

## Retirement Backstop Analysis



### A Plan to Preserve, Provide, and Protect Your Assets During Retirement Years

PRESENTED BY:	PREPARED FOR:
Sample Agent John Hancock Financial Services 197 Clarendon St. Boston, MA 02116 Tel.: (617) 572-6000 Fax: (617) 572-5141 Email: <a href="mailto:advancemarkets@jhancock.com">advancemarkets@jhancock.com</a>	Diana Prince

## Retirement Planning Process

Adequately saving for retirement can be a daunting task. Today's retirees face many unique challenges – namely, they are living longer than ever and must rely on personal savings, rather than corporate-funded pension plans, as their primary source of retirement income. Having insufficient savings and/or outliving retirement assets is a real and growing concern.

Ask yourself:

- 1) How confident are you that you are saving enough?
- 2) Have you considered ALL the risks during your retirement?
- 3) Does your plan protect and provide for your family?

**Only 18% of those surveyed are "very confident" that they will have a financially secure retirement.\***

**How confident are you?**

## Options For Retirement Planning

	Life Insurance	Taxable Investments	Qualified Plan /Traditional IRA	Roth IRA	Municipal Bonds
Tax-Favored Withdrawals	✓	No	No	✓	✓
No Mandatory Withdrawals	✓	✓	No	✓	✓
Tax-Deferred Accumulation	✓	No	✓	✓	✓
Income Tax Free Death Benefit	✓ <sup>1</sup>	No	No	No	No
No Tax Penalties for Early Withdrawal	✓ <sup>2</sup>	✓	No	No	✓
No Contribution Limits	✓ <sup>3</sup>	✓	No	No	✓
Cost of Insurance Charges	✓	No <sup>4</sup>	No	No	No
Market Risk	✓	✓	✓	✓	✓
Long Term Care Coverage	✓	No	No	No	No
Disability Protection (Waiver)	✓	No	No	No	No

Diversification is a key component to a comprehensive plan. Each plan will have advantages and disadvantages.

See Important Disclosures on page 12 for more information

**Accumulation is only one phase. Consider the risks to your retirement plan as you near retirement age.**

### Risks during the distribution phase of retirement

**Longevity** - How long are your assets projected to last? Will you or your spouse outlive your retirement assets?

**Illness** - A sudden illness can erode assets very quickly. Could your retirement accounts sustain large withdrawals to pay for Long Term Care? How would this impact the income needed for your spouse and/or inheritance for your children?

**Withdrawal Rate** - How long can your accounts sustain your lifestyle if the amount you withdraw in any given year (or in multiple years) exceeds the amount you expected to withdraw due to unexpected expenses?

**Taxes** - Can anyone predict what tax rates will be in the future? An increase in taxes means less purchasing power.

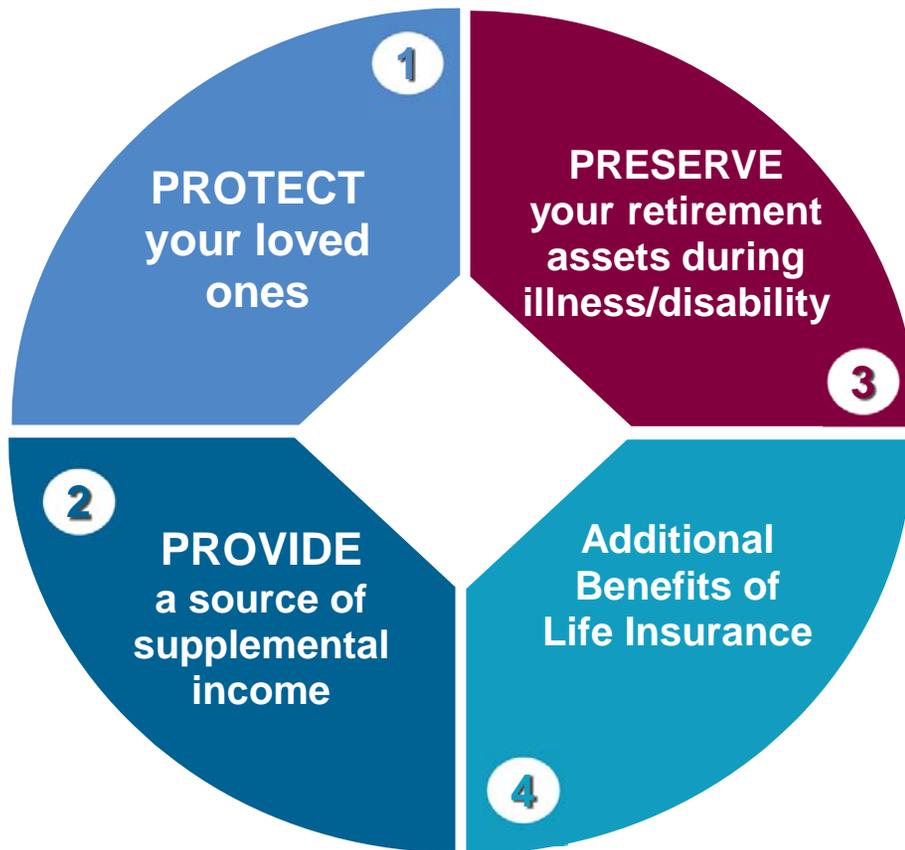
**Inflation** - Have you accurately factored inflation into your planned costs during retirement? How much and how fast will inflation erode the purchasing power your accounts?

