

# Are you taking advantage of JH Solutions?

ADVANCED MARKETS

JH Solutions is John Hancock’s proprietary concept illustration software that illustrates different planning techniques, from the complex to the simple solutions. The success of JH Solutions lies in the easy-to-read presentations that are customized to the client’s situation; the presentations also highlight the benefits of life insurance and outline considerations that may be important to the client. In addition to our desktop version of JH Solutions, we also offer a web version — **JHSolutions.com**.

Below is a summary of the concepts by category; the chart starting on page 2 shows which concepts are available on desktop versus web.

## JH Solutions Concept Modules

ESTATE PLANNING	MAXIMIZATION STRATEGIES	INDIVIDUAL/RETIREMENT PLANNING
Gifting Analysis	Annuity Max	Creditor Protection
Asset Transfer	Income Max	Life Insurance & Retirement Planning (LIRP)
Credit Shelter Trust	Muni Bond Max	Life Insurance & College Planning
Dynasty Trust	SSI Max	LIRP Shortfall Analysis (LIRP+)
Estate Equalization	CHARITABLE PLANNING	Power of Permanent
Estate Tax Presentation	CRAT/CRUT	Protection SUL
Invest in Your Life	Gifts of Life Insurance	Protection UL
Paying Premiums with Arbitrage	BUSINESS INSURANCE	Retirement Backstop Analysis
Premium Financing	Cross Endorsement Buy-Sell (CEBS)	Social Security
Private Financing	Corporate Split Dollar	Term vs. Permanent Analysis
Private Split Dollar	Key Person	NEEDS ANALYSIS
Private Spousal ILIT	REBA/Bonus	Basic Needs
Sale to a Grantor Trust	SERP	Special Needs Analysis
Spousal Access Trust	Traditional Buy-Sell	

## Estate Planning

The Estate Planning concepts are focused on clients who are looking for solutions with regard to estate taxes and trust planning.

		DESKTOP	WEB
<b>Gifting Analysis</b>	For those clients who are interested in gifting to an Irrevocable Life Insurance Trust (ILIT), our popular gifting module illustrates the power of gifting and leveraging life insurance.	X	X
<b>Asset Transfer</b>	This takes the gifting analysis module one step further by being able to illustrate transferring an asset an ILIT. It shows the power of shifting the asset value out of the taxable estate.	X	
<b>Credit Shelter Trust</b>	For those clients who have a credit shelter trust, this module can help illustrate using trust assets to fund life insurance (using the life of a surviving spouse).	X	
<b>Dynasty Trust</b>	This module is meant to illustrate the power of legacy planning and the ability to use the Generation Skipping Transfer (GST) exemption to create a legacy that lasts multiple generations.	X	
<b>Estate Equalization</b>	This module illustrates how life insurance can be used to help divide an estate in a fair manner among family members, especially when one child may inherit an illiquid asset such as a business; life insurance can become the equalizer in this type of planning.	X	X
<b>Estate Tax Presentation</b>	This module is a simple projection of the amount of potential estate tax exposure. Visit our <b>online Estate Tax Calculator</b> which can be used on any mobile platform.	X	
<b>Invest in Your Life</b>	Our most popular module that can be used to illustrate how life insurance offers liquidity, a competitive rate of return, and is self-completing.	X	X
<b>Paying Premiums with Arbitrage</b>	This is a simplified approach to illustrating the power of arbitrage. It illustrates an income producing asset in an ILIT. This income can be used to pay back interest to the grantor and the difference between what the asset earns and what it pays (arbitrage) can be used to fund a life insurance premium.	X	
<b>Premium Financing</b>	This is a module that illustrates financing premiums using a third-party lender and the impact of using assets as loan collateral.	X	
<b>Private Financing</b>	This module is used for those clients who are concerned with gifting. It illustrates the power of lending cash to an ILIT as well as illustrates the loan interest at an Applicable Federal Rate (AFR).	X	
<b>Private Split Dollar</b>	This module is used for those clients who are concerned with gifting. As an alternative, a split dollar arrangement is a way to fund a trust using economic benefit rates.	X	
<b>Private Spousal ILIT</b>	This module combines multiple techniques that can be illustrated for many affluent clients. It includes the capability of illustrating Private Finance and Spousal Access in one module.	X	
<b>Sale to a Grantor Trust</b>	This is a sophisticated strategy where a client sells assets (sometimes at a discount) to an ILIT.	X	
<b>Spousal Access Trust</b>	Many clients may be concerned with giving up control in an ILIT. This is a strategy that illustrates the flexibility of a spousal access provision, and by adding this provision to a trust the spouse may have access to trust assets.	X	

