

Pumping Up the Flexibility

Protection UL with Vitality

Your clients try to make the best financial decisions for their families, but the “best” decision today isn’t always the “best” decision for tomorrow. You need to be able to offer your clients flexible strategies to meet their changing needs. With its low-cost premium and attractive cash value, John Hancock’s Protection UL has always provided your clients with greater flexibility than guaranteed UL products. Now, Protection UL pumps up that flexibility with John Hancock’s new Vitality Program.

The small steps your clients take can turn into big rewards as they earn a better Vitality Status for their policy, and with it a reduction in their premium. The dollars saved here provide an added boost to the already flexible Protection UL product. How much of a boost? Let’s take a look.

Meet Harry



Harry Chambers is an active 45 year old, who enjoys outdoor activity and follows a healthy diet. He needs life insurance to provide income replacement in the event of his death. He is considering a \$1,000,000 guaranteed UL policy from Nationwide (age 45, Male, Preferred, Non Smoker), one of the most competitive guaranteed UL’s on the market. While Harry likes the idea that the premium is guaranteed to never increase, at \$7,097, it is very expensive. Plus, the policy generates little to no cash value, and Harry is concerned about paying so much money and only receiving a death benefit. What if his circumstances change? While it does provide a strong guarantee, guaranteed UL doesn’t provide a back-up plan.

Delivering more value with increased flexibility and a side fund

Fortunately, Harry’s agent shows him John Hancock’s Protection UL with Vitality. Protection UL is less expensive and provides greater flexibility than the Nationwide product. The policy has an illustrated premium of \$6,595 annually. Additionally, by year 20 the policy has a cash value of \$60,000, which Harry can access in the event of an emergency or if his needs change. Finally, if Harry takes the \$502 difference in premium and invests it at 6%, he would also have a side fund of \$17,964 by year 20, further increasing his options should his circumstances change.

Harry is interested in living a healthy lifestyle. He enjoys mountain biking, hiking, and works out at the gym regularly. He and his family all see a doctor for regular check-ups. Since Harry wants to engage in a healthy lifestyle, his agent shows him a Protection UL with Vitality at a Gold status, where the Protection UL premium, his savings, and the resulting flexibility, will be even greater. At Gold status, the Protection UL premium is \$5,870, which is over \$1,200 less than the Nationwide premium. It also lasts past age 70 on a guaranteed basis, and has a cash value of \$56,059 in year 20. Additionally if Harry saves the \$1,227 difference in premium between the two policies and invests it at 6%, **he’ll have a side fund of \$47,844 in year 20.**

Protection UL with Vitality vs. Nationwide Your Life No-Lapse Guarantee UL with \$1,000,000 Death Benefit

KNOW IT AND SHOW IT

Use the JH Solutions software to understand how Protection UL with Vitality can help you compete against any guaranteed UL being shown to your clients.

Year	NATIONWIDE		PROTECTION UL '15 BRONZE STATUS			PROTECTION UL '15 GOLD STATUS		
	Cash Value	IRR on Death Benefit	Cash Value	Side Fund @ 6% A/T	IRR on Death Benefit and Side Fund	Cash Value	Side Fund @ 6% A/T	IRR on Death Benefit and Side Fund
	Annual Premium \$7,097		Annual Premium \$6,595			Annual Premium \$5,870		
1	\$0	13,990.46%	\$0	\$532	13,997.96%	\$0	\$1,301	14,008.79%
5	\$0	142.46%	\$6,495	\$3,000	142.63%	\$3,183	\$7,332	142.87%
10	\$0	46.58%	\$29,857	\$7,014	46.7%	\$23,547	\$17,143	46.88%
15	\$0	25.30%	\$45,945	\$12,385	25.43%	\$38,925	\$30,273	25.62%
20	\$0	16.40%	\$60,088	\$19,574	16.55%	\$56,059	\$47,844	16.77%
25	\$0	11.64%	\$82,885	\$29,195	11.82%	\$77,906	\$71,358	12.07%
30	\$0	8.73%	\$118,810	\$42,068	8.94%	\$114,779	\$102,825	9.23%
35	\$0	6.79%	\$159,446	\$59,297	7.04%	\$156,909	\$144,934	7.38%
39	\$0	5.65%	\$193,585	\$77,189	5.95%	\$192,452	\$188,666	6.34%

Protection UL with Vitality's premiums are based on current assumptions solve to \$1 at age 121 at each of the four status levels and include a guarantee to age 82 assuming Bronze funding level, 81 assuming Silver funding level, 80 assuming Gold funding level, and 79 assuming Platinum funding level. Competitor's premiums are guaranteed for lifetime. Competitor information is current and accurate to the best of our knowledge as of June 2015. The comparisons in this communication are of different products which vary in premiums, rates, fees, expenses, and features. This comparison cannot be used with the public and complete personalized policy illustrations for each representative company must be presented or discussed with your clients. Please have your clients consult with their professional advisors to find out which type of life insurance is most suitable. The IRR on death benefit is equivalent to an interest rate at which an amount equal to the illustrated premiums could have been invested outside the policy to arrive at the net death benefit of the policy.

With its low premium and potential to accumulate significant cash value, Protection UL with Vitality pumps up the flexibility for your clients. In addition to offering immediate rewards for small steps towards a healthier lifestyle, it can offer substantial premium savings which can then be leveraged into a pool of funds to be used for whatever your client chooses. This type of flexibility helps to ensure that Protection UL with Vitality is the right choice for your clients today, and will continue to meet their changing needs for tomorrow.

For a copy of the Harry Chambers sample case, contact Advanced Markets at 888-266-7598, option 3.

Cynthia Crino, AVP, Business Development, John Hancock Advanced Markets

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Withdrawals and loans have the effect of reducing the death benefit and cash surrender value and may cause the policy to lapse. Lapse of a life insurance policy can cause the loss of the death benefit and potential adverse income tax consequences. If the policy is classified as a MEC, the withdrawals and loans may be subject to tax at the time the withdrawal or loan is made. A federal tax penalty may also apply if the withdrawal or loan is taken from a MEC prior to age 59½.

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Insurance products are issued by: John Hancock Life Insurance Company (U.S.A.), Boston, MA 02117 (not licensed in New York) and John Hancock Life Insurance Company of New York, Valhalla, NY 10595.

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

Premium savings will apply based on the Status attained by the life insured.

Paying a premium amount that differs from an originally illustrated amount could impact features of your client's policy.

John Hancock Vitality Program rewards and discounts are only available to the person insured under the eligible life insurance policy.

Rewards may vary based on the type of insurance policy purchased for the insured (Vitality Program Member), the ownership and inforce status of the insurance policy, and the state where the insurance policy was issued.

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

Protection UL policies automatically include a no-lapse guarantee called Death Benefit Protection. This feature guarantees that the policy will not default, even if the cash surrender value falls to zero or below, provided that the Death Benefit Protection Value remains greater than zero and policy debt never exceeds the Policy Value. Once terminated, the Death Benefit Protection feature cannot be reinstated. See the product technical guide for additional details.

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