**Sequence of Returns** - When accounts underperform during the distribution phase, it is difficult to make up for those losses. When you combine this with the *withdrawal rate risk*, it is unlikely your accounts will last as long as you expect them to.

**Death** - If you died too soon, will your family have enough to maintain their lifestyle.

Did you know permanent life insurance can help mitigate these risks?

Life insurance is a flexible, multifaceted product to help protect, provide and preserve assets.



**1** **Death Benefit - Life insurance death benefit provides cash to your survivors/spouse to replenish your primary retirement assets/income:**

- Income tax-free death benefit will complete your retirement savings plan for your survivors
- Provides a source of income for your loved ones
- Pay taxes and other final expenses
- Help to provide a legacy for children and grandchildren

**2** **Life insurance can provide a source of discretionary, non-reportable income during retirement:**

- At retirement, you can access the policy cash value via tax-free loans and withdrawals to supplement your other sources of retirement income, which can help reduce your risk of outliving your assets.<sup>1</sup>
- Access to policy cash value, should you (or your spouse) outlive your primary retirement assets
- Provide a source of income to cover unexpected expenses and offset investment losses, inflation and taxes

**3** **Optional riders<sup>2</sup> can be added to your life insurance policy to preserve your retirement assets in the event there are sudden costs associated with:**

- Long-term care - A long-term care rider allows you to accelerate the policy's death benefit, income tax free, to pay for long-term care expenses, preserving your primary retirement assets.
- Disability - Waiver of premium/charges (depending on product) in the event of permanent disability.

**4** **VITALITY - The John Hancock Vitality Program can help you live a long healthy life. Vitality can be used to earn valuable rewards and discounts, in addition to reducing the premium or enhancing the cash value potential.**

- Depending on your state, life insurance can offer creditor protection
- Life insurance can offer a competitive rate of return, also known as the internal rate of return, especially when you consider the tax advantages.

1. Loans and withdrawals will reduce the death benefit, 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. 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 premiums paid.

2. Please note that these riders are available on single life products only.

In order to better understand how life insurance can help, it is important to understand the four perils of life and see how life insurance can protect, preserve and provide especially during your retirement years.

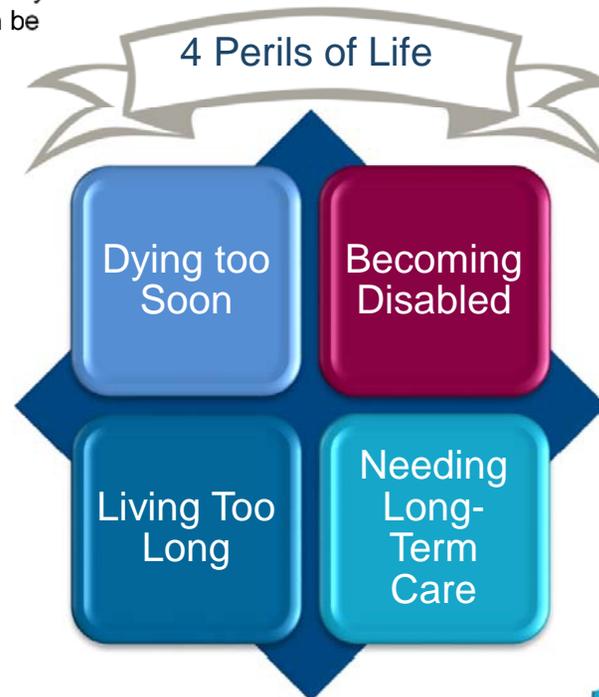
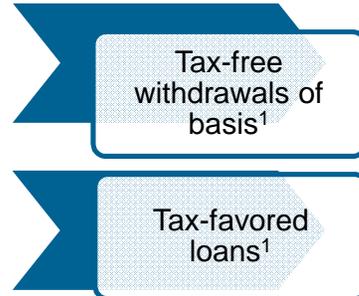
## Dying Too Soon: Protecting your loves ones