## Maximization Strategies

These six concepts demonstrate how clients can use specific assets that are no longer needed and leverage them to purchase life insurance.

		DESKTOP	WEB
<b>Annuity Max</b>	This module is for clients who do not need their deferred annuity for retirement income. This module can illustrate using the annuity to provide annual distributions and leverage the income with a life insurance policy.	X	X
<b>Income Max</b>	For clients who have income producing assets and do not need them, this module can illustrate using the asset and leveraging the income with a life insurance policy.	X	
<b>Muni Bond Max</b>	This module is for clients who own municipal bonds and do not need them. The module illustrates using the municipal bond to purchase life insurance.	X	
<b>SSI Max</b>	For clients who do not need their social security income and would like to protect their loved ones, this module illustrates using after-tax social security income payments to purchase life insurance.	X	

These are very popular concepts in JH Solutions. The proposals are most often illustrated **without** considering estate taxes for simplicity. If the client is subject to estate taxes, this can be easily illustrated in JH Solutions within the modules.

## Charitable Planning

For those clients who are charitably inclined and have a history of giving to a charity, life insurance can be used in sophisticated charitable planning solutions. It is important to note that there are additional underwriting requirements when dealing with charitable planning.

		DESKTOP	WEB
<b>CRAT/CRUT</b>	This module illustrates the charitable annuity trust (CRT) concept that essentially transfers a highly appreciated asset to a CRT, sells it in the CRT without taxation, and generates an income stream for the donor and providing a gift to charity. The module illustrates the use of a separate trust to purchase a life insurance policy to replace the asset.	X	
<b>Gifts of Life Insurance</b>	This module illustrates how a charity can own life insurance on the life of a key donor. The donor can make gifts of cash to the charity that may be used to fund the premiums on the life insurance policy.	X	

## Business Insurance

JH Solutions has a comprehensive package for clients who are business owners. The concepts include buy-sell arrangements, key person insurance, Supplemental Executive Retirement Plans (SERPs), and split dollar.

		DESKTOP	WEB
<b>Cross Endorsement Buy-Sell (CEBS)</b>	This unique strategy allows each business owner to own their own life insurance, but through an endorsement, allows all or part of the death benefit to be endorsed to the other owners.	X	
<b>Corporate Split Dollar</b>	This module demonstrates the economic benefit of a split dollar concept as a means to purchase a life insurance policy for a valued employee.	X	
<b>Key Person</b>	This module illustrates how purchasing life insurance on a key executive can provide protection to a business.	X	
<b>REBA/Bonus</b>	The restrictive endorsement bonus arrangement (REBA) and executive bonus are ways that companies can bonus money to an employee to purchase life insurance. This non-qualified plan is a great way to keep, retain and reward key employees. A REBA illustrates the power of placing a restriction on the policy as an incentive for an employee to stay.	X	
<b>SERP</b>	This module illustrates another non-qualified type of plan where the employer agrees to pay a retirement benefit to the employee.	X	
<b>Traditional Buy-Sell</b>	This module holds multiple buy-sell options including Cross Purchase, Entity Purchase, and One-Way arrangements. The purpose of these strategies is to illustrate the need for a buy-sell plan, and incorporate how life insurance can help with succession planning.	X	

For many of the succession planning (e.g., buy-sell and key person) modules, it is important to know the value of the business. To help with understanding business valuation and to get an idea of what the business might be worth, visit [www.jhbusinessvaluation.com](http://www.jhbusinessvaluation.com).

