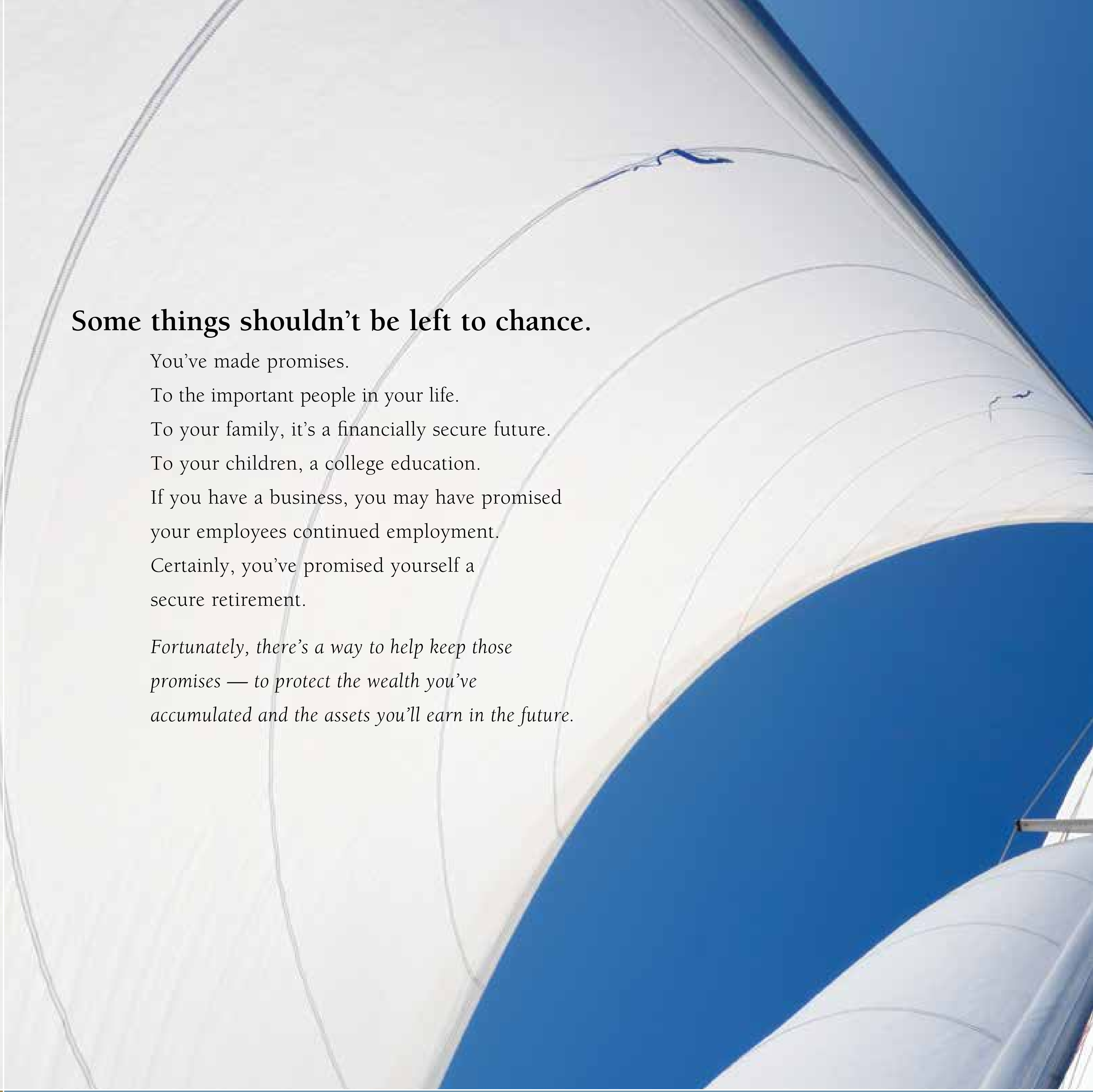
CHARTING A COURSE

to Help Secure your Future with Life Insurance

John Hancock Life Insurance Company (U.S.A.) – (John Hancock)
John Hancock Life Insurance Company of New York – (John Hancock)

LIFE-1954 12/14

INSURANCE PRODUCTS:		
Not FDIC Insured	Not Bank Guaranteed	May Lose Value
Not a Deposit	Not Insured by Any Government Agency	



Some things shouldn't be left to chance.