Life insurance helps to ensure your family has money to live on should anything happen to you, and can be used for many things, such as:



## Living Too Long: Providing Supplemental Income

The good news: people are living longer. The bad news? You need to plan for a long retirement. The cash value of a permanent life insurance policy may help supplement your retirement income with:



## Becoming Disabled: Preserving Your Plan

Did you know that during your working years, you have a higher probability of becoming disabled than dying<sup>2</sup>?

**John Hancock offers optional disability riders that, depending on product, can help pay policy charges or a portion of the premium if the insured becomes disabled.**

## Needing Long-Term Care: Preserving Your Assets

As individuals are living longer, more and more people find that they need assistance with daily care or nursing home support. Some permanent life insurance products allow the addition of a long-term care rider that can provide payments to cover long-term care costs if they are needed.

**More than 70% of people age 65 and older will require long-term care services at some point in their lives.<sup>3</sup>**

1. Loans and withdrawals will reduce the death benefit, 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. 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 premiums paid.

2. Source: "A DEATH AND DISABILITY LIFE TABLE FOR INSURED WORKERS BORN IN 1993," available at: <http://www.ssa.gov/OACT/NOTES/ran6/>

3. U.S. Department of Health and Human Services, National Clearinghouse for Long-Term Care Information, February 2017. <http://longtermcare.acl.gov/the-basics/index.html>

## How The Backstop Approach Can Work For You

### PHASE 1: *Accumulation*

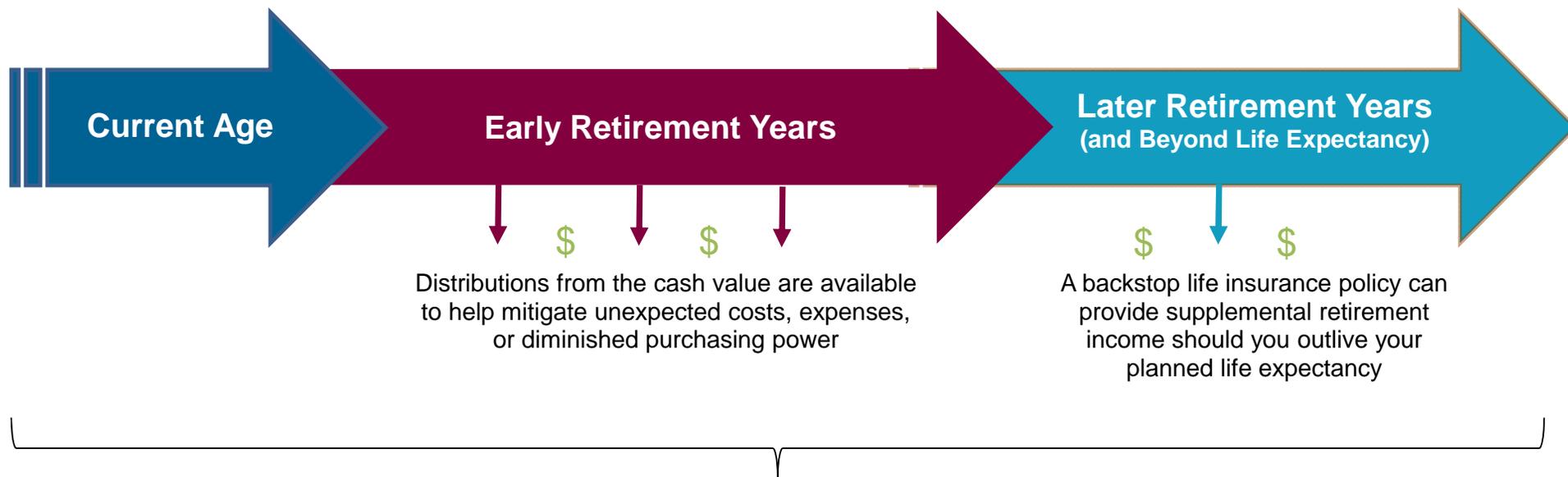
You purchase your life insurance Backstop policy, which can include the additional protection of a long term care or disability rider, if applicable

### PHASE 2: Retirement *Discretionary Supplemental Income*

Cash Value can be utilized to offset loss of income due to investment losses or provide for unexpected emergency costs preserving your primary retirement assets

