John Hancock

LIFE INSURANCE

SELLER'S GUIDE

IUL Seller's Guide

John Hancock's Indexed UL Portfolio

simple is smart

Why Indexed UL?

*Indexed UL is the fastest growing segment within the insurance market today.**

Why do clients want Indexed UL?

- Provides cash value growth potential linked to performance of the S&P 500®[1] without exposure to market losses
- Offers a higher return potential than a UL policy and less volatility than a VUL policy
- Offers tax-free supplemental income for later or a smart solution for today's estate planning needs
- Provides an efficient way to transfer accumulated wealth, income-tax free, to future generations

Why should I add Indexed UL to my book of business?

- **Competitive Edge** – Understanding the value of Indexed UL (the fastest growing segment within the insurance market today*) will help you win more sales
- **Diversification** – Diversifying your book of business will improve your sales prospects in the future
- **Cash Values** – A policy with cash values will be important to your clients should their insurance needs or cash flow change in the future

Who is the target market for Indexed UL products?

- Ages 35–75
- Looking for higher crediting rate potential than a typical universal life product
- Optimistic about the market but do not want to be exposed to negative returns in their life insurance policy

* Based on LIMRA, U.S. Individual Life Insurance Sales, Q4 2012

Top 10 Selling Points for John Hancock's Indexed UL Products

1. **Often a leader in low-cost** and **cash value accumulation** indexed UL products
2. **Significant protection** with 0% floor, 2% cumulative interest rate guarantee and a lengthy no-lapse guarantee on Protection IUL and Protection SIUL
3. **Highly competitive 13% current Cap** and an Uncapped Indexed Account with even more upside potential
4. **Competitive Fixed Account** that provides safe and steady growth
5. Offering **three premium allocation options** — providing clients the flexibility of diversification among all three options
6. Access to John Hancock's **popular qualified Long-Term Care riders** on our single-life products
7. Utilizes the **most straightforward crediting method** available — annual point-to-point crediting based on the performance of the S&P 500
8. **Dynamic solution** to your clients estate and legacy planning needs
9. **Cumulative guarantee** ensures a minimum average annualized rate of return of 2% over the life of the policy, upon surrender
10. **Backed by the financial strength of John Hancock**

*John Hancock holds top-tier brand awareness ranking with an **89% awareness score** with U.S. consumers.**

* Source: 2012 GfK Brand Tracking Study

In New York, the current Capped Rate is 12%, the current Threshold rate is 5.5% and the current Fixed Account Rate is 4.55%. National and New York rates are current and accurate as of August 2013.

What Do Advisors Want to Know?

1. **What will clients say?**

   Whether your client is the analytical type who cares more about "how the watch works" than what time it is, or the more conceptual type, it usually makes sense to start with the basics:

   - Indexed UL is life insurance first. The twist is that credits can be tied to a familiar stock index, like the S&P 500.
   - Indexed UL guarantees a floor that protects the client from market loss. Even in a year like 2008, in which the S&P 500 dropped 40%, your client would be protected with a zero percent floor.
   - Indexed UL can be structured to maximize death benefit potential, or to maximize cash value accumulation potential. Either way, John Hancock has a product solution to meet your clients' needs.

   Once you cover the basics, it may be important to explain how caps and participation rates vary from one carrier to another and how these moving parts impact the overall performance of the product. John Hancock has developed an interactive tool, the Indexed UL Rate Translator, (www.iultranslate.com) to help you and your clients compare different products.

2. **Who is the appropriate client for Indexed UL?**

   As you know recommending life insurance does not work with a "one product fits all" approach. Different clients certainly have different needs and fall on different areas of the risk spectrum. You must be able to meet the client where they are in their world. Knowing your client's investment risk tolerance is the key in making a product recommendation and will make the discussion less confusing.

   Indexed UL occupies a space on the risk-reward spectrum between current assumption UL and VUL. It has features of both product classes and it can be a very good fit for clients whose risk tolerance falls somewhere between the two. Most expect Indexed UL would accumulate more cash value than current assumption UL (but with more volatility). It would be also expected to accumulate less cash value over time than a VUL (but with less volatility).