You've made promises.
To the important people in your life.
To your family, it's a financially secure future.
To your children, a college education.
If you have a business, you may have promised your employees continued employment.
Certainly, you've promised yourself a secure retirement.

Fortunately, there's a way to help keep those promises — to protect the wealth you've accumulated and the assets you'll earn in the future.

Life Insurance

The solution to help address a wide range of financial needs.

The benefits and features of life insurance can keep your financial strategy on course and help meet your future goals by:

- **Protecting families from financial hardship** by providing asset and income protection from premature death for surviving family members.
- **Providing benefits to supplement income** by offering ways to bolster retirement income in a tax-advantaged vehicle that provides the comfort of death benefit protection.
- **Playing an important role as a wealth transfer tool** to help ensure that your wealth will pass effectively to the next generation.
- **Offering solutions to keep closely held businesses operating** by providing cash to transfer the business — as well as providing important benefits to employees.

Take a look at the statistics below. They indicate that many U.S. households are not adequately insured or may not have the right insurance coverage to help meet key financial goals.

The Facts of Life

Many U.S. households continue to be underinsured…

- One third of adults in the U.S. carry no life insurance at all.
- More than 1 in 4 men have no life insurance coverage at all.
- Almost 1 in 3 women have no life insurance coverage at all.

Baby Boomers heading toward retirement

- There are approximately 77.8 million baby boomers (born 1946 through 1964) ages 48 to 66.
- On average, three-quarters of baby boomers own some type of life insurance — half owning individual life insurance policies and the rest having group policies.
- While an average of 78.5% of men in this generation have life insurance, less than 70% of women have any life insurance.

Source: All statistics come from LIMRA International's fact sheet, "Generations at Risk," September 2008.

Protection

Providing security for you and your family — today and tomorrow.

Death Benefit

The purpose of a life insurance *death benefit* is to financially protect family members from the premature death of one of the family's primary wage earners. Life insurance, first and foremost, provides asset and income protection from premature death for surviving family members, especially for a young, growing family. How?

The life insurance death benefit can be used to pay off a mortgage, fund education obligations and replace lost salary to pay for ongoing household expenses, debts, and even outstanding tax bills. A key value of life insurance when it comes to family protection is that it provides the death benefit in the form of cash, in a timely fashion. Life insurance provides protection exactly when it is needed, regardless of market or economic conditions.

Income Tax-Free Death Benefit

A life insurance policy can provide an immediate income tax-free death benefit for your heirs in the event of your premature death. With proper planning, they will receive the proceeds directly (without probate) on an income and estate tax-favored basis (under current law).[1]

Long-Term Care Coverage

Adding a long-term care rider to a permanent life insurance product can help protect your family, your hard-earned assets and your future from the high costs of long-term care coverage. There are additional costs associated with such a rider and benefits are subject to exclusions and limitations.

Facts You Should Know

- At least 70% of people over age 65 will require long-term care services at some point in their lives.[2]
- The average length of time that individuals stay in a nursing home is 876 days (2.4 years).[3]
- The national average cost of one year of nursing home care is nearly $83,000 today and round-the-clock homecare can be more than that.[4]

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.
2. Source: U.S. Department of Health and Human Services, National Clearinghouse for Long-Term Care information, www.longtermcare.gov, November 2014.
3. Source: The Lewin Group, "Nursing Home Use by 'Oldest Old' Sharply Declines," November 2006.
4. Source: Based on the John Hancock 2013 Cost of Care Survey. Figure based on semi-private room.

Supplement Income

Going the distance.
Getting you where you want to go.

Cash Value

In addition to providing death benefit protection to help ensure your family has the funds to meet their needs should anything happen to you, a *cash value* life insurance policy is flexible enough to meet a variety of needs during your lifetime. These may include taking advantage of a business opportunity or supplementing retirement income.

Cash value is built over time through a combination of net premium payments and interest.

Tax-Deferred Growth

A portion of your premium payments on a permanent life insurance policy, such as universal life or variable universal life goes toward a cash value account. The potential cash value in your policy grows each year with interest, tax-deferred.

Once you have accumulated enough cash value, you can opt to use it to cover your premium payments. If you decide to withdraw some cash value, you may have to resume premium payments to keep the life insurance policy in force.