### PHASE 3: *Backstop*

In the event you outlive your primary retirement assets, cash value can be used to provide the income your need



All throughout your retirement years, you and your family are protected with Income Tax Free Death Benefit as well as Long Term Care Protection

## Numerical Summary of Rates of Return

Product: Accumulation IUL 18  
 Insured(s): Diana Prince  
*Female Age 55, Preferred NonSmoker*  
 Vitality Status: Platinum  
 Disability Payment of Specified Premium  
 Initial Long-Term Care Benefit: \$500,000 | Monthly Long-Term Care Benefit (2%): \$10,000

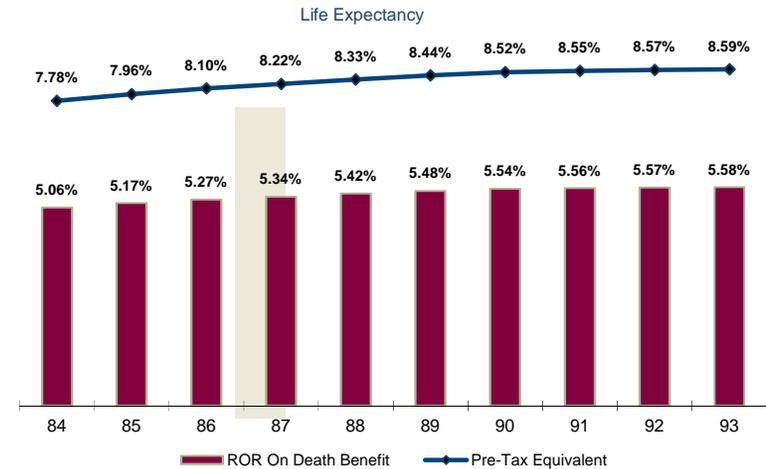
Initial Death Benefit: \$512,352  
 Initial Premium: \$20,000

## Rates of Return

The ROR on death benefit/cash value is equivalent to an interest rate at which an amount equal to the illustrated premium could have been invested outside the policy to arrive at the net death benefit/cash value of the policy.

- An investment must have earned 5.34% after-tax to have earned enough to equal the death benefit.
- Or, in other words, an investment must have earned 8.22% pre-tax (assumes 35.0% tax rate).

Year	Attained Age	Planned Premium	Cash Value	Death Benefit	ROR On Cash Value at 6.21% (Gross)	ROR On Death Benefit	Pre-Tax Equivalent	Probability of Death (EOY)
1	56	20,000	0	512,352	-100.00%	2461.76%	3787.32%	0.05%
2	57	20,000	10,906	525,575	-60.82%	365.06%	561.63%	0.12%
3	58	20,000	25,201	525,575	-37.49%	157.50%	242.30%	0.23%
4	59	20,000	43,764	525,575	-22.72%	92.01%	141.56%	0.37%
5	60	20,000	61,845	525,575	-15.61%	61.59%	94.75%	0.54%
10	65	20,000	174,712	525,575	-2.47%	17.05%	26.23%	1.98%
15	70	0	225,843	525,575	1.16%	9.30%	14.31%	4.54%
20	75	0	318,475	525,575	3.02%	6.33%	9.73%	9.45%
25	80	0	470,017	525,575	4.22%	4.78%	7.35%	19.54%
30	85	0	696,803	731,643	4.98%	5.17%	7.96%	36.67%
<b>32 LE</b>	<b>87</b>	<b>-77,849</b>	<b>645,438</b>	<b>677,710</b>	<b>5.19%</b>	<b>5.34%</b>	<b>8.22%</b>	<b>44.90%</b>
35	90	-77,849	550,291	588,951	5.40%	5.54%	8.52%	58.00%
40	95	-77,849	335,323	335,323	5.59%	5.59%	8.61%	78.47%
45	100	-77,849	12,083	12,083	5.65%	5.65%	8.69%	92.72%



## Comparing Rates of Return at Death

- By the age(s) of 87 there is a 44.90% chance of death occurring.
- Note, if you are insurable at standard or better class, the insurance company believes that you will outlive the general population's life expectancy. The ROR on Death Benefit is 5.56%, if you survive life expectancy by 4 years.
- Unlike most investments, life insurance proceeds have no potential built-in capital gains in the event of the repeal or modification of the Federal Estate Tax.

This is a supplemental illustration authorized for distribution only when preceded or accompanied by a basic illustration from the issuer. Benefits and values may not be guaranteed; the assumptions on which they are based are subject to change by the insurer. Actual results may be more or less favorable. Refer to the basic illustration for guaranteed elements and other important information.