3. **How do I position Indexed UL to clients who are risk-averse and would rather stay with a guaranteed product?**

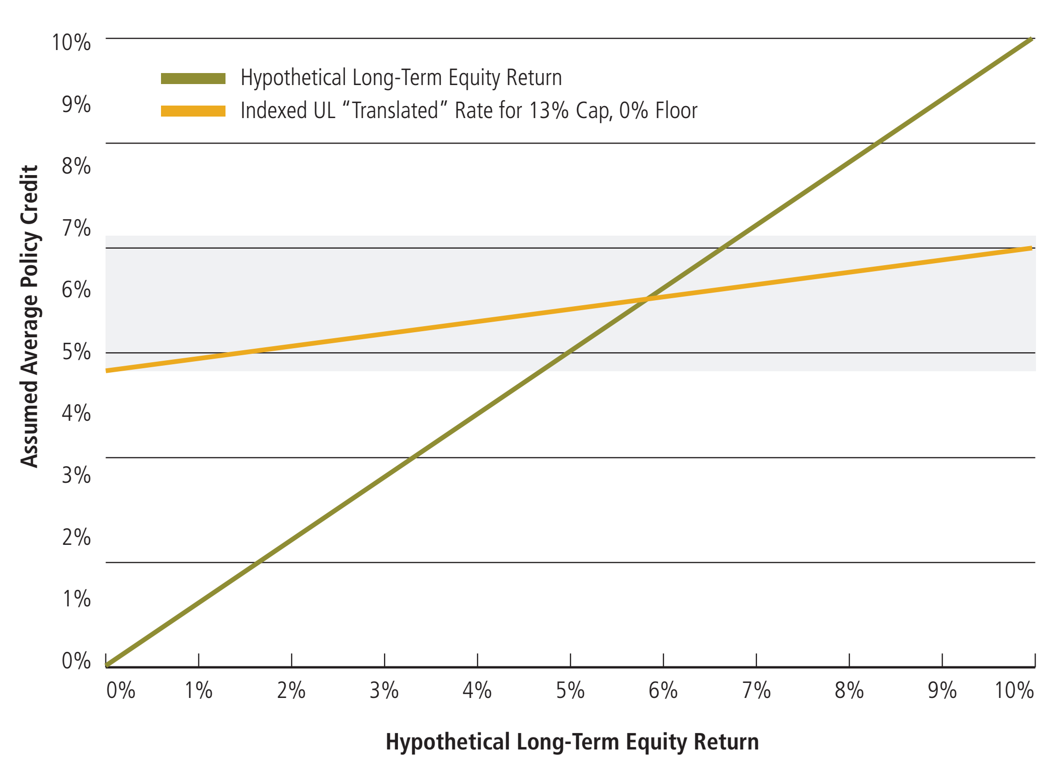
   Risk-averse clients should be aware that GULs typically accumulate very little cash value in the long run. Policies with little or no cash value tend to impose punitive charges if premiums are skipped or if clients deviate from the original sales illustration in any way. Whereas, cash value life insurance can provide more flexibility should your clients need change.

4. How do I explain the difference between Indexed UL and VUL to my clients?

Conceptually, Indexed UL falls between UL and VUL in risk and potential reward. Mechanically, it is a general account product that is linked to equity performance. While VUL performance hinges upon the gains or losses of numerous individual subaccounts, Indexed UL performance depends on the company's general account and the index to which it is linked.

To help clients and advisors understand how an indexed UL product's performance is linked to equity markets, John Hancock created the Indexed UL Rate Translator (www.iultranslate.com). The Indexed UL Rate Translator takes a client's long-term equity market expectation and translates that into a hypothetical assumed Indexed UL rate, while taking into account the product's unique characteristics. When these translated rates are graphed alongside equity returns, it becomes clear how valuable Indexed UL can be for clients who want upside potential but wish to mitigate volatility.

Indexed UL Translated Rates



The Indexed UL Rate Translator — www.iultranslate.com — A Smart and Simple Way to Help Set an Illustrated Rate!

John Hancock's Indexed Crediting Strategies

*Indexed UL policies now represent 30% of total UL premiums and 12% of all individual life insurance premiums.**

John Hancock's Indexed UL products provide the opportunity to earn interest linked to the performance of the S&P 500 *and* provide protection in poorly performing markets because the **credited rate will never be less than zero**.