In addition, for help with finding the optimal executive benefit plan for a business, please visit [www.jhbusinessanalyzer.com](http://www.jhbusinessanalyzer.com).

## Individual/Retirement Planning

These concepts demonstrate the power of permanent life insurance not only as a valuable protection tool for families, but also to provide valuable benefits during lifetime. In addition, many of these modules help explain the benefits of specific John Hancock products.

		DESKTOP	WEB
<b>Creditor Protection</b>	This module gives state-specific information on the creditor protection afforded to life insurance. See our <b>Know the Law</b> site to view the state-specific information.	X	X
<b>Life Insurance &amp; Retirement Planning (LIRP)</b>	This module is the traditional way of illustrating taking distributions from the life insurance cash value for supplemental retirement income purposes. The client has a need for permanent life and has discretionary income.	X	X
<b>Life Insurance &amp; College Planning</b>	For those clients who have young children, this module illustrates how the cash value can be used for college education purposes.	X	X

<b>LIRP Shortfall Analysis (LIRP+)</b>	This module is similar to LIRP in that it illustrates life insurance as a retirement supplement, but calculates the potential shortfall a client might have. The analysis incorporates what the client would like for retirement income, their current retirement portfolio and savings, and then illustrates the potential retirement gap.	<b>X</b>	
<b>Power of Permanent</b>	Permanent insurance can offer coverage for a lifetime, premium recovery through policy cash values, and continuing internal rate of return on premium compared to term products.	<b>X</b>	
<b>Protection SUL</b>	This module is specific to the Protection SUL product and allows the comparison of the product, with or without a side fund, to a guaranteed universal life product.	<b>X</b>	
<b>Protection UL</b>	This module is specific to the Protection UL product and includes Protection UL with Vitality. It offers the comparison of the product, with or without a side fund, to a guaranteed universal life product.	<b>X</b>	<b>X</b>
<b>Retirement Backstop Analysis</b>	This module shows how life insurance is a multifaceted product to help protect, provide and preserve assets during retirement.	<b>X</b>	
<b>Social Security</b>	This module shows how to incorporate life insurance into your client's retirement planning to help boost their social security income.	<b>X</b>	
<b>Term vs. Permanent Analysis</b>	This module is great for those who are looking to compare "buy term and invest the difference." This module can compare a term insurance policy with a side fund versus a permanent policy.	<b>X</b>	

Our [www.jhretirementcalculator.com](http://www.jhretirementcalculator.com) also has the ability to illustrate a client's retirement shortfall.

## Needs Analysis

Today's families are diverse and may have special needs depending on the makeup of the family. The needs analysis suite of concepts covers many different family situations and addresses these needs.

		<b>DESKTOP</b>	<b>WEB</b>
<b>Basic Needs</b>	For those clients who want a comprehensive analysis of their assets and debts to ensure they have coverage for their loved ones in the event of their death.	<b>X</b>	
<b>Special Needs Analysis</b>	Clients who have special needs children can have additional considerations that they need to consider when setting up a plan. Our needs analysis addresses some of the planning considerations they need to think about and takes into account some of the special needs that they might need to cover.	<b>X</b>	

## ***Our desktop version is available to download.***

### MINIMUM SYSTEM REQUIREMENTS:

- Windows 7, Microsoft Excel 2007 with current service pack, Excel Security level should allow macros, 250 MB of Hard drive space, JH Illustrator.
- The first time you open JH Solutions any updates will automatically download. Click "Continue" if prompted and wait for download to complete.

*JH Solutions is a powerful tool that can demonstrate the value of life insurance for a wide range of client needs. Please contact a John Hancock Advanced Markets Consultant for assistance designing JH Solutions presentations for use with your clients. You can reach us at 888-266-7498, option 3.*

### **For Agent Use Only. This material may not be used with the public.**

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

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.

The rate of return on the 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.

Trusts should be drafted by an attorney familiar with such matters in order to take into account income and estate tax laws (including the generation-skipping tax). Failure to do so could result in adverse tax treatment of trust proceeds.

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

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

©2018 John Hancock. All rights reserved.

MLINY053018195