# Retirement Backstop Analysis

## Policy Information

Product: Accumulation IUL 18	Initial Long-Term Care Benefit: \$500,000	Initial Premium: \$20,000
Insured(s): Diana Prince	Monthly Long-Term Care Benefit (2%): \$10,000	Initial Death Benefit: \$512,352
Female Age 55, Preferred NonSmoker	Disability Payment of Specified Premium	Vitality Status: Platinum
		Tax Bracket: 35.00%

### Indexed Life Insurance : See Assumptions Page for Interest Rate Information

Year	EOY Age	Annual Premium Payment	Cash Value	Death Benefit	ROR On Cash Value	ROR on Death Benefit	Pre-Tax Equivalent	Probability of Death	Year	EOY Age	Annual Premium Payment	Cash Value	Death Benefit	ROR On Cash Value	ROR on Death Benefit	Pre-Tax Equivalent	Probability of Death
1	56	20,000	0	512,352	-100.00%	2461.76%	3787.32%	0.05%	26	81	0	508,768	534,207	4.40%	4.63%	7.13%	22.52%
2	57	20,000	10,906	525,575	-60.82%	365.06%	561.63%	0.12%	27	82	0	550,940	578,487	4.57%	4.79%	7.37%	25.73%
3	58	20,000	25,201	525,575	-37.49%	157.50%	242.30%	0.23%	28	83	0	596,199	626,008	4.72%	4.93%	7.59%	29.16%
4	59	20,000	43,764	525,575	-22.72%	92.01%	141.56%	0.37%	29	84	0	644,748	676,985	4.85%	5.06%	7.78%	32.82%
5	60	20,000	61,845	525,575	-15.61%	61.59%	94.75%	0.54%	30	85	0	696,803	731,643	4.98%	5.17%	7.96%	36.67%
6	61	20,000	81,171	525,575	-11.08%	44.46%	68.40%	0.75%	31	86	-77,849	672,114	705,720	5.09%	5.27%	8.10%	40.71%
7	62	20,000	101,918	525,575	-7.95%	33.65%	51.77%	1.00%	<b>32</b>	<b>87</b>	<b>-77,849</b>	<b>645,438</b>	<b>677,710</b>	<b>5.19%</b>	<b>5.34%</b>	<b>8.22%</b>	<b>44.90%</b>
8	63	20,000	124,087	525,575	-5.68%	26.29%	40.44%	1.29%	33	88	-77,849	616,336	650,191	5.28%	5.42%	8.33%	49.21%
9	64	20,000	148,836	525,575	-3.83%	21.00%	32.31%	1.61%	34	89	-77,849	584,702	620,984	5.35%	5.48%	8.44%	53.59%
10	65	20,000	174,712	525,575	-2.47%	17.05%	26.23%	1.98%	35	90	-77,849	550,291	588,951	5.40%	5.54%	8.52%	58.00%
11	66	0	183,612	525,575	-1.32%	14.67%	22.58%	2.38%	<b>36</b>	<b>91</b>	<b>-77,849</b>	<b>512,831</b>	<b>545,613</b>	<b>5.45%</b>	<b>5.56%</b>	<b>8.55%</b>	<b>62.38%</b>
12	67	0	193,007	525,575	-0.47%	12.85%	19.77%	2.84%	37	92	-77,849	472,633	498,584	5.50%	5.57%	8.57%	66.67%
13	68	0	203,208	525,575	0.19%	11.41%	17.56%	3.34%	38	93	-77,849	429,649	447,842	5.53%	5.58%	8.59%	70.81%
14	69	0	214,142	525,575	0.72%	10.25%	15.77%	3.91%	39	94	-77,849	383,867	393,402	5.57%	5.59%	8.60%	74.76%
15	70	0	225,843	525,575	1.16%	9.30%	14.31%	4.54%	40	95	-77,849	335,323	335,323	5.59%	5.59%	8.61%	78.47%
16	71	0	241,855	525,575	1.66%	8.51%	13.09%	5.27%	41	96	-77,849	279,756	279,756	5.61%	5.61%	8.63%	81.90%
17	72	0	258,994	525,575	2.08%	7.83%	12.05%	6.10%	42	97	-77,849	219,980	219,980	5.63%	5.63%	8.66%	85.03%
18	73	0	277,420	525,575	2.44%	7.26%	11.17%	7.06%	43	98	-77,849	155,675	155,675	5.64%	5.64%	8.67%	87.82%
19	74	0	297,218	525,575	2.75%	6.76%	10.40%	8.16%	44	99	-77,849	86,499	86,499	5.65%	5.65%	8.69%	90.42%
20	75	0	318,475	525,575	3.02%	6.33%	9.73%	9.45%	45	100	-77,849	12,083	12,083	5.65%	5.65%	8.69%	92.72%
21	76	0	343,923	525,575	3.31%	5.94%	9.14%	10.94%	46	101	0	12,750	12,750	5.65%	5.65%	8.69%	94.67%
22	77	0	371,584	525,575	3.57%	5.60%	8.62%	12.66%	47	102	0	13,467	13,467	5.65%	5.65%	8.69%	96.24%
23	78	0	401,668	525,575	3.81%	5.30%	8.15%	14.65%	48	103	0	14,239	14,239	5.65%	5.65%	8.69%	97.45%
24	79	0	434,404	525,575	4.02%	5.03%	7.73%	16.93%	49	104	0	15,069	15,069	5.65%	5.65%	8.69%	98.33%
25	80	0	470,017	525,575	4.22%	4.78%	7.35%	19.54%	50	105	0	15,962	15,962	5.65%	5.65%	8.69%	98.95%