Clients can allocate their premiums to any combination of the following:

- **Two Indexed Account Options**
  - Capped Indexed Account currently credits up to 13%
  - Unique one-year Uncapped Indexed Account currently credits up to the full performance of the S&P 500, less 5% — allowing for more upside potential
- **Competitive Fixed Account that currently credits 4.8%** — for safe and steady growth

Here's an example of what would be credited based on hypothetical S&P 500 performance and the current Cap and Threshold Rates:

S&P 500 Performance	Capped Indexed Account	Uncapped Indexed Account
25%	13%	20%
15%	13%	10%
5%	5%	0%
-5%	0%	0%

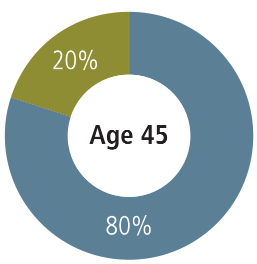
* Based on LIMRA, U.S. Individual Life Insurance Sales, Q4 2012

In New York, the current Capped Rate is 12%, and current Threshold rate is 5.5% and the current Fixed Account Rate is 4.55%. National and New York rates are current and accurate as of August 2013.

Indexed UL Products that Change with Your Clients' Needs

By offering three distinct allocation options — an attractive Fixed Account option and two competitive Indexed Account options — John Hancock gives clients the freedom to change their allocations as their needs change over time.

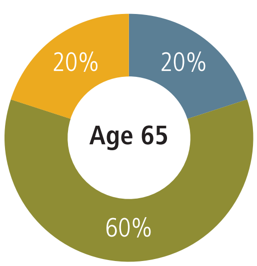
Indexed UL Life Cycle: Female, Age 45, Purchases an Indexed UL policy in 2013



2013: Accumulating Cash

While a client is young and focused on accumulating wealth, she might elect to allocate the bulk of her policy value to John Hancock's Uncapped Account to maximize her growth potential:

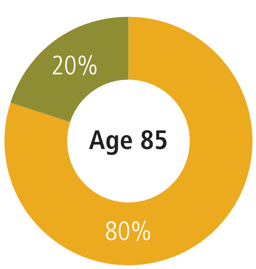
- 80% Uncapped Indexed Account
- 20% Capped Indexed Account



2033: Nearing Retirement

As she approaches retirement, our client might shift her allocation to include all three options, to help protect the policy value she has accumulated:

