

*John Hancock*

LIFE INSURANCE

PRODUCER GUIDE

# PROTECTION

## SUL-G

Setting a course for life

VERSATILE SURVIVORSHIP PROTECTION. GUARANTEED.

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NOT FOR USE WITH THE PUBLIC.



## SUL-G

### Performance and Features<sup>1</sup>

- Competitive compensation package
- Guaranteed coverage up to lifetime
- Adjustable guarantee periods<sup>2</sup>
- Late Payment of Premium feature
- Estate Preservation rider
- Policy Split Option
- Disability Payment of Specified Premium rider

John Hancock's SUL-G is a survivorship universal life insurance policy that offers flexible premium solves and funding patterns — making it an attractive solution for clients whose primary concern is guaranteed fixed premium death benefit protection.

SUL-G also provides a late premium payment feature that helps maintain the policy's death benefit guarantee.

## Meeting Client Needs

SUL-G is designed for clients who want guaranteed fixed premium death benefit protection for two lives. It is an appropriate solution in business planning and wealth transfer situations, such as the equalization of inheritances and funding the transfer of a business.

### NEED

*Business planning or wealth transfer situations that require affordable, guaranteed death benefit protection*

### SOLUTION

*Guaranteed Coverage:* Offers affordable level-pay premiums for the life of the surviving insured.

### NEED

*Adding greater protection against uncertainty*

### SOLUTION

*Estate Preservation rider (EPR):* Protects the insureds from estate tax liability when a life insurance policy is transferred to a trust by providing additional coverage during the first four policy years so that the funds will be available to pay any additional taxes due.<sup>3</sup>

*Policy Split Option (PSO):* Allows the policy to be split into two equal, permanent single life policies without evidence of insurability in the event of a divorce or tax law change, saving clients the time and effort of re-applying for coverage.

FEATURES <sup>1</sup>	SUL-G
<b>Product Design</b>	Flexible Premium Survivorship Universal Life Insurance
<b>Issue Ages</b>	20–90
<b>Risk Classes/Issue Ages</b> Non Smoker     Smoker	<b>Fully-Underwritten</b> Super Preferred 20–80 Preferred 20–90 Standard Plus 20–90 Standard 20–90 Preferred 20–90 Standard 20–90
<b>Flat Extras</b>	Flat Extras (temporary and permanent) are allowed on all fully underwritten risk classes with the exception of Super Preferred
<b>Available Coverage</b>	Base Face Amount (BFA)
<b>Minimum Base Face Amount (BFA)</b>	\$250,000
<b>Definition of Life Insurance</b>	<ul style="list-style-type: none"> <li>• Cash Value Accumulation Test (CVAT)</li> <li>• Guideline Premium Test (GPT)</li> </ul>
<b>Maximum First-Year Premium</b>	<ul style="list-style-type: none"> <li>• First-year premiums on MEC policies are limited to a maximum of \$3 million</li> <li>• First year premiums on all policies are limited to a maximum of 20 times the Target Premium</li> </ul>
<b>Minimum Initial Premium (MIP) Requirement</b>	<ul style="list-style-type: none"> <li>• ½ of No-Lapse Guarantee (NLG) Premium</li> <li>• Premium amount required to issue the policy and keep it in force for the first policy month</li> </ul> Note: A greater amount is required if policy is backdated.
<b>Face Amount Increases</b>	Base Face Amount increases are not permitted
<b>Face Amount Decreases</b>	<ul style="list-style-type: none"> <li>• Allowed after first policy year</li> <li>• Minimum requested Face Amount decrease is \$50,000</li> <li>• Face Amount may not be decreased below Minimum Base Face Amount</li> <li>• Pro-rata Surrender Charge will apply during the Surrender Charge period</li> </ul>
<b>Death Benefit Options</b> Option 1 Option 2 Option Change (2 to 1 only)	Face Amount Face Amount plus policy value Available after first policy year. The change is effective on the monthly processing date following a valid request from the policy owner.
<b>Coverage Beyond Age 121</b>	Policy does not mature; provided that funding is sufficient, the policy will remain in force until the surviving insured's death. At younger insured's age 121: <ul style="list-style-type: none"> <li>• Policy and rider charges cease</li> <li>• Premiums are not required or permitted</li> <li>• Interest continues to accumulate on the policy value</li> <li>• Withdrawals are not permitted</li> <li>• New loans are permitted and loan repayments are accepted on existing loans</li> <li>• Interest continues to be charged on any outstanding loan until a death claim is made (the policy may lapse if debt equals or exceeds the policy value)</li> </ul>



