

## Frequently Asked Questions

*LifeTrack is a first-of-its-kind policy management solution that helps clients stay on track to meet their insurance goals. Each year, LifeTrack Premium Notices are adjusted based on actual policy performance and updated assumptions about the future.*

### 1. How does LifeTrack compare to traditional UL policy management?

With traditional UL policy management, the policy owner selects a “planned premium” based on the original illustration assumptions. Over time, however, that may not be the right premium to keep the policy on track with their insurance goals. With LifeTrack, the policy owner solves for a premium based on a defined set of objectives — such as paying premiums for 20 years to endow the policy at age 121. Then, each year John Hancock solves for a new billed premium that reflects those same objectives, current policy values, and updated assumptions for the future.

### 2. Which products is LifeTrack available on?

LifeTrack is available on Protection UL '15, Protection UL '15 with Vitality, Protection IUL '15, Protection IUL '15 with Vitality, Accumulation IUL '15, and Accumulation IUL '15 with Vitality.

### 3. How can my clients enroll in LifeTrack?

You can enroll your clients by selecting “Yes” in the LifeTrack section of JH Illustrator. When you do, a simple LifeTrack Election Form will be included with the illustration output. Read this form with your clients, confirm that the listed objectives are correct, and have them sign and submit it along with the signed illustration.

### 4. How is the LifeTrack premium determined?

The first step is to set LifeTrack objectives by running an illustration that “solves” for a premium. John Hancock then captures and stores the following information:

- The number of years the policy owner wishes to pay premiums
- The targeted cash value and coverage duration (e.g., \$1 at age 121, endow at age 100, etc.)
- The crediting rate assumption (e.g. 5.05%, 4.5%, etc.)

This information is then printed on a LifeTrack Election Form and attached to the illustration. If the client enrolls in LifeTrack, John Hancock will then calculate a new billed premium 28 days prior to the policy anniversary, solving for these same objectives assuming:

- The projected policy value for the upcoming anniversary date
- The current crediting rate and COI scale
- The insured's current Vitality Status, if applicable

## 5. When is LifeTrack available?

LifeTrack is only available when the following conditions apply:

- The illustration assumes a “solve” in the Premium field (“scheduled” premiums or any other variation including a specified premium are not allowed)
- The illustration assumes no face amount reductions, loans, withdrawals, or death benefit option changes
- The illustration projects the policy will remain in force for at least 15 years

## 6. Is there a charge for LifeTrack?

No, there is no fee for this optional service.

## 7. Are my clients required to pay the LifeTrack premium?

No. These are flexible premium products. As such, they can choose the timing and amount of premium they wish to pay within certain limits. Keep in mind, however, that experience can vary from expectations at issue. As a result, they might not achieve their policy objectives if they decide not to pay the LifeTrack premium.

## 8. How does a client’s Vitality Status affect their LifeTrack premium?

For products with the John Hancock Vitality Program, the insured’s *current* Vitality Status is used to calculate LifeTrack premiums in all future years.

Here’s an example of how it works. The following is for a male, age 55, preferred non smoker with a \$500,000 Protection UL with Vitality policy. If the policy is issued with an assumed Vitality Status of Gold in all years, but the status achieved in the second policy year is Silver, the LifeTrack premium will be recalculated assuming Silver is attained in all future years.

Policy Year	Status achieved in previous year	Status projected in future years	LifeTrack Premium
1	–	Gold	\$4,983
2	Gold	Gold	\$4,983
3	Silver	Silver	\$5,414

If the status achieved in the third policy year remains at Silver (and the other non-guaranteed elements are unchanged), the client’s LifeTrack premium will be the same in policy year four as it was in policy year three.

Policy Year	Status achieved in previous year	Status projected in future years	LifeTrack Premium
4	Silver	Silver	\$5,414

If the insured achieves a Gold Status in the fourth policy year, their LifeTrack premium will be calculated assuming Gold is attained in all future years.

Policy Year	Status achieved in previous year	Status projected in future years	LifeTrack Premium
5	Gold	Gold	\$4,939

These examples are hypothetical and for illustrative purposes only. Not all benefits and values are guaranteed. The assumptions on which the non-guaranteed elements are based are subject to change by the insurer. Actual results may be more or less favorable.

In addition, the back page of the Premium Notice shows the resulting premium if they achieve each of the four status levels in all future years.

## **9. What happens if the insured earns a higher Vitality Status between the date the bill is generated and the policy anniversary?**

Since the new LifeTrack premium is calculated 28 days before the policy anniversary, it is possible that a client can earn a higher status over that period. If that happens, the LifeTrack notice will reflect the lower Vitality Status, but the policy will receive Rider Credits based on the higher status. That improvement will be factored into future premium calculations.

## **10. Can a client elect LifeTrack after the policy is issued?**

Yes, clients can add LifeTrack to an inforce Protection UL '15, Protection UL '15 with Vitality, Accumulation IUL '15, Accumulation IUL '15 with Vitality, Protection IUL '15, and Protection IUL '15 with Vitality policies by calling our Customer Service Office at 1-800-387-2747.

## **11. Can a client opt out of LifeTrack?**

Yes, policy owners may opt in or out at any time by calling our Customer Service Office at 1-800-387-2747.

## **12. Other than opting out, can LifeTrack be terminated for any other reason?**

Yes, if a client takes out a policy loan, makes a withdrawal, or the policy lapses, LifeTrack will automatically terminate. As long as the policy remains inforce and no distributions are taken, LifeTrack will remain in place.

## **13. What happens to the premium if my client opts out of LifeTrack?**

If a client opts out, their subsequent bills will reflect the most recently billed amount, unless they specify a different premium.

## **14. If a policy is reinstated will LifeTrack automatically be included?**

No, if a policy is reinstated it will not include LifeTrack until the policy owner notifies our Customer Service Office of the request and provides updated policy objectives.

## **15. How does LifeTrack work for policies with automatic payments (Pre-Authorized Checking)?**

LifeTrack functions the same way on policies with automatic payments as it does on policies with paper bills, except that the pre-authorized withdrawal amount will automatically adjust each year, if necessary. Policy owners will receive a notice informing them of the change to the pre-authorized withdrawal amount approximately one month before their policy anniversary.

## **16. How can policyholders obtain a copy of, or update their current policy objectives?**

Clients can obtain or update their current policy objectives by calling our Customer Service Office at 1-800-387-2747.

### **For agent use only. This material may not be used with the public.**

The policy value and benefits of your clients life insurance policy are directly affected by the amount and timing of premiums paid. This includes any guarantees that your client's policy may have. Changes in nonguaranteed elements, the timing and amount of premium payments, loans and withdrawals affect the amount of insurance benefits, duration of insurance coverage, and your client's policy values. If the net cash surrender value is insufficient to pay charges when due, and the Death Benefit Protection is no longer in effect, the policy will lapse and terminate. At such time, there will be no insurance coverage. Thus, your client's coverage may terminate earlier than expected. Please refer to the Policy Contract for additional information regarding your client's life insurance policy and the guarantees it provides.

Paying a LifeTrack premium that is other than the planned premium in the initial "as sold" illustration could reduce the duration of the policy's Death Benefit Protection feature.

Insurance policies and/or associated riders and features may not be available in all states.

Vitality is the provider of the John Hancock Vitality Program in connection with policies issued by John Hancock.

Insurance products are issued by John Hancock Life Insurance Company (U.S.A.), Boston, MA 02117 (not licensed in New York) and John Hancock Life Insurance Company of New York, Valhalla, NY 10595.

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