Tax-Favored Withdrawals and Loans[5]

A portion of the cash value can be withdrawn in the event of an emergency or to supplement retirement income, keeping in mind that the policy death benefit is reduced by the amount of the withdrawal. Withdrawals are not taxed unless an amount above the premiums paid into the policy is withdrawn and, as long as the policy is not designed as a Modified Endowment Contract (MEC), can provide a tax-deferred contribution resource for retirement income.

This can help minimize income taxes in retirement, as well as offset a retirement income shortfall resulting from the payment of income taxes and contribution limitations on qualified retirement plans.

Another common way people access their cash value is by taking out a loan against their policy and paying it back with interest at a rate that's generally lower than a bank loan. You're not obligated to pay it back, though the money you owe, plus interest, will be deducted from the death benefit upon death.

5. 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 originally invested. Surrender charges may apply to withdrawals taken from the cash values of a life insurance policy. Please refer to the life insurance contract for details regarding the amount of the charges and when they apply. The net cash surrender value will generally reflect the amount available, net of surrender charges, for withdrawal.

Benefits of Cash Value Life Insurance:

Permanent or cash value life insurance is built to last a lifetime.

The permanent policy can help:

- Replace income for the family in the event of premature death
- Cover the contributions provided by a non-earning spouse (child care, house care, other domestic services)
- Repay debt obligations
- Plan for business succession or estate transfer in the event of premature death
- Provide an alternative and efficient savings plan
- Offer potential protection from the claims of creditors

Take a look at how life insurance compares with other income alternatives.

REASON	LIFE INSURANCE	TAXABLE INVESTMENTS	QUALIFIED PLAN/ TRADITIONAL IRA	ROTH IRA	MUNICIPAL BONDS
Tax-Favored Withdrawals	Yes	No	No	Yes	Yes
Tax-Deferred Accumulation	Yes	No	Yes	Yes	Yes
Tax-Free Death Benefit	Yes[6]	None	None	None	None
Unrestricted Access and No Penalties	No[7]	Yes	No	No	Yes
Contribution Limits	No[8]	No	Yes	Yes	No
Cost of Insurance Charges	Yes	No[9]	No	No	No

6. 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.
7. 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 (for income tax purposes).
8. 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.
9. If the underlying investment is a deferred annuity, cost of insurance charges and/or withdrawal penalty may apply.
10. A SPIA is a Single Premium Immediate Annuity that provides an income stream for a chosen number of years based on a single deposit made to purchase the annuity. The income stream from the annuity is calculated on a Life-Only No-Refund basis so that the income will last for the lives of the income beneficiaries and no principal balance will be remaining in the estate at death. When using a maximization approach, the SPIA beneficiary is assumed to be you, or you and your spouse, if applicable, otherwise taxation may apply.
11. 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 transfer tax). Failure to do so could result in adverse tax treatment.

Wealth Transfer

Navigating your future —
making the most of your success.

Life insurance is an asset that can efficiently transfer wealth within a family. A common misconception about wealth transfer strategies is that they are only for the wealthy. While wealthy individuals may require more complex techniques including funding trusts or establishing a variety of tax-reducing strategies, everyone who has assets that need to be transferred upon death requires some form of wealth transfer strategy.

The protection aspect of life insurance extends to wealth transfer strategies as well, providing the cash required at precisely the time needed for a decendent's heirs to pay the estate tax bill. Life insurance can be used to provide the liquidity needed to protect family assets from transfer taxes that would otherwise devastate a family's standard of living. If a taxable estate does not have sufficient cash to pay the estate tax bill, the business and/or other estate assets must be liquidated to do so. Since a closely held company often represents a large portion of wealth, liquidation of the intra-family business could disrupt a family's livelihood in a very short period of time.

Wealth Transfer Strategies Using Asset Repositioning

You own a variety of assets and have accumulated wealth over the years. While your income may be primarily generated from various sources, including pension plans, non-qualified deferred compensation plans, and social security, you may intend on designating certain other personal assets to both supplement your income and to preserve assets for heirs. In some cases, you may be giving up higher returns to preserve wealth by continually rolling over low-yielding certificates of deposit (CDs), or by maintaining municipal bonds to benefit from the tax-free income they offer. Or, you may be holding a deferred annuity to take advantage of the tax-deferred growth it can provide your heirs. Unfortunately, there are additional taxes at death associated with owning some of these assets. Unknowingly, you may be transferring more of your wealth to the IRS than to heirs. And, you may also believe there are no conservative alternatives.

