policies are tracking relative to these objectives, along with an email showing how much more they can save by reaching a higher Vitality Status level. For more information please refer to the LifeTrack Frequently Asked Questions (FAQ) posted on your producer website.

Policy Riders

Vitality Program (Healthy Engagement Rider)

The Vitality Program provides an opportunity for the Policy Value to earn Rider Credits based on healthy actions taken by the insured each year through attained age 80. Each year, the insured can earn Vitality Points by completing simple health-related activities. These points are used to determine the Vitality Status in any given year. The Vitality Status on each policy anniversary is used to determine the level of Rider Credits applied to a policy.

- Available for all risk classes (including substandard) from issue ages 20-70
- Not available to foreign residents
- Available on policies of any size. For policies with a death benefit greater than $20M, credits will be applied to the first $20M of death benefit. *
- The Rider Credit that applies to the Policy Value is equal to that month's Cost of Insurance Charges multiplied by that Policy Year's Rider Credit Multiplier. The Rider Credit Multiplier is determined by the Vitality Status attained by the insured over the last twenty Policy Years. This allows the insured's healthy actions to have a positive effect on the policy for up to twenty years after those actions are taken.
- A monthly charge of $2 is deducted through attained age 80 if the Rider is elected.
- The rider can be cancelled at any time by policy owner request. Once cancelled, the rider cannot be reinstated.
- At the earlier of attained age 80 or when the policy owner cancels this rider, the charge will cease, no new Status levels will be attained, and all previously earned Rider Credits will continue to apply to the policy.
- The rider credit will be applied to the fixed account and index accounts in the same proportion as the value of these accounts compared to the total Policy Value.

*The maximum face amount per life insured for all policies with the Healthy Engagement coverage is $20,000,000.

Cash Value Enhancement (CVE) Rider

This rider enhances the Cash Surrender Value for the first five Policy Years; by waiving a portion of the Surrender Charge that otherwise would be deducted if the policy is (fully) surrendered during this period. Conditions apply, including that the surrender cannot be done with the intention of exchanging the policy under IRS Section 1035.

Cost	There is a one-time charge of $500 payable at issue.
Compensation	This rider impacts compensation and extends the chargeback period.
Termination	The benefit terminates when the policy is terminated.

Return of Premium (ROP) Rider

The Return of Premium (ROP) rider provides policy owners with an additional insurance amount equal to a percentage of premiums paid, up to 100%.

The Return of Premium Rider allows policy owners to select a percentage of the premiums paid to be returned to the beneficiaries in addition to the death benefit. There are costs associated with the ROP rider, as well as limitations on the cumulative amount that can be returned. Not available in conjunction with certain other riders, as noted below.

The amount of ROP coverage cannot exceed the maximum benefit amount, which is determined at policy issue and is stated on the Policy Information Page. The initial value of the ROP is equal to the ROP percentage times the initial premium paid. Any subsequent premiums will increase the coverage at the time of the payment by the ROP percentage times that premium, up to the maximum benefit amount. ROP remains in effect after age 100.

Cost	The Cost of Insurance for the Return of Premium rider is charged monthly as part of the Monthly Deduction under the policy, and ceases when Monthly Deductions cease under the policy.
Increases	The benefit will cease to increase at the earlier of the written request by the policy owner, or when the Return of Premium rider equals the maximum benefit amount. ROP increases also cease at age 100; at which point the death benefit becomes level.
Decreases	The policy owner can request a decrease in the Return of Premium Death Benefit coverage amount. A requested decrease will cause all future increases to the Return of Premium coverage to cease.
Termination	The benefit terminates at the same time as the policy. It cannot be terminated prior to the policy.

Note: This rider is only available at issue with Death Benefit Option 1. It may not be used in conjunction with Increasing SFA, LTC rider or DPSP..

Disability Payment of Specified Premium

The Disability Payment of Specified Premium rider pays policy premiums in the event that the insured becomes totally disabled. The premium amount covered by this rider is elected at issue, but may be decreased by the policy owner afterward. Any increase requires underwriting approval. If the insured should become totally disabled, there is a six month elimination period; after which the rider benefit begins. The first benefit amount includes all premiums that would have been paid back to the beginning of the elimination period.