This is a supplemental illustration authorized for distribution only when preceded or accompanied by a basic illustration from the issuer. Benefits and values may not be guaranteed; the assumptions on which they are based are subject to change by the insurer. Actual results may be more or less favorable. Refer to the basic illustration for guaranteed elements and other important information.

## Policy Information

Product: Accumulation IUL 18	Initial Long-Term Care Benefit: \$500,000	Initial Premium: \$20,000
Insured(s): Diana Prince	Monthly Long-Term Care Benefit (2%): \$10,000	Initial Death Benefit: \$512,352
<i>Female Age 55, Preferred NonSmoker</i>	Disability Payment of Specified Premium	Vitality Status: Platinum
		Tax Bracket: 35.00%

### Indexed Life Insurance : See Assumptions Page for Interest Rate Information

Year	EOY Age	Annual Premium Payment	Cash Value	Death Benefit	ROR On Cash Value	ROR on Death Benefit	Pre-Tax Equivalent	Probability of Death
51	106	0	16,922	16,922	5.65%	5.65%	8.69%	99.36%
52	107	0	17,956	17,956	5.65%	5.65%	8.69%	99.62%
53	108	0	19,067	19,067	5.65%	5.65%	8.69%	99.78%
54	109	0	20,263	20,263	5.65%	5.65%	8.69%	99.87%
55	110	0	21,550	21,550	5.65%	5.65%	8.69%	99.93%
56	111	0	22,934	22,934	5.65%	5.65%	8.70%	99.96%
57	112	0	24,422	24,422	5.65%	5.65%	8.70%	99.98%
58	113	0	26,024	26,024	5.65%	5.65%	8.70%	99.99%
59	114	0	27,747	27,747	5.65%	5.65%	8.70%	99.99%
60	115	0	29,600	29,600	5.65%	5.65%	8.70%	100.00%
61	116	0	31,594	31,594	5.65%	5.65%	8.70%	100.00%
62	117	0	33,738	33,738	5.65%	5.65%	8.70%	100.00%
63	118	0	36,046	36,046	5.65%	5.65%	8.70%	100.00%
64	119	0	38,528	38,528	5.65%	5.65%	8.70%	100.00%
65	120	0	41,198	41,198	5.65%	5.65%	8.70%	100.00%
66	121	0	44,070	44,070	5.65%	5.65%	8.70%	100.00%

Year	EOY Age	Annual Premium Payment	Cash Value	Death Benefit	ROR On Cash Value	ROR on Death Benefit	Pre-Tax Equivalent	Probability of Death
------	---------	------------------------	------------	---------------	-------------------	----------------------	--------------------	----------------------

This is a supplemental illustration authorized for distribution only when preceded or accompanied by a basic illustration from the issuer. Benefits and values may not be guaranteed; the assumptions on which they are based are subject to change by the insurer. Actual results may be more or less favorable. Refer to the basic illustration for guaranteed elements and other important information.

**Your State: Michigan**

Because the benefits offered by life insurance can be so important to your family, many states protect all or a portion of the death benefit and cash value from your creditors. The information provided below, although not a detailed analysis, may prove helpful to you in understanding the creditor protection available in your state. Please be sure to consult your legal and tax advisors regarding your own particular situation and the current exemptions available in your state.