The chart below illustrates taxation of certain assets at death, based on current tax law:

SUMMARY OF TAXATION AT DEATH					
	MUNICIPAL BONDS	CERTIFICATES OF DEPOSIT	DEFERRED ANNUITIES	SPIA[10]	TRUST-OWNED LIFE INSURANCE[11]
INCOME TAX	No	No	Yes	No	No
ESTATE TAX	Yes	Yes	Yes	No	No
GENERATION-SKIPPING TAX	Yes, when beneficiaries are grandchildren	Yes, when beneficiaries are grandchildren	Yes, when beneficiaries are grandchildren	No	No

The Solution

By using an asset repositioning approach in your wealth transfer strategy in which you immediately or systematically replace a deferred annuity, municipal bond portfolio, or other low income-producing asset with more tax-efficient vehicles, you may be able to transfer more to heirs while maintaining or increasing your income.

Benefits of Using a Maximization Approach

- You may be able to increase your net after-tax income and potentially guarantee it for your lifetime.
- You may reduce market and interest rate risk by exchanging the asset for a more tax-efficient one.
- You may reduce your taxable estate without giving up income or a legacy for heirs.
- You may potentially transfer more to your heirs by leveraging the asset's income with life insurance.

Considerations

- The maximization approach requires you to give up the asset principal in exchange for an income stream.
- The leverage that the insurance may provide is only available if you are insurable.
- Different investment choices, including Single Premium Immediate Annuities (SPIA) and life insurance policies, carry different risks, costs, and benefits that each investor must measure based on specific goals and tolerance for risk.[12]

Lifetime Giving

A program of Lifetime Giving can be part of your wealth transfer strategy. It can help reduce estate taxes, avoid probate, and when combined with life insurance, may also increase the amount passed to your heirs.

Benefits

- Lifetime giving can help reduce the size of the estate and hence any potential estate taxes.
- Lifetime gifting can protect gifted assets from creditors, avoid probate for gifted assets, and protect the family's privacy.[13]
- When gifts are used to purchase life insurance, lifetime giving may increase the amount of money left for the heirs.

12. The exchange of an asset for a SPIA may be a taxable event and/or sales charges may apply based on the type of investment being exchanged. In addition, if the life insurance is not owned by a properly drafted life insurance trust, it is possible that the life insurance proceeds will be part of the taxable estate.
13. Assuming the proposed initial gift was not a fraudulent conveyance meant to inhibit creditors.

Business Planning

Helping businesses stay on course.

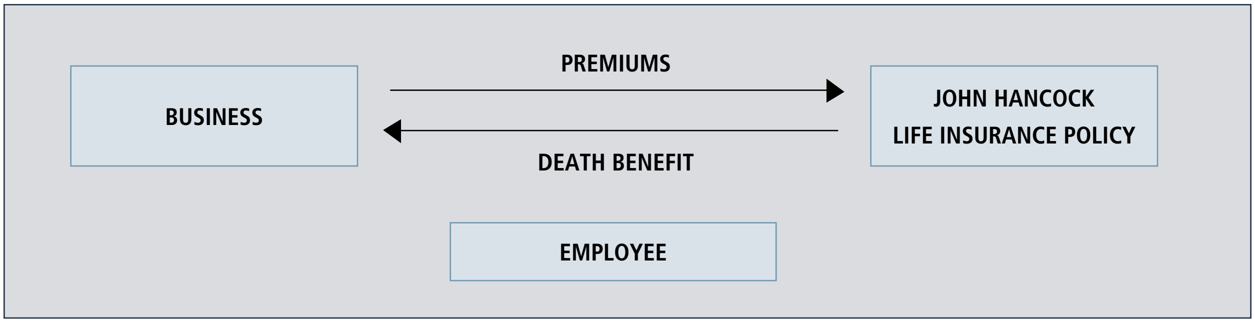
Business owners can use life insurance to protect their business and provide important benefits to their employees. Without proper planning and funding, many small businesses fail to continue to the next generation.

Key-Person Insurance

Small business owners are often concerned about protecting the business from the death of a key employee whose knowledge and contributions to the company are invaluable. The loss of a key person may result in not only a loss in sales but also a potential loss of important contacts and goodwill. The company's credit position may also be compromised.

How does it work?