Issue Ages	Available to issue ages 20 – 60.
Issue Restrictions	This rider is not available with increasing SFA coverage or ROP, and is not offered on policies with a rating in excess of 200%, or flat extra over $10.
Maximum Specified Monthly Premium	The lesser of: 1/12TCP, 1/12 Annual Premium or $3,500.
Benefit Duration	• *For a disability that begins before the Policy Anniversary nearest the insured's 60th birthday* – The specified premium amount is paid while the insured remains disabled until the policy is terminated. • *For a disability that begins on or after the Policy Anniversary nearest the insured's 60th birthday* – The specified premium amount is paid while the insured remains disabled until the policy anniversary nearest the insured's 65th birthday, or the policy is terminated, whichever comes first.
Cost	The cost of this rider is an amount per $1000 of monthly specified premium. The cost varies by insured's issue age, gender, and smoking status. The charge ceases when the rider terminates.
Termination	The policy owner can terminate this rider at any time. The rider automatically terminates on the policy anniversary nearest the insured's 65th birthday, or when the policy is terminated. Note: This rider is not available with ROP rider.

Accelerated Benefit Rider

The Accelerated Benefit Rider provides a "living benefit" if the insured is certified to be terminally ill (documented life expectancy of one year or less). This rider provides up to 50% of the death benefit, with a maximum of $1,000,000. The benefit may be added at any time to a policy in good standing, regardless of current health, provided that the policy meets the following conditions:

Age Restrictions	• There are no age restrictions to add or exercise this rider
Other Conditions	• There must be at least one year remaining in the benefit period • The consent of an irrevocable beneficiary and/or an assignee (if any) is required • The benefit must be claimed voluntarily and not to satisfy creditors or for government benefits
Death Benefit Reduction	• The death benefit is reduced by the rider benefit amount plus one year's interest at current loan rates on the benefit paid, plus an administrative expense charge.
Cost	• There is no additional charge for this rider, (if it's never invoked) and its addition to a policy does not affect the premiums due or any interest paid on the policy.
Tax Considerations	• Benefits may be taxable under current tax law. Policy owners should consult their personal tax advisors regarding the tax implications of benefits received under the Accelerated Benefit.

Overloan Protection Rider (OPR)[5]

OPR creates a paid-up policy in those situations where the policy has incurred excessive indebtedness. The rider freezes the policy, and stops any additional charges from being assessed; thereby preventing the policy from lapsing, and possibly preventing a taxable event for the policy owner. The Overloan Protection Rider is available to policy owners choosing either the Guideline Premium Test or the Cash Value Accumulation Test.

Issue Ages	• Available to issue ages 0-90
MEC Restriction	• Policy cannot be a Modified Endowment Contract.
Exercise Conditions	• The policy must be in-force at least 15 years. • The life insured must have attained at least age 75 or older. • Policies with an Increasing Death Benefit Option (2) must be changed to the Level Death Benefit Option (1). • There must be enough Policy Value remaining to cover the OPR rider charge. • Policy debt must be greater than the Total Face Amount (including BFA, SFA, and ROP), but less than 99.9% of the Policy Value after deducting the OPR charge.

[5] When the Overloan Protection rider causes the policy to be converted into a fixed policy, there is risk that the Internal Revenue Service could assert that the policy has been effectively terminated and that the outstanding loan balance should be treated as a distribution. Depending on the circumstances, all or part of such deemed distribution may be taxable as income. You should consult a tax adviser as to the risks associated with the Overloan Protection rider.

Effect on Policy	• No further Monthly Deductions will be taken. • No further premium payments will be accepted. • Any supplementary rider requiring a Monthly Deduction will be terminated. • No changes can be made to the policy that involve an increase or decrease to coverage. • Loan interest on outstanding indebtedness will continue to accrue, and loan payments may continue to be made. • No new loans or withdrawals will be allowed. • The Segment proceeds from all maturing Indexed Account Segments will be transferred to the Fixed Account on the Segment Maturity Date for that Segment.
Cost	• There is no charge for this rider if it is never invoked. • The one-time charge is equal to a percentage of the Policy Value at the time the rider is exercised. The rate varies by attained age and the Definition of Life Insurance test.
Termination	• The benefit terminates when the policy is terminated; the insured's attained age when Monthly Deductions cease; or if the rider is invoked, when requested in writing.