**In a Non-Bankruptcy Situation**

Death Benefit

Exempt from the debts of owner and/or insured if payable to someone other than owner and/or insured. Additional exemption of death benefit when owner is a husband or wife. MCL §500.2207.

Cash Value

Wholly exempt from debts of the owner. See MCL §500.2207. See DC Mex Holdings LLC v. Affordable Land LLC and Dale Fuller, Mich. App. (July 25, 2017), Case no. 332439. Note, however, that there is precedence in Michigan that could allow creditors to access cash value in a life insurance policy owned by a debtor insured despite MCL §500.2207. See Chrysler First Business Credit Corporation v. Rotenberg v. John Hancock Mutual Life Insurance Co., 789 F. Supp 870 (1992); and Schenck Boncher & Prasher v. Vanderlaan, 2003 Mich. App. Lexis 2082 (2003).

**Bankruptcy Situation**

Federal

Federal exemptions are available.

State

State exemptions same as in non-bankruptcy context.

This is a supplemental illustration authorized for distribution only when preceded or accompanied by a basic illustration from the issuer. Benefits and values may not be guaranteed; the assumptions on which they are based are subject to change by the insurer. Actual results may be more or less favorable. Refer to the basic illustration for guaranteed elements and other important information.

## Assumptions:

CLIENT INFORMATION	Value	Explanation
Family Name	Prince	Name of family
Client Name	Diana	Given name of the first client
Age	55	Age of the first client
Sex	Female	Sex of the first client
Smoking Status	Preferred NonSmoker	Underwriting class of the first client
Vitality Status	Platinum	
Spouse's Name	n/a	Given name of the second client
Age	n/a	Age of the second client
Sex	n/a	Sex of the second client
Smoking Status	n/a	Underwriting class of the second client
Client's Tax Bracket	35.00%	Client's tax rate

LIFE INSURANCE	Value	Explanation
Type of Policy	Single Life	Survivorship or Single Life
Policy Name	Accumulation IUL 18	
State	Michigan	
Initial Policy Death Benefit	\$512,352	Total death benefit
Policy Premium	\$20,000.00	Annual premium
Years for Premiums	10	Number of years to pay premiums
Crediting Rate Breakdown	See basic illustration	
Life Track Billing	No	

PRESENTER INFORMATION	Value	Explanation
Presenter's Name	Sample Agent	Name of presenter
Agency Name	Services	
Address	197 Clarendon St.	
City State, ZIP	Boston, MA 02116	
Telephone	(617) 572-6000	
Fax	(617) 572-5141	
E-Mail Address	advancemarkets@jhancock.com	

RESULTS	Value	Explanation
Life Expectancy	32*	
Print Years	66	

\*Life expectancies shown in this presentation are based on Valuation Basic Table 2008.

This is a supplemental illustration authorized for distribution only when preceded or accompanied by a basic illustration from the issuer. Benefits and values may not be guaranteed; the assumptions on which they are based are subject to change by the insurer. Actual results may be more or less favorable. Refer to the basic illustration for guaranteed elements and other important information.

This is a supplemental illustration authorized for distribution only when preceded or accompanied by a basic illustration from the issuer. Benefits and values may not be guaranteed; the assumptions on which they are based are subject to change by the insurer. Actual results may be more or less favorable. Refer to the basic illustration for guaranteed elements and other important information. This illustration is not intended to be accounting, legal, or tax advice. Clients should consult their accounting, legal, and tax advisors about their particular circumstances before implementing any recommendations. Insurance policies and/or associated riders and features may not be available in all states.

John Hancock does not guarantee the accuracy of this system or the output. John Hancock will not be liable for any damages arising from the use or misuse of this software or from any errors or omissions in the same. John Hancock assumes no duty to update this software or to provide notice of any errors in the software or applicable changes in the law.

Figures used in this program illustrate various benefit/retirement planning concepts, which are based upon both assumptions and data provided by you, the client. Your furnishing of accurate data will help enhance the value of this analysis. However, all assumed growth rates for assets are based upon information provided and assumed by you and are not a guarantee of the future performance of the life insurance policy. Please review the assumptions page for accuracy of information.

This supplemental illustration assumes that the currently illustrated non-guaranteed elements will continue for all years shown. However, it is not likely that the nonguaranteed elements will perform exactly as shown in the illustration. In addition, the actual consequences of a planning alternative will depend on many variables, some of which may not be fully accounted for or described in this presentation. Some riders may have additional fees and expenses associated with them.

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 59 1/2. Cash value available for loans and withdrawals may be more or less than originally invested. Withdrawals are available after the first policy year.