The business owner can protect the business from the loss of a key person by implementing a Key-Person insurance plan. The business buys a life insurance policy on the life of the key employee, and the business is the owner and the beneficiary of the policy. The business will pay the entire premium and at the death of the employee, the business will receive the entire death benefit. This income tax-free death benefit may be used to replace lost profits, recruit and/or retain qualified replacements, or protect the company's credit position. The employee does not have any interest in the policy, nor does his or her family typically receive any benefits from the policy when death occurs.



With Key-Person life insurance, the business has death benefit protection in case of a sudden and unexpected death and is able to access the potential cash values of the life insurance policies for cash flow, retirement benefits or for unanticipated expenses.

Business Succession Planning

The success of a business can grow to depend on certain individuals, turning their death, disability or retirement into potentially devastating events if adequate planning is not in place. Buy-Sell plans are agreements in which one party agrees to buy and another agrees to sell a business interest in those circumstances. They allow for an orderly transfer of ownership and life insurance can be an ideal source of funding for these important forms of succession planning. Life insurance proceeds provide the cash to fund the transfer of a business at death. Or, during lifetime, a cash value life insurance policy can be used as a partial funding source to replace a key owner's activities at his/her retirement or disability.

Benefits

- **Guarantees a buyer:** A Buy-Sell plan provides a guaranteed buyer upon the death, disability or retirement of a business owner. The remaining owners are protected against the sale of a significant interest in the company to an unknown third party.
- **Creates liquidity:** At the death of one of the owners, his or her family may need cash for ordinary living expenses. The life insurance used to fund the Buy-Sell plan can help provide this liquidity, as well as any estate tax liability.

Executive Bonus Plans

In today's increasingly competitive environment, it is getting harder for businesses to find an executive benefit plan to attract, retain, and reward talented executives. What type of plan is available that will reward the most productive employees in a way that is flexible, cost effective, and simple to administer?

Two plans may be able to help: the **Executive Bonus Plan** and the **Restricted Bonus Endorsement Arrangement** (REBA). Both of these plans are appealing to key employees, tax deductible to employers, and simple to implement and administer. In addition, the REBA can provide a strong incentive for employees to stay with the company.

Benefits

For the employer, both the Executive Bonus Plan and the REBA provide a tax-deductible, discriminatory benefit plan that is simple to implement and inexpensive to administer. The Executive Bonus Plan offers an immediate income-tax deduction of the full bonus amount; the REBA provides a tax deduction as the employee vests in the bonus. Additionally, the vesting schedule of the REBA creates a strong incentive for the executive to stay with the company. For the executive, both plans offer affordable life insurance protection and potential supplemental retirement income.

Choosing the Right Type of Life Insurance

Life insurance can play a key role in helping you reach all of your goals in the event of the unexpected. It can also help ensure that your legacies remain intact for the next generation following death. John Hancock focuses on the protection and preservation of wealth with products and features designed to meet your estate, retirement and business planning needs.

All life insurance policies are designed to pay a benefit when someone dies, but there are two basic categories of policies to meet different needs — term and permanent. In general, term life insurance provides death benefit protection for a specific period of time, while permanent life insurance offers lifetime death benefit protection with a cash value component.

John Hancock Permanent Life Insurance Products

Universal Life

John Hancock's universal life insurance offers customizable and flexible solutions to meet your financial objectives.

Whether you're looking for guaranteed death benefit protection, low-cost coverage or strong cash value growth potential, our universal life products offer a wide variety of features and riders that are ideal for addressing these needs.

Variable Universal Life

John Hancock's variable universal life policies can give you the protection and guarantees you need to feel secure in uncertain times, plus the cash value growth potential and flexibility you need to meet your long-term financial goals.

Your premiums are invested in underlying investment options that have the potential to accumulate cash value — tax-deferred. Variable universal life offers protection for your family's financial well-being as well as a potential source of supplemental retirement income for you.

John Hancock also offers an array of innovative ways to enhance your policy with optional riders and features.