Long-Term Care (LTC) Rider[6]

Provides funds to help pay for qualified long-term care expenses by accelerating the death benefit. The Maximum Monthly Benefit Amount is based on 1%, 2% or 4% of the accelerated benefit amount elected at issue. The rider is available on level (Option 1) and increasing (Option 2) death benefit options.*

- Not available with increasing SFA or ROP rider
- The Long-Term Care pool can differ from the Death Benefit (LTC pool can never be greater)*
- In New York, the LTC rider is only available when the Accelerated Benefit rider has also been elected
- A separate charge is deducted if this optional rider is selected

  Note: If the LTC rider is selected, the maximum monthly benefit is $50,000 per insured.

*Not available in all states.

Note: for additional information on this rider, please see the *LTC rider Technical Guide*, which is available at www.jhsalesnet.com.

[6] 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.jhsalesnet.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.

Policy Charges

Premium Charge

The Premium Charge is a percentage of each premium paid, which is deducted from the premium at the time that it is received, before applying the payment to the Policy Value.

- Policy Year 1: 9%
- Policy Years 2-10: 8%
- Policy Years 11+ 2%

Administrative Charge

This charge is a flat fee applied each month as part of the Monthly Deduction. The current and guaranteed charges are the same, and the rate remains level in all policy years.

$10 per month in all policy years

Per $1,000 Base Face Amount Charge

A charge per $1,000 of current Base Face Amount.

- Rate varies by issue age, gender and risk class.
- Duration of charge varies by issue age

Cost of Insurance (COI) Charge

The COI is a charge per $1,000 of net amount at rosk that is deducted monthly.

- Current: Mortality charge varies by issue age, gender, risk class and policy duration
- Guaranteed: Based on the 2001 CSO Smoker and Gender Distinct Ultimate Mortality Table

Surrender Charge

A Surrender Charge is deducted in the event of a full surrender, and is charged on a pro-rata basis for a withdrawal that results in a Base Face Amount decrease. The current and guaranteed charges are the same.

- A charge per $1,000 of Base Face Amount at issue, deducted in the event of a full surrender
- Varies by issue age, gender, face amount. premiums paid and policy duration
- The charge grades down monthly over 10 years and is 0% in years 11 and after

Advance Contribution Charge

An Advance Contribution Charge is assessed on each monthly processing date when the cumulative premiums paid exceed the Advance Contribution Limit times the Policy Year. The Advance Contribution Charge rates and Advance Contribution Limit are both shown in the policy contract.

Accessing the Policy Value

There are two methods for accessing the Policy Value: a Policy Loan or Withdrawal.[7] There are also two different policy loan options – a Standard Loan and an Index Loan. It's important to understand the differences between these options as well as the possible affects a loan or withdrawal can have on a policy.

Policy Loans

The net death benefit is reduced by the amount of the loan. If the policy should lapse while a loan is outstanding, the loan will be treated as a distribution from the policy, and there may be tax consequences as a result.

Availability Policy loans are available at any time after the policy is in-force.

Minimum Loan $500

Maximum Loan The maximum loan amount available is the Net Cash Surrender Value (the Cash Surrender Value adjusted for any outstanding loans), minus estimated Loan Interest Charged (using the Index Loan rate) and Monthly Deductions due to the next Policy Anniversary. The amount available is never less than 90% of the Net Cash Surrender Value.

Loan Options The policy owner has the choice of two policy loan options: a Standard Loan and an Index Loan. The most significant difference between these two options is how the loans are secured.

- Standard Loans are generally secured by a Loan Account. This guarantees that the net cost of the loan will not exceed 1.25% annually (see Standard Loan Rates).
- Index Loans are generally secured against the Index Appreciation Account.
- Only the Standard Loan option is available during the first 3 Policy Years.
- Loan option changes are permitted once a year (on the Policy Anniversary)

The two types of loan options are described in more detail in the two sections that follow.

Changing the Loan Option The policy owner may change their Loan Option no more frequently than once a year, and only on the Policy Anniversary.

- Change from the Index Loan option to the Standard Loan option – On the Policy Anniversary next following the loan option change request we will begin transferring the proceeds from each Indexed Account Segment, as it matures, to the Loan Account. We continue doing this each Segment Maturity Date, until the loan is fully secured as a Standard Loan.
- Change from the Standard Loan option to the Index Loan option – On the Policy Anniversary next following the loan option change request we will transfer the balance of the Loan Account to the Capped Indexed Account.

