

*John Hancock*

LIFE INSURANCE

## INDEXED UL RATE TRANSLATOR

*Translating equity return expectations into  
Indexed UL illustration assumptions.*

## About this Report

This report is designed to help you choose a hypothetical assumed rate for your Indexed UL illustration that is aligned with your general expectations for long-term equity returns.

### Assumptions:

<b>Index Strategy:</b>	S&P 500 Index, One-Year Point-to-Point
<b>Indexed Option:</b>	Capped
<b>Hypothetical Long-Term Equity Return:</b>	8%
<b>Participation Rate:</b>	100%
<b>Annual Floor:</b>	0%
<b>Cap:</b>	11.50

### Results:

**Here are the results based on the above index strategy assumptions and your 8% expected long-term equity return:**

**Translated Assumption for Indexed UL: 5.96%**

### Indexed UL Interest Crediting

John Hancock's Indexed UL provides for the interest credits under the policy to be linked to the performance of the S&P 500® Index, excluding dividends. Indexed UL does not participate in any stock or equity investments and will not pass through the performance of the selected index. Instead, the policy includes a "floor" that protects against market loss, and either a "cap" or a "threshold rate" that limits the appreciation possible in any one year. (The available account options for Indexed UL are described in greater detail on page 2.)

These adjustments will tend to moderate the risk-and-return profile of any policy value allocated to an indexed account. This should be considered when selecting a hypothetical assumed rate for your Indexed UL illustration.

### Understanding the Translated Assumption

The Indexed UL Rate Translator represents one approach to translating an assumption of the long-term performance of the selected index into a hypothetical assumed rate for the purposes of the policy illustration. This approach applies an algorithm that takes into account your stated expectation for long-term equity return, the current costs of supporting the index strategy, and the general theory that investments with similar levels of risk should be expected to yield similar levels of return. Other approaches are possible as well; please consult with your financial advisor to discuss which approach may be best suited for your situation.

***Finally, please note that this report is not a predictor of how any equity-indexed universal life insurance policy may be expected to perform, either in absolute terms or relative to the performance of the selected index.***

## Indexed UL Account Options<sup>1</sup>

John Hancock’s Indexed UL products offer you the flexibility to choose any combination of four premium allocation options:

- **Fixed Account** – When premiums are allocated to the Fixed Account, interest is credited at a declared rate that will never be lower than the guaranteed rate of 2.00%.
- **High Par Capped Indexed Account<sup>2</sup>** – Interest credits are based on the performance of the S&P 500 Index, up to a current Cap Rate and 160% participation rate. If the S&P 500 Index change is negative, interest credits will be floored at 0%.
- **Capped Indexed Account** – Interest credits are based on the performance of the S&P 500 Index, up to a current Cap Rate. If the S&P 500 Index change is negative, interest credits will be floored at 0%.
- **Uncapped Indexed Account<sup>2</sup>** – Interest credits are based on the performance of the S&P 500 Index, less a current Threshold Rate. If the S&P 500 Index change does not exceed the Threshold Rate, interest credits will be floored at 0%.

## A Historical Perspective

Any new premiums designated to an Indexed Account(s) form new Segments on the 15th of each month\* and each has a one-year term. Here is an example of the interest credits that the indexed accounts would have received assuming different historical S&P 500 Index changes over a one-year Segment term and the current Cap and Threshold Rates.