FEATURES <sup>1</sup> (continued)	SUL-G
<p><b>Quit Smoking Incentive</b></p>	<p>The Quit Smoking Incentive (QSI) allows all Standard and Preferred Smokers to receive Standard Non Smoker policy charges for the first three policy years. To maintain Non Smoker policy charges beyond year three, the insured must provide satisfactory evidence* that he/she has quit smoking for at least 12 consecutive months and their microunalysis must be free of nicotine or metabolites. Please note the following:</p> <ul style="list-style-type: none"> <li>• Available for issue ages 20-70</li> <li>• Not available for substandard ratings</li> <li>• Term Conversions and internal replacements will require additional underwriting if the original policy (replaced or converted) was issued more than three years ago</li> <li>• Policies upgraded to Standard Smoker via the HealthStyles program will require additional underwriting</li> <li>• The earliest an insured can request a change to Non Smoker is on or after the first policy anniversary</li> </ul> <p>*For more details on the underwriting evidence required, please refer to our smoking class change guidelines.</p>
<p><b>Late Payment of Premium Feature</b></p>	<p>This feature provides clients with greater death benefit guarantee protection in the event of late premium payments. As long as the premium is received within the policy month following the premium due date, it is treated as if received on the due date for the purpose of maintaining the guaranteed death benefit.</p>
<p><b>Catch-Up Provision</b></p>	<p>Policy owners may elect to guarantee their coverage for durations up to lifetime. At any time while a policy is in force, a shorter-than-lifetime guarantee (whether issued on that basis or because the policy owner deviated from the original sales illustration) can be extended beyond the current projected lapse date by paying a catch-up premium.</p> <ul style="list-style-type: none"> <li>• If the policy was illustrated on a less-than-lifetime basis (e.g., only to age 95), the catch-up premium for a lifetime guarantee would have been included in the original sales illustration</li> <li>• If the policy owner shortened the guarantee period by deviating from the original policy design (e.g., by taking a withdrawal or missing a payment), the guarantee period may still be extended by paying a catch-up premium any time before the policy lapses. An in force illustration can be run after the first policy year to calculate the catch-up premium required to extend the duration of the guarantee.</li> </ul>
<p><b>No-Lapse Guarantee</b></p>	<p>At policy issue, SUL-G includes a Policy Protection Rider. The Policy Protection Rider guarantees that the policy will not default, even if the Cash Surrender Value falls to zero or below, provided premium requirements are met. The maximum duration of this rider is to the younger insured's attained age 121, but may be shorter. Factors such as, but not limited to, the amount and timing of premium payments, loans, withdrawals, or any other change allowed under the contract may impact the period of guaranteed coverage. Once terminated, the Policy Protection Rider cannot be reinstated.</p>