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[7] Loans and withdrawals will reduce the death benefit and the 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. Withdrawals in excess of the cost basis (premiums paid) will be subject to tax and certain withdrawals within the first 15 years may be subject to recapture tax. Additionally, 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. Cash value available for loans and withdrawals may be more or less than originally invested. Withdrawals are available after the first policy year.

Standard Loan

When policy owners borrow a portion of their policy value in the form of a Standard Loan, we transfer the same amount (to the extent possible) from the Fixed Account into a Loan Account.

- The Loan Account balance serves as collateral for the outstanding loan.
- Interest is credited to the Loan Account and interest is also charged on the Policy Debt at a fixed loan rate.
- The net cost of the loan is the difference between the loan interest rate charged and the interest the Loan Account is credited.
- Any amount borrowed in excess of the Fixed Account is secured by the two Index Accounts, similar to an Index Loan (see below); however as Indexed Account Segments mature, those proceeds will be transferred to the Loan Account until the loan is fully-capitalized as a Standard Loan.

Index Loan

Index loans are available after the third Policy Year. Unlike a Standard Loan, when policy owners borrow a portion of their policy value in the form of an Index Loan, there is no transfer of policy value to a Loan Account from either the Fixed Account or the Index Appreciation Account.

- The policy value remains in the Index Appreciation Account and serves as collateral for the loan.
- No specific rate of interest is credited to the collateral amount in the Index Appreciation Account; rather the entire balance in the Index Appreciation Account still earns interest credited at each Segment Maturity.
- The net cost of the loan is the difference between the interest charged on the policy loan and the interest credited to the portion of the policy value that collateralizes the loan.
- Index Loans carry significantly more risk to the policy owner than Standard Loans.
- Any amount borrowed in excess of the balance in the two Indexed Accounts is secured by the Fixed Account, similar to a Standard Loan (see above).

Standard Loan Rates

The loan spread is the difference between the loan rate charged on a Standard Loan and the interest rate credited to the policy's Loan Account. This is the net cost of borrowing against the policy when taking a Standard Loan (assuming that loan is fully collateralized by balances transferred from the Fixed Account). Note that there is no predefined loan spread for an Index Loan.

Current	Interest Charged	Interest Credited
Years 1–10:	3.25%	2.00%
Years 11+:	2.00%	2.00%
Guaranteed[9]		
Years 1–10:	3.25%	2.00%
Years 11+:	2.25%	2.00%

Tax Considerations

Based on current tax laws, loans are not taxed as long as the policy is not a Modified Endowment Contract (MEC) and the policy stays in-force.

Please Note: Index Loans can have the effect of amplifying – both positively and negatively – the impact that Index Appreciation Account performance has on the policy. **Therefore, Index Loans carry significantly more risk to the policy owner than Standard Loans.**

[9] In New York, the Standard Loan Rate is 3.25% in years 1–10, and 2.00% thereafter. The loan interest rate is guaranteed not to exceed 3.50% in years 1–10, and 2.25% thereafter. Interest is credited to the Loan Account at a guaranteed fixed rate of 2.00% in all years.

Withdrawal of Policy Value

The death benefit will decrease by the amount of the withdrawal or by a greater amount than the withdrawal if the policy is in corridor. If the withdrawal occurs during the policy Surrender Charge Period, a proportionate amount of the Surrender Charge will be applied to the BFA decrease amount.

Availability	Withdrawals reduce the Policy Value and the Death Benefit. Withdrawals are allowed once per policy month after the first policy anniversary.
Minimum Withdrawal	$500
Maximum Withdrawal	The remaining Net Cash Surrender Value after a withdrawal must be at least equal to 3 times the Monthly Deductions at the time of the withdrawal.
Withdrawals – Indexed Account Considerations	• Withdrawals and any related Surrender Charge amounts are first deducted from the Fixed Account and then from Segments in the Indexed Accounts on a proportionate basis. • A withdrawal from the Indexed Accounts which was not pre-scheduled using the Systematic Withdrawal program (see below) will initiate a 1-year Lock Out Period. • During a Lock Out Period, no new Segments in any Indexed Account (except for those resulting from a maturing Segment) may be created.
Systematic Withdrawals	• A Systematic Withdrawal is a series of (more than one) periodic withdrawals prescheduled with a start date, and (generally) an end date. • If the policy owner cancels a scheduled Systematic Withdrawal after the schedule has begun, then any remaining withdrawals scheduled will also be cancelled. This also precludes the client from setting up a new Systematic Withdrawal schedule for 1 year.

