



Policy Review: Policies in danger of lapsing

See how John Hancock can help provide an alternative solution for policies that may lapse due to an unpaid loan

Policy reviews are crucial for checking in with clients to ensure their coverage continues to meet their needs. When you sit down with clients, you may uncover situations where the client has taken policy loans to pay premiums or fund expenses, and now the policy may be in danger of lapsing. Before advising any action, check if their current policy can continue to meet their needs. If it cannot, a 1035 exchange where the loan is brought over to a new John Hancock policy may be able to offer the customer more value than the current policy.

See the advantage John Hancock offers in this scenario over a competitor - providing a higher death benefit with coverage that does not lapse!

Male, 50, Standard Plus

| | Current policy information | Prudential Founders Plus | John Hancock Protection IUL 20 |
|---------------------------------|----------------------------|--------------------------|--------------------------------|
| Net death benefit | \$3,877,000 | \$3,174,932 | \$4,252,800 |
| Death benefit age 100 | Lapse | Lapse | \$6,451,517 |
| 1035 exchange amount | N/A | \$1,125,000 | \$1,125,000 |
| Annual premium outlay | \$0 | \$0 | \$0 |
| Net cash surrender value year 1 | \$885,000 | \$722,078 | \$459,487 |
| Loan amount | \$240,000 | \$240,000 | \$240,000 |
| Cost basis | \$525,000 | \$525,000 | \$525,000 |

Illustration based on solving for minimum non MEC death benefit for Prudential and \$4.5 million death benefit for John Hancock. Prudential Founders Plus and John Hancock Protection IUL (PIUL) 20 run at max rates. Max rate is 7.25% for Protection PIUL 20 and 4.31% for Prudential. John Hancock run with DB option 1. Prudential run with DB Option C. Both products run assuming a withdrawal to repay the loan in year 2. A withdrawal to repay a policy with a loan may create a taxable event. Clients should consult their tax advisor before taking a withdrawal to repay a loan. Competitor information is current and accurate to the best of our knowledge as of July 2020. The data shown is taken from illustrations. Protection PIUL assumes 100% allocation to the Base Capped Indexed Account; Prudential illustration assumes an annual point-to-point S&P 500 crediting option. Current crediting rates may be different for each company and may not be guaranteed. Values are not guaranteed and certain assumptions are subject to change by the insurer. Actual results may be more or less favorable. The comparisons in this communication are of different products that vary in premiums, rates, fees, expenses, features and benefits. These comparisons cannot be used with the public. Please have your clients consult with their professional advisors to find out which type of life insurance is most suitable for their needs.

Please contact your **John Hancock Sales Representative** or **National Sales Support** at **888-266-7498, option 2.**

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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 59 1/2.

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 02116 (not licensed in New York) and John Hancock Life Insurance Company of New York, Valhalla, NY 10595.

LIFE-8407UD 8/20 MLINY080320002