RIDERS <sup>1</sup>		SUL-G
<b>Disability Payment of Specified Premium (DPSP)</b>	<p>Pays a premium amount chosen by the applicant up to the modal policy protection rider premium to age 121 of the younger insured (not to exceed \$3,500 per month), if insured satisfies the elimination period for total and permanent disability.</p> <ul style="list-style-type: none"> <li>• Issue ages 20–60</li> <li>• \$5,000,000 maximum Face Amount on all policies</li> <li>• A separate monthly charge is deducted up to age 65 of the younger insured if this optional rider is selected</li> </ul>	
<b>Estate Preservation Rider (EPR)</b>	<p>Provides additional non-convertible coverage during the first four policy years to help cover estate taxes during this period.</p> <ul style="list-style-type: none"> <li>• Coverage is subject to underwriting restrictions and retention availability</li> <li>• EPR has the following rating limits (both lives): <ul style="list-style-type: none"> <li>Issue Ages 20–65      500%</li> <li>Issue Ages 66–75      200%</li> </ul> </li> </ul>	
<b>Policy Split Option (PSO)</b>	<p>In the event of divorce or estate tax law change (within 90 days of either event), PSO allows for the split of one survivorship policy into two equal permanent single life policies, without evidence of insurability.</p> <ul style="list-style-type: none"> <li>• No Surrender Charge applies at the time of the policy split</li> <li>• Available for issue ages 20–75, when neither insured is rated</li> <li>• There is a monthly rider charge</li> </ul>	
POLICY VALUES <sup>4</sup>		SUL-G
<b>Interest Crediting Rate</b>		
Current	As declared	
Guaranteed	2.00%	
<b>Policy Loans<sup>4</sup></b>	<ul style="list-style-type: none"> <li>• Policy loans are available at any time after the policy is in force</li> <li>• Minimum loan amount is \$500</li> </ul>	
<b>Policy Loan Spread</b>		
Current	All years 1.00%	
Guaranteed	All years 2.00%	
<b>Withdrawals<sup>4</sup></b>	<ul style="list-style-type: none"> <li>• Available after the first policy year</li> <li>• Minimum withdrawal is \$500</li> <li>• A partial Surrender Charge may apply</li> <li>• Partial withdrawals reduce the policy value and will impact the no-lapse guarantee calculations</li> </ul>	

POLICY CHARGES	SUL-G
<p><b>Premium Charge</b> Current and Guaranteed</p>	<p><b>Year 1</b></p> <ul style="list-style-type: none"> <li>• 39% of Target Commissionable Premium (TCP)</li> <li>• 30% of premium in excess of TCP</li> </ul> <p><b>Years 2+</b></p> <ul style="list-style-type: none"> <li>• 30% of all premium</li> </ul>
<p><b>Administrative Charge</b> Current and Guaranteed</p>	<p><b>All Years</b> \$20 per month</p>
<p><b>Cost of Insurance Charges</b> Current and Guaranteed</p>	<ul style="list-style-type: none"> <li>• A charge per \$1,000 of Net Amount at Risk, deducted monthly</li> <li>• Mortality charge varies by issue age, gender, policy duration, and risk class</li> <li>• No greater than the 2001 CSO Mortality table</li> </ul>
<p><b>Surrender Charge</b> Current and Guaranteed</p>	<ul style="list-style-type: none"> <li>• A charge per \$1,000 of BFA at issue; deducted in the event of full surrender</li> <li>• The Surrender Charge rate varies by issue age, gender, and risk class of two lives insured</li> <li>• The charge grades down monthly over a period of up to 20 years and is 0% in years 21 and after</li> </ul>
<p><b>Contract Charge</b> Current and Guaranteed</p>	<ul style="list-style-type: none"> <li>• Monthly charge per \$1,000 of current BFA</li> <li>• Applies in all policy years</li> <li>• Rate varies by issue age and risk class</li> </ul>
<p><b>Coverage Expense Charge</b> Current and Guaranteed</p>	<ul style="list-style-type: none"> <li>• Monthly charge per \$1,000 of current BFA</li> <li>• Applies in all policy years</li> <li>• Rate varies by issue age</li> </ul>
<p><b>Rider/Rating Charge</b></p>	<p>Covers cost of riders and/or flat-dollar ratings</p>
<p><b>Policy Split Option Charge</b></p>	<p>\$0.75 per \$1,000 of current BFA</p>

## *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.

1. 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.
2. Guarantees are based on the claims-paying ability of the issuer. The policy offers a guaranteed death benefit provided minimum premium requirements are met.
3. According to IRC 2035(d)(2), life insurance that has been transferred to a trust can be included in the insured's estate if the death occurs within three years of the transfer. The Estate Preservation Rider provides additional coverage for SUL-G during the first four policy years, so that funds will be available to pay the additional estate taxes due. Even if proceeds are not included in the estate, the benefit will be paid if both deaths occur in the first four years. The Estate Preservation Rider is subject to certain restrictions. 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 of trust proceeds.
4. 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 (MECs) may be subject to an additional 10% penalty tax when a 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.

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Insurance products are issued by John Hancock Life Insurance Company (U.S.A.), Boston, MA 02116.

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