Glossary of Terms

Adjusted Segment Crediting Balance means, on the Segment Maturity Date, the Initial Segment Balance less amounts deducted during the Segment Term for all Monthly Deductions, withdrawals, and any other deductions. For purposes of this calculation, each deduction is first multiplied by the ratio of the number of months remaining in the Segment Term after the date of the deduction divided by the number of months in the entire Segment Term.

Age means, on any Policy Anniversary, the age of the person in question at his or her birthday nearest that date.

Annual Processing Date means every 12th Processing Date starting with the Processing Date next after the Policy Date.

Business Day means any day that John Hancock is open for business and the New York Stock Exchange is open for trading. John Hancock deems each Business Day to end at the close of regularly scheduled trading of the New York Stock Exchange (currently 4:00 p.m. Eastern Time) on that day.

Cash Surrender Value means the Policy Value less the Surrender Charge.

Closing Value means a value of the Index at the end of a Business Day. If the date prior to a Segment Initiation Date or a Segment Maturity Date is not a Business Day, the Closing Value will be the value of the Index on the close of the previous Business Day.

Guaranteed Interest Account means that part of the Policy Value, not in the Index Appreciation Account or the Loan Account, that receives a declared rate of interest.

Index means the external index for each Indexed Account as shown in the policy.

Indexed Account means one of the accounts included within the Index Appreciation Account. Each Indexed Account is composed of one or more Segments plus amounts allocated to the Indexed Account not yet designated to a Segment. New Segments are created on a Segment Initiation Date, and mature at the end of the Segment Term, on the Segment Maturity Date. Indexed Accounts are shown in the policy.

Index Appreciation Account means the portion of the Policy Value consisting of the sum of values in the Indexed Accounts.

Index Change means the percentage change in the value of the Index over the Segment Term. It is equal to (b) minus (a), the result divided by (a), expressed as a percentage, where:

a) is the Closing Value of the Index on the Business Day prior to the Segment Initiation Date; and

b) is the Closing Value of the Index on a Segment Maturity Date.

Index Loan Principal means the lien against the Index Appreciation Account due to a policy loan.

Index Segment Interest Credit means any interest that will be credited to the Segment Balance on the Segment Maturity Date.

Initial Segment Balance means the Segment Balance on a Segment Initiation Date.

In Force means that the policy has not terminated or been surrendered.

Issue Date means the date the policy is put in force.

Loan Account means that part of the Policy Value that reflects amounts transferred from the Guaranteed Interest Account or the Index Appreciation Account as collateral for a policy loan.

Lock In Date means the date before which any new premium and written requests for allocation or transfer to the Index Appreciation Account must be received by John Hancock in order to be included in the determination of an Initial Segment Balance for a new Segment. The Lock In Date is shown in the policy.

Lock Out Period means a period during which a restriction is imposed upon the creation of new Segments. The Lock Out Period commences on the date of a withdrawal, that is not a Systematic Withdrawal, from a Segment of any Indexed Account prior to the Segment Maturity Date. The duration of the Lock Out Period is as shown in the policy.

Minimum Initial Premium means the minimum premium needed to put the policy in force when the Issue Date is on or before the Policy Date as shown in the policy.

Net Amount at Risk is an amount used for the purpose of calculating the Cost of Insurance charges.

Net Cash Surrender Value means the Cash Surrender Value less the Policy Debt.

Net Policy Value means the Policy Value less the Policy Debt.

Net Premium means the gross premium paid less any Premium Charge.

Partial Surrender Charge Decrease Exemption means the percentage of the Base Face Amount at Issue as shown in the policy in the Table of Values. This percentage is set at issue of the policy. This exemption applies to cumulative decreases in the Base Face Amount of insurance. Once cumulative decreases exceed this exemption, applicable Surrender Charges will apply. The exemption is not applicable to and has no effect on a full surrender of the policy or Net Cash Surrender Value withdrawals.