- 60% Capped Indexed Account
- 20% Uncapped Indexed Account
- 20% Fixed Account



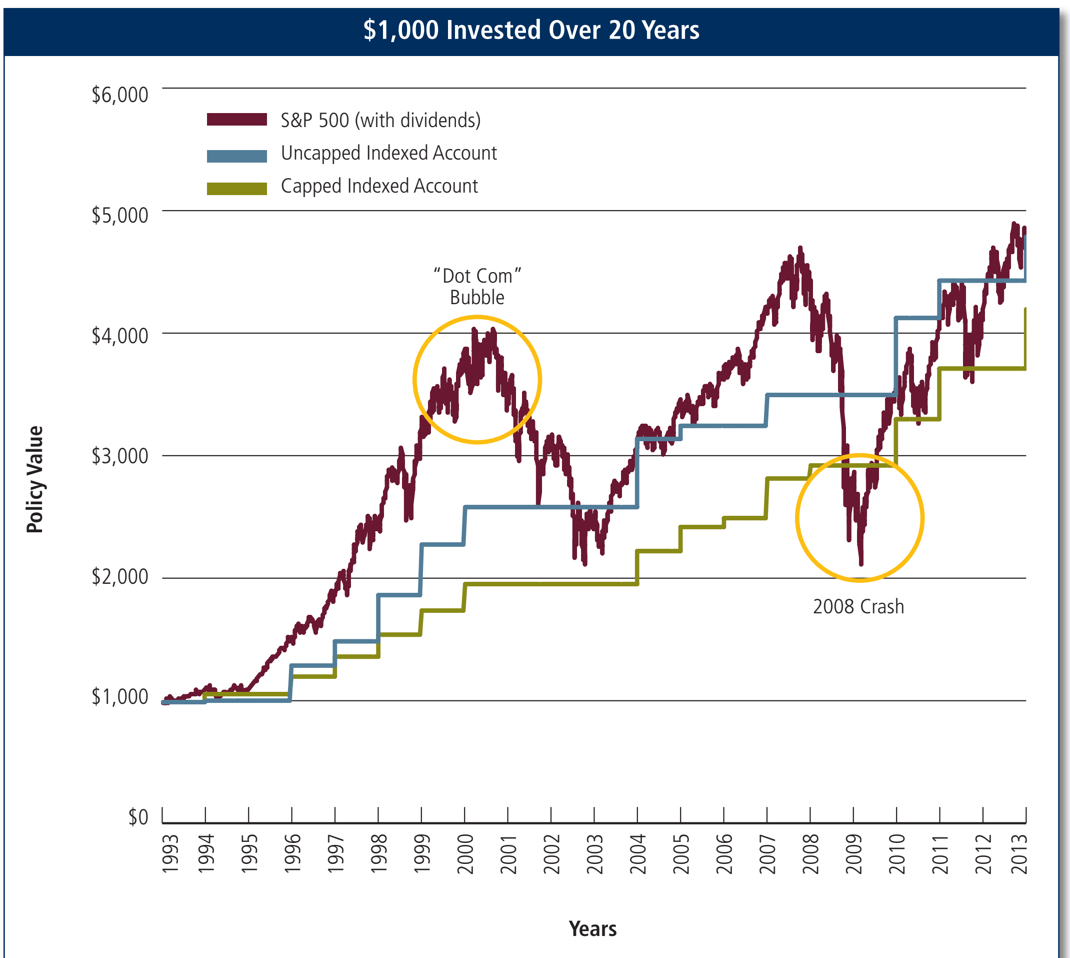
2053: Ensuring a Legacy

And as our client grows older, she may grow more risk averse. Fortunately, her John Hancock Indexed UL policy gives her the freedom to change her allocation as she sees fit, and may elect makes good use of John Hancock's strong fixed account:

- 80% Fixed Account
- 20% Capped Indexed Account

When Zero is Hero

Zero can be your hero during volatile equity markets. Take a look below to see how $1,000 allocated to either of John Hancock's Indexed Accounts would have grown over 20 without exposing policy owners to major downturns.



Source: S&P 500 from 1993–2013

Annual S&P 500 returns (with dividends) and Indexed Crediting options (without dividends).

Zero is Zero, or is it?

While a guaranteed 0% floor comes standard on most Indexed UL products, it does not mean all Indexed ULs offer an equal amount of protection. What sets John Hancock's Indexed UL products apart is its unique **2% Cumulative Guarantee**.

The 2% Cumulative Guarantee ensures the policy will accumulate an **average rate of return that is no less than 2%, guaranteed**, upon policy surrender or death. The impact on the policy surrender values over time is dramatic.

THE POWER OF A 2% CUMULATIVE GUARANTEE				
Male, 45, Best Risk Class, $10,000 Premium for 20 Years				
Company	Year 20 Guaranteed Surrender Value	% of Premiums Paid	Year 30 Guaranteed Surrender Value	% of Premiums Paid
John Hancock's Accumulation IUL	$179,415	90%	$168,872	84%
Leading Competitor	$97,107	49%	$4,554	2%
JH Advantage	**+$82,308**	**+41%**	**+$164,318**	**+82%**

The leading competitor in example is Pacific Life. Solving for a Min Non-MEC Death Benefit switching from DB Option 2 to DB Option 1 in optimal year, GPT. The data shown is taken from various company illustrations. All competitors' illustrated rates were derived using John Hancock's Indexed UL Rate Translator. Translated assumed rates based on inputting an 8% equity assumption and each company's current cap and participation rates. All products shown assume a one-year point-to-point crediting option on the S&P 500 index. Company's translated assumed rates: John Hancock 6.73%, Pacific Life 6.40%. These values are not guaranteed. Competitor information is current and accurate to the best of our knowledge as of August 2013. The comparisons in this communication are of different products which vary in rates, fees, expenses, features and benefits. These comparisons 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 more suitable.

Indexed UL and Long-Term Care Riders — A Unique Combination

*At least **70%** of people over age 65 will require LTC services at some point in their lives.**

A John Hancock life insurance policy with a Long-Term Care (LTC) rider can cost less than buying a permanent life insurance policy and a standalone LTC policy. The LTC rider offers:

- **Convenience:** One underwriting process, one life insurance policy, one affordable premium.
- **Flexibility:** All, some or none of the life insurance benefit can be used for LTC needs.
- **Value:** Less expensive than purchasing separate permanent life and LTC insurance.