Years	S&P 500 Index Point-to-Point Performance	High Par Capped Indexed UL Credit	Capped Indexed UL Credit	Uncapped Indexed UL Credit
1988–1989	27.66%	10.00%	11.50%	21.66%
1989–1990	-6.66%	0.00%	0.00%	0.00%
1990–1991	17.64%	10.00%	11.50%	11.64%
1991–1992	12.51%	10.00%	11.50%	6.51%
1992–1993	6.77%	10.00%	6.77%	0.77%
1993–1994	-1.41%	0.00%	0.00%	0.00%
1994–1995	35.36%	10.00%	11.50%	29.36%
1995–1996	18.22%	10.00%	11.50%	12.22%
1996–1997	32.22%	10.00%	11.50%	26.22%
1997–1998	20.70%	10.00%	11.50%	14.70%
1998–1999	21.54%	10.00%	11.50%	15.54%
1999–2000	-7.16%	0.00%	0.00%	0.00%
2000–2001	-14.41%	0.00%	0.00%	0.00%
2001–2002	-20.80%	0.00%	0.00%	0.00%
2002–2003	20.07%	10.00%	11.50%	14.07%
2003–2004	12.89%	10.00%	11.50%	6.89%
2004–2005	5.41%	8.65%	5.41%	0.00%
2005–2006	12.29%	10.00%	11.50%	6.29%
2006–2007	2.86%	4.58%	2.86%	0.00%
2007–2008	-40.83%	0.00%	0.00%	0.00%
2008–2009	27.56%	10.00%	11.50%	21.56%
2009–2010	11.49%	10.00%	11.49%	5.49%
2010–2011	-1.58%	0.00%	0.00%	0.00%
2011–2012	16.27%	10.00%	11.50%	10.27%
2012–2013	25.59%	10.00%	11.50%	19.59%

1. The High Par Indexed Account current cap rate is 10% (9% in NY) [2.5% guaranteed in all jurisdictions], the current Capped Indexed Account rate is 11.5% (10.5% in NY) [3% guaranteed in all jurisdictions], the current Threshold rate is 6% (6.5% in NY) [20% guaranteed in all jurisdictions].

2. The current Cap and Threshold Rates can be changed by the insurer, subject to the guaranteed levels stated in your policy.

Source: S&P 500 Index data from 12/15/88 – 12/15/13.

Note: It is assumed that Segments begin on December 15th of each year.

\* Subject to a Lock In Date of three business days

## **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.

The life insurance policy describes coverage under the policy, exclusions and limitations, what you must do to keep your policy in force, and what would cause your policy to be discontinued. Please contact your licensed agent or John Hancock for more information, costs, and complete details on coverage. Availability of policies, features, and benefits may vary by state.

The interest credits linked to the performance of the S&P 500 Index exclude dividends. Standard & Poor's®, S&P®, S&P 500®, Standard & Poor's 500 and 500 are trademarks of The McGraw-Hill Companies, Inc. and have been licensed for use by John Hancock. The Product is not sponsored, endorsed, sold or promoted by Standard & Poor's, and Standard & Poor's makes no representation regarding the advisability of purchasing the product. The S&P 500® Index is an index of 500 stocks that are generally representative of the performance of leading companies in leading industries within the U.S. You cannot invest directly in the S&P 500® Index.

The Fixed Account is called the "Guaranteed Interest Account" in your policy.

Interest for the High Par, Capped and Uncapped Indexed Accounts is credited at the end of a Segment Term. Segments begin on the 15<sup>th</sup> of the month following a premium payment (subject to limitations described in your policy) and they last for one year.

When calculating interest for an Indexed Account Segment, we use the price of the S&P 500 Index as of the close of business on the day before a segment is created and the price of the S&P 500 Index as of the close of business on the day before a Segment ends.

All three Indexed Accounts use a point-to-point interest crediting strategy with 1-year Segments. The Index Segment Interest Credit proceeds are calculated and earned at Segment Maturity only. If the policy terminates for any reason, any unexpired Segments will not earn interest credit.

The Participation Rate is the percentage of the change in the value of the Index over the Segment Term that will be recognized in the calculation of the Interest Credit earned on any of the three Indexed Account options. For the Capped and Uncapped Indexed Account the Participation Rate is 100% [guaranteed] and for the High Par Indexed Account the Participation Rate is 160% [140% guaranteed]. On its Segment Maturity Date, each Segment earns interest at a rate equal to the rate of change in the Index over the Segment Term multiplied by the participation rate subject to a guaranteed 0% Segment Floor rate and, depending on the Indexed Account option elected, either a Segment Cap or Segment Threshold rate. Please contact your representative to discuss the differences between these options and for our current rates. The Fixed Account credits a declared rate that will never be lower than the guaranteed annual rate of 2.00%.

The policy does not directly participate in any stock or equity investments.

There are cost-of-insurance, surrender, and other charges associated with this policy.

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.

Guaranteed product features are dependent upon the claims-paying ability of the issuer.

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.

MLINY082813190 01/14