Life insurance death benefit proceeds are generally excludable from the beneficiary's gross income for income tax purposes. There are few exceptions such as when a life insurance has been transferred for valuable consideration. Comments on taxation are based on John Hancock's understanding of current tax law, which is subject to change. No legal, tax or accounting advice can be given by John Hancock, its agents, employees or registered representatives. Prospective purchasers should consult their professional tax advisor for details.

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

This material does not constitute tax, legal, investment or accounting advice and is not intended for use by a taxpayer for the purposes of avoiding any IRS penalty. Comments on taxation are based on tax law current as of the time we produced the material.

All information and materials provided by John Hancock are to support the marketing and sale of our products and services, and are not intended to be impartial advice or recommendations. John Hancock and its representatives will receive compensation from such sales or services. Anyone interested in these transactions or topics may want to seek advice based on his or her particular circumstances from independent advisors.

## Important Disclosures from Page 2

1. Life insurance death benefit proceeds are generally excludable from the beneficiary's gross income for income tax purposes. There are a few exceptions such as when a life insurance policy has been transferred for valuable consideration. Comments on taxation are based on John Hancock's understanding of current tax law, which is subject to change. No legal, tax or accounting advice can be given by John Hancock, its agents, employees or registered representatives. Prospective purchasers should consult their professional tax advisor for details.
2. Withdrawal of policy values in excess of the owner's investment in the contract can cause recognition of gain (to the extent of gain) for income tax purposes. Furthermore, while an owner generally may borrow against a life insurance policy without immediate income tax consequences, a lapse or surrender of a policy against which loans are outstanding may also cause the owner to recognize policy value in excess of basis.
3. For every life insurance policy, there is a minimum premium at any given time, the payment of which is necessary to keep the policy in force. Premiums may be paid in excess of this amount which may have the effect of reducing future necessary minimum payments. However, excessive advance funding of a life insurance policy can result in the policy being treated as a modified endowment contract, which would be subject to significantly different tax treatment than other life insurance policies.
4. If the underlying investment is a deferred annuity, cost of insurance charges and/or withdrawal penalty may apply.

## Long-Term Care Rider

### What is a Long-Term Care Rider?

A Long-Term Care (LTC) Rider is a rider that can be added to your insurance policy to advance a portion of the death benefit to you in the event that you need help taking care of yourself due to physical or cognitive impairment.

### Why would I consider adding a Long-Term Care Rider to my policy?

You have already determined that you need a life insurance death benefit to protect your family. At the same time, you may also be concerned about long-term care expenses depleting your estate should you become unable to take care of yourself. A life insurance policy with a LTC Rider can protect both you and your family at the same time. It can protect your beneficiaries in the event of your untimely death, and if you become impaired it can provide funds to help pay for long-term care needs. Most importantly, a LTC Rider can offer you options, by providing you with a source of funds to pay for care in the setting of your choice.

### How Does John Hancock's Long-Term Care Rider Work?

You begin by selecting the LTC benefit pool amount (Accelerated Benefit Amount), ranging from a minimum of 1% to a maximum of 100% of the initial face amount. At the same time, you also choose the Long-Term Care rider's Maximum Monthly Benefit Amount. This is the amount that would potentially be available each month to cover long-term care costs if that need ever arose. The Maximum Monthly Benefit Amount is expressed as a percentage of your policy's Accelerated Benefit Amount; the options are either 1%, 2%, or 4%. The amount chosen will then be available monthly, to help pay the cost of long-term care for as long as you need it, up to the point that the policy's Accelerated Benefit Balance has been completely exhausted. The Long-Term Care rider offers you the ability to choose where you receive your care.

You will be covered for skilled, intermediate, or custodial care in the setting of your choice: at home, in an assisted living facility, nursing home, adult day care center, or a hospice facility. Qualified Long-Term Care rider benefits are generally received on a tax-favored basis.



### Important Considerations

The purpose of this communication is the solicitation of Long-Term Care rider coverage.

The Long Term Care (LTC) Rider accelerates the death benefit. The Maximum Monthly Benefit Amount (MMBA) is \$50,000. The LTC rider is not considered long-term care insurance in some states. When the death benefit is accelerated for long-term care expenses, the death benefit is reduced dollar for dollar, and the cash value is reduced proportionally. The policy account value is also reduced proportionally. There are additional costs associated with this rider. The Rider is subject to underwriting and a medical exam may be required to determine eligibility.

This rider has exclusions and limitations, reductions of benefits, and terms under which it may be continued in force or discontinued. Please contact the licensed producer or John Hancock for more information, cost, and complete details on coverage.