LOWER PREMIUM AND SIGNIFICANT LTC BENEFIT!				
Female, 65, Preferred Non Smoker, $500,000 Death Benefit, Full-Pay for Lifetime LTC Rider at 2% Maximum Monthly Benefit Amount (MMBA)				
Company	**Premium without LTC Rider**	**Additional Cost for Rider**	**Premium with LTC Rider**	**Initial LTC MMBA**
John Hancock's Protection IUL	**$9,195**	**$919**	**$10,114**	**$10,000**
Leading Competitor	$11,251	$1,589	$12,840	$9,600

* Based on John Hancock's Cost of Care Survey, conducted by LifePlans, Inc., 2011

The leading competitor in example is Nationwide. The data shown is taken from various company illustrations. Premiums are based on solve to $1 at age 121. All competitors' illustrated rates were derived using John Hancock's Indexed UL Rate Translator. Translated assumed rates based on inputting an 8% equity assumption and each company's current cap and participation rates. All products shown assume a one year point-to-point crediting option on the S&P 500® Index. Company's translated assumed rates: John Hancock 6.73%, Nationwide 6.40%. These values are not guaranteed. Competitor information is current and accurate to the best of our knowledge as of August 2013. The comparisons in this communication are of different products which vary in rates, fees, expenses, features and benefits. These comparisons 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 more suitable.

Making the Decision Easier.

"What rate should I assume for an IUL illustration?"

"How can I best compare IUL products?"

"How do I explain IUL to my clients?"

Find the answers in just one place:

John Hancock's Indexed UL Rate Translator

www.iultranslate.com

An interactive tool that offers a simple way to determine an Indexed UL Illustrated rate.

Then take this "translated" rate and illustrate John Hancock's Indexed UL products on JH Illustrator!

Strength. Stability. **John Hancock.**

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

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

This material does not constitute tax, legal or accounting advice and neither John Hancock nor any of its agents, employees or registered representatives are in the business of offering such advice. It was not intended or written for use and cannot be used by any taxpayer for the purpose of avoiding any IRS penalty. It was written to support the marketing of the transactions or topics it addresses. Anyone interested in these transactions or topics should seek advice based on his or her particular circumstances from independent professional advisors.

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 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.

The Long-Term Care (LTC) and Long-Term Care (LTC) Continuation riders are accelerated death benefits and may not be available in all states. Maximum face amount: $5 million with the LTC rider; $1 million with the LTC Continuation rider. The LTC riders are not considered long-term care insurance in some states. When the policy death benefit is accelerated for long-term care expenses, the death benefit is reduced dollar for dollar, and the cash value is reduced proportionately. There are additional costs associated with these riders. The LTC Continuation rider is not available in several states, including New York. Please go to www.jhsalesnet.com for a complete list of up-to-date state approvals.

For prospective policyholders in New York, this product is a life insurance policy that accelerates the death benefit for qualified long-term care services and is not a health insurance policy providing long-term care insurance subject to the minimum requirements of New York law, does not qualify for the New York State Partnership for Long-Term Care program and is not a Medicare supplement policy.

LIMITATIONS ON OR CONDITIONS FOR ELIGIBILITY FOR PAYMENT OF BENEFITS

Limitations. We will not pay Accelerated Benefits for Qualified Long Term Care Services incurred during the Elimination Period, or for any care, treatment, or charges described in the Non-Duplication of Benefits or Exclusions provisions, below. We will not pay Accelerated Benefits in excess of the Maximum Monthly Benefit Amount for any Calendar Month during any Period of Care, and may modify coverage under this rider following reinstatement.

Exclusions. Qualified Long Term Care Services does not include care or treatment:

(a) for intentionally self-inflicted injury;
(b) required as a result of alcoholism or drug abuse (unless drug abuse was a result of the administration of drugs as part of treatment by a Physician);
(c) due to war (declared or undeclared) or any act of war, or service in any of the armed forces or auxiliary units;
(d) due to participation in a felony, riot or insurrection;
(e) for which no charge is normally made in the absence of insurance;
(f) provided by a member of the Life Insured's Immediate Family;
(g) provided outside the fifty United States and the District of Columbia.

Non-Duplication of Benefits. Qualified Long Term Care Services does not include charges covered under any of the following:

(a) Medicare (including amounts that would be reimbursable but for the application of a deductible or coinsurance amounts);
(b) any other governmental program (except Medicaid);
(c) any state or federal workers' compensation, employer's liability or occupational disease law, or any motor vehicle no-fault law;
(d) expenses for services or items available or paid under another long term care insurance or health insurance policy.

Protection IUL & Protection SIUL 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.

The translated rate is not a predictor of actual Indexed UL performance, nor is it in any way indicative of how the Indexed UL policy will perform relative to the performance of the S&P 500 Index.

Insurance policies and/or associated riders and features may not be available in all states. 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 59½. Cash value available for loans and withdrawals may be more or less than originally invested. Withdrawals are available after the first policy year.

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