



Frequently Asked Questions

New Vitality PLUS enhancements for applicants approved at a substandard risk class

John Hancock Vitality has something to offer everyone, but it's especially beneficial for people who have received a substandard rating because of medical history. In fact, we believe that Vitality has even more to offer these customers because it offers tools and incentives that can help them achieve sustainable improvements in their health. For that reason, we are increasing the potential savings available to clients with substandard ratings to as much as 20%.

What enhancements is John Hancock making for rated cases with Vitality PLUS?

Currently, these savings are realized through two enhancements:

- **Table Upgrade:** All permanent policies approved with a substandard rating will receive an automatic one-table upgrade* when Vitality PLUS is elected prior to issue. The following products are available with Vitality PLUS: Protection UL 18, Protection UL 16, Protection IUL 18, Protection IUL 15, Protection SIUL 16, Protection VUL 17, Accumulation IUL 17, Accumulation IUL 18, and Accumulation VUL 14.
- **Increased Vitality Credits:** Beginning on February 4th, Protection UL 18, Protection IUL 18, and Accumulation IUL 18 (non-NY products), will also include increased Vitality PLUS credits for clients who engage in the program.

What do the results of these enhancements look like?

Consider a 50-year-old male with a 200% rating, purchasing Protection UL 18 with a \$1M death benefit:

- Without Vitality PLUS, this client's premium would be \$17,788.
- Previously, his premium at a Gold status would have been \$16,579 (approximately 7% less than the non-Vitality PLUS premium).
- Beginning on February 4, his premium at a Gold status will be \$14,744 (17% less than the non-Vitality PLUS premium). The greater savings are the result of both his underwriting upgrade and his policy's more significant Vitality PLUS credits.

Why is John Hancock creating enhancements for clients who receive a substandard rating due to their medical history?

We are making these enhancements because we believe the John Hancock Vitality program can be especially valuable for substandard clients. There are two reasons. First, Vitality can help make coverage more affordable when premiums might otherwise be cost-prohibitive. Second, customers who receive substandard ratings could often see the greatest positive impact to their lives from making healthier lifestyle choices.

As noted in the recent global RAND study,¹ the Vitality program has been shown to be particularly effective at incentivizing increased physical activity for customers in higher-risk health categories.

If my client doesn't engage in the Vitality program, will they still receive the table upgrade?	Yes. The table upgrade is not dependent on engagement in the program, and a client's risk class will never be changed (improved or worsened) after issue in connection with Vitality PLUS. We do, however, expect that this upgrade will result in increased engagement and incentivize your clients to make healthier lifestyle choices. If they do engage, they can receive increased Vitality credits, which can further improve their policy's performance.
Is there a maximum age or face amount?	There is not a maximum age or face amount for a policy to be eligible for these enhancements. As always, rider credits will apply based on the first \$20M of coverage across all Vitality PLUS policies. Table upgrades will apply to the entire policy.
Does the table upgrade apply to ratings on riders such as Long-Term Care or Critical Illness Benefit?	No, the table rating resulting from the upgrade will only apply to the base life insurance policy and will not be applicable to riders.
Are non-medical ratings and flat extras eligible for the upgrade?	No, only medical table ratings are eligible for an upgrade.
Is the table upgrade available on term conversions?	No, the table upgrade does not apply to term conversions. It is available only for cases with current underwriting.
What happens for cases that would otherwise be rated 150%?	For clients with issue ages of greater than 80, original ratings of 150% will be upgraded to 125%. For clients issue age 80 and younger, original ratings of 150% will be upgraded to Standard (John Hancock does not issue policies for clients in this age group with ratings of 125%). Please note: You cannot backdate to age 80 in order to obtain an upgrade from 150% to Standard.
How will table upgrades be communicated?	All upgrade communications will be included in the underwriting decision message. Substandard decisions will remind producers that their clients will receive an automatic upgrade if they elect Vitality PLUS on an eligible product. For any questions related to the underwriting decision, please contact the underwriter on the case.
How long does my client have to accept the table upgrade?	The table upgrade is available only at the time of issue, and policies will not be reissued in order to obtain the upgrade.

Do I need an updated illustration when a customer accepts an upgrade?

Yes, if the illustration is different than the offered risk class, we will require a new illustration that matches the risk class at which the policy will be issued.

What's the timeline for these changes?

- **January 22:** Customers applying for any permanent policies (see question 1) who elect Vitality PLUS at issue will receive an automatic one-table rating upgrade*
 - **February 4:** Protection UL 18, Protection IUL 18 and Accumulation IUL 18 illustrations will reflect the increased Vitality credits.
 - **February 19:** New Protection UL 18, Protection IUL 18 and Accumulation IUL 18 policies will be issued reflecting the increase in Vitality credits.
 - **Throughout 2019 and ongoing:** As we update our product portfolio, we expect to review pricing to reflect changes to Vitality credits for clients with medical table ratings.
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FOR MORE INFORMATION

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

* One-table upgrade applies to all Vitality eligible permanent products, ages and face amounts. Flat extras, non-medical ratings (e.g. aviation) and all Rider ratings excluded.

1. Source: RAND Europe 2018, Financial incentives and physical activity, Evidence from Vitality's Apple Watch benefit, Marco Hafner, Jack Pollard and Chris van Stolk, page vii. **This material is for Institutional / Broker-Dealer use only. Not for distribution or use with the public.**

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