Term Life Insurance

Term life insurance provides guaranteed coverage for a specified time. John Hancock's Term life insurance products and optional riders are an affordable way to prevent financial hardship should you die suddenly or be diagnosed with a terminal illness. With John Hancock's Term you can take advantage of:

Benefits

- Guaranteed level premiums for 10, 15 or 20 years
- Guaranteed conversion option to any of John Hancock's fully-underwritten permanent products that are currently offered to individual policy owners
- Guaranteed level death benefit

FEATURES OF JOHN HANCOCK'S TERM AND PERMANENT LIFE INSURANCE

	Permanent	Term
Death Benefit Protection	Yes	Yes
Cash Value Accumulation	Yes	No
Acceleration of Death Benefit during lifetime to cover long-term care expenses	Yes	No
Flexibility based on changing needs	Yes	No

Benefits of Permanent versus Term Life Insurance

- **Permanent death benefit protection –** The death benefit provides protection against economic loss.
- **Cash value accumulation –** A permanent policy has the potential to accumulate cash values on a tax-deferred basis and may help you to recover premiums.
- **Tax-favored income –** Cash withdrawals may be taken on a tax-free basis up to the policy's cost basis. Loans can be taken on a tax-deferred basis.
- **Flexibility –** The permanent policy may be designed to provide the insured with the flexibility to address changing needs.

Considerations

- **The low cost of term life insurance –** The cost of term life insurance can be significantly less than the cost of permanent insurance.
- **Additional premiums may be required –** Depending on the performance of the underlying investment accounts of a variable universal life policy and the interest crediting rate on a universal life policy, the cash values available for loans and withdrawals may be worth more or less than the original investment amount. Additional premiums may be required to sustain the policy.
- **Variable universal life (VUL) risks –** Purchasing VUL insurance involves investing in underlying investment accounts that correspond to your investment objectives and level of risk tolerance. The types of risks associated with investing in these accounts include potential market, portfolio, inflation and international risk. The primary purpose of VUL is to provide lifetime protection against economic loss due to the death of the insured person. VUL insurance products are long-term contracts and are sold by prospectus. For more information, please refer to the product prospectus.

Needs Analysis Worksheet

HOW MUCH LIFE INSURANCE DO YOU NEED?

Life insurance is an important component of any financial plan. This quick and easy Needs Analysis Worksheet will help determine how much insurance coverage is needed to help secure your financial future.

ASSETS

1. Spouse's Annual Income ______
   x Number of Years ______
   = Total Projected Income ______
2. Cash and Savings ______
3. Investments ______
4. Home Equity ______
5. Retirement Income ______
6. Existing Life Insurance ______
7. Other ______
8. **Total Assets** (add lines 1–7) ______

This worksheet does not take into account investment growth or the time value of money. This is just an approximate estimate. Please contact your financial advisor to determine the amount of protection that is right for you.

EXPENSES

9. Annual Living Expenses ______
   x Number of Years ______
   = Total Projected Living Cost ______
10. Annual Mortgage/Rent ______
    x Number of Years ______
    = Total Projected Mortgage/Rent ______
11. Outstanding Debt (Car Loans, Credit Cards, Personal Loans, etc.) ______
12. Annual Childcare Cost ______
    x Number of Years ______
    = Total Projected Childcare Cost ______
13. College for Child One ______
    + Child Two ______
    + Child Three ______
    = Total Projected College Cost ______
14. Funeral and Settlement Costs ______
15. **Total Expenses** (9–14) ______

Difference (between line 8 and 15) ______

Amount of Insurance Needed ______

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.

All guarantees and benefits of the insurance policy are backed by the claims-paying ability of the issuing insurance company. Policy guarantees and benefits are not backed by the broker/dealer and/or insurance agency selling the policy, nor by any of their affiliates, and none of them makes any representations or guarantees regarding the claims-paying ability of the issuing insurance company.

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

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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. Refer to the product prospectus for additional information.

Variable universal life insurance has annual fees and expenses associated with it in addition to life insurance related charges (which differ with the product chosen), including surrender charges and investment management fees. Variable universal life insurance products are long-term contracts and are sold by prospectus. They are subject to market risk due to the underlying sub-accounts, and are unsuitable as a short-term savings vehicle. The primary purpose of variable universal life insurance is to provide lifetime protection against economic loss due to the death of the insured person. Cash values are not guaranteed if the client is invested in the investment accounts. There are risks associated with each investment option, and the policy may lose value.

Please contact 1-800-448-1616 to obtain product and fund prospectuses or if you are interested in obtaining a selling agreement with John Hancock Distributors LLC. The prospectuses contain complete details on investment objectives, risks, fees, charges and expenses as well as other information about the investment company. Please advise your clients to carefully read the prospectuses which contain this and other information on the product and the underlying portfolios, and consider these factors carefully before investing.

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