Participation Rate means the percentage of the Index Change that is used to calculate the Index Segment Interest Credit, if any, for each Segment of an Indexed Account. The guaranteed Participation Percentage is shown for each Indexed Account in the policy.

Planned Premium means the premium that is stated in the application for the policy which is intended to be paid on a regular modal basis.

Policy Date means the date from which charges for the first Monthly Deductions are calculated. The Policy Date is shown in the policy. Policy Years, Policy Months and Policy Anniversaries are determined from the Policy Date.

Policy Debt means as of any date (a) plus (b) plus (c), minus (d), where:

(a) is the total amount of loans borrowed as of such date;

(b) is the total amount of any unpaid loan interest charges borrowed against the policy on a Policy Anniversary;

(c) is any interest charges accrued from the last Policy Anniversary to the current date; and

(d) is the total amount of loan repayments as of such date.

Policy Value means the sum of the values in the Loan Account, the Index Appreciation Account, and the Guaranteed Interest Account.

Policy Year means (a) or (b) below, whichever is applicable.

(a) The first Policy Year is the period beginning on the Policy Date and ending on the day immediately preceding the first Annual Processing Date.

(b) Each subsequent Policy Year is the period beginning on an Annual Processing Date and ending on the day immediately preceding the next Annual Processing Date.

Processing Date means the first day of a Policy Month. A Policy Month shall begin on the day in each calendar month that corresponds to the day of the calendar month on which the Policy Date occurred. If the Policy Date is the 29th, 30th, or 31st day of a calendar month, then for any calendar month that has fewer days, the first day of the Policy Month will be the last day of such calendar month. If the Processing Date falls on a day other than a Business Day, the Processing Date for that Policy Month will be the next Business Day. The Policy Date is not a Processing Date.

Segment means a portion of an Indexed Account in the Index Appreciation Account with a unique Segment Term.

Segment Balance means the portion of Policy Value attributed to a particular Segment of an Indexed Account in the Index Appreciation Account on a given date.

Segment Cap Rate means the maximum rate used in calculating any Index Segment Interest Credit for an applicable Indexed Account. John Hancock will set the Segment Cap Rate for a new Segment no later than three Business Days before the Segment Initiation Date. Once set, the Segment Cap Rate for a Segment will not change during the Segment Term. The Segment Cap Rate will never be less than the Segment Minimum Cap Rate shown in the policy.

Segment Floor Rate means the minimum rate used in calculating any Index Segment Interest Credit. The Segment Floor Rate for each Indexed Account is shown in the policy.

Segment Growth Rate means the rate of interest applied in the formula shown in the policy, to calculate the applicable Index Segment Interest Credit.

Segment Initiation Date means the first day of a Segment Term. The Segment Initiation Date for each Indexed Account is shown in the policy.

Segment Maturity Date means the last day of a Segment Term. The Segment Proceeds are computed on the Segment Maturity Date.

Segment Proceeds means, for each Segment, the Segment Balance at the end of the day on the Segment Maturity Date plus any Index Segment Interest Credit.

Segment Term means the period of time a Segment exists from the Segment Initiation Date to the Segment Maturity Date. The Segment Term for each Indexed Account is shown in the policy.

Segment Threshold Rate means a rate used in calculating any Index Segment Interest Credit for an applicable Indexed Account. Once set, the Segment Threshold Rate will not change during the Segment Term for the Segment to which it applies. The Segment Threshold Rate will never be more than the Segment Maximum Threshold Rate shown in the policy.

Surrender Charge Period means the period beginning on the Policy Date during which John Hancock will assess Surrender Charges under the following conditions:

(a) the policy owner surrenders the policy;

(b) the policy owner requests a decrease in the Base Face Amount which exceeds the Partial Surrender Charge Decrease Exemption;

(c) the policy owner makes a withdrawal that reduces the Base Face Amount; or

(d) the policy terminates due to default.

Surrender Date means the end of the Business Day on which John Hancock receives it at Our Service Office the policy owner's written request for full surrender of the policy.

Systematic Withdrawal means a withdrawal or a series of (more than one) periodic withdrawals prescheduled with a defined start date, and either a defined end date or continuation until Written Request is given to terminate the schedule. If a scheduled Systematic Withdrawal is cancelled after the schedule has begun, then any remaining withdrawals scheduled will also be cancelled.