

# John Hancock's Progressive Underwriting

## Competitive Jumbo, Automatic Binding and Retention Limits for John Hancock Products<sup>1</sup>

John Hancock is the company for your large cases. Not only do we have proven underwriting experience, but take a look at our Jumbo, Automatic Binding and Retention Limits. Highlights are shown below, along with hints on managing large cases and avoiding reinsurance gridlock.

### Automatic Reinsurance

John Hancock has a number of reinsurance agreements that allow us to issue large cases on an automatic basis. For a case to be considered within these agreements, the application must meet both the Jumbo Limit and the Automatic Binding Limit.

### Jumbo Limits<sup>2</sup>

The Jumbo Limit is defined as the total amount of in-force and pending formal applications with all companies including ultimate increasing amounts of John Hancock's policies. The Jumbo Limit also includes all amounts that are being replaced, both internally and externally.

Jumbo Limits <sup>2</sup>		
Product (includes both Individual and Survivorship)	AGE	FACE AMOUNT
All Products	0-80	\$65,000,000
Permanent Products only	81-90	\$50,000,000

### Automatic Binding Limits<sup>2</sup>

- John Hancock can automatically (without sending the file to the reinsurers) place business in the reinsurance pool based on its own underwriting guidelines. These treaties apply to U.S. residents only and include residents of Guam, Puerto Rico and the U.S. Virgin Islands.<sup>3</sup>
- The Automatic Binding Limit is defined as the sum of the automatic reinsurance capacity plus John Hancock's share of the risk.
- If the Automatic Binding Limit or the Jumbo limit is exceeded, John Hancock can offer its available retention or seek Facultative Excess Reinsurance (see below).
- Minor deviations from regular underwriting guidelines or terms of the treaty need to be reviewed and agreed to by the lead reinsurer. Major deviations require agreement from all pool members.

#### For agent use only. Not for use with the public.

1. Represents maximum potential capacity. Does not include John Hancock's M Proprietary, COLI and Protection Whole Life products.
2. Jumbo, Automatic Binding and Retention Limits may be reduced by age, mortality assessment, for aviation risks, and for entertainment figures. Coverage may be reduced or not available for foreign risks and sports figures. For John Hancock Life Insurance Company of New York, Retention and Automatic Binding Limits are based on an agreement between the Company and an affiliate. Applications containing Return of Premium rider or other increasing features must satisfy John Hancock's Automatic Binding and Jumbo Limits based on ultimate death benefit amount. Underwriting requirements are based on the ultimate death benefit amount.
3. Certain products may not be available in the U.S. Virgin Islands.

Assuming the Jumbo Limit is not exceeded, the following chart shows the maximum amounts that John Hancock can issue automatically under our automatic reinsurance agreements. It includes our reinsurers' automatic capacity plus John Hancock's share of the risk.

### Automatic Binding Limits<sup>2</sup> – Permanent Products

Individual Coverage		Survivorship Coverage (based on better life and both lives must be insurable)	
AGE	FACE AMOUNT	AGE	FACE AMOUNT
0-80*	\$60,000,000	0-70*	\$65,000,000 <sup>4</sup>
		71-80*	\$50,000,000
81-85**	\$23,000,000	81-85**	\$15,000,000
86-90**	\$7,500,000	86-90**	\$12,500,000***
* Super Preferred / Preferred / Std		** Preferred / Std	*** Assumes each life is either Standard or Preferred

### Automatic Binding Limits<sup>2</sup> – Term Products

#### Facultative Excess Reinsurance

AGE	FACE AMOUNT
0-70*	\$48,000,000
71-80*	\$41,000,000
* Super Preferred / Preferred / Std	

If a case exceeds the Jumbo Limit and/or the Automatic Binding Limit, Facultative Excess Reinsurance coverage may be sought.

- John Hancock may try securing additional capacity from its treaty reinsurers.
- The reinsurers will review the complete file.
- John Hancock can recommend an assessment, but the reinsurers will assess based on their own philosophy and may ask for additional requirements.

#### Retention Limits<sup>2</sup>

If the amount applied for is over the Jumbo Limit and/or the Automatic Binding Limit and it is unlikely that any Facultative Excess Reinsurance can be obtained, we can offer our available retention.

### Retention Limits<sup>2</sup> – Permanent Products

Single Life		Survivorship (based on better life)	
AGE	FACE AMOUNT	AGE	FACE AMOUNT
0-80*	\$20,000,000	Both lives 0-80* (and insurable)	\$25,000,000
81-85**	\$8,000,000	One life 0-80* and the other 81-90** (and insurable)	\$20,000,000
86-90**	\$5,000,000	Both lives 81-90** (and insurable)	\$10,000,000***
* Super Preferred / Preferred / Std		** Preferred / Std	*** For ages 86-90, assumes each life is either Standard or Preferred

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4. \$65,000,000 for age 0-70 survivorship assumes that there is no other coverage in force and applied for on either life.

## Retention Limits<sup>2</sup> – Term Products

AGE	FACE AMOUNT
0-80*	\$20,000,000
* Super Preferred / Preferred / Std	

### How to Get the Most Out of the Company and its Reinsurers

Depending on the situation, submitting a formal application can work for you or against you! The following scenarios will help you determine how best to handle most situations. If you have any questions, you should contact an underwriter.

#### Proceed with submitting a formal application when:

- The agent is not in a competitive situation and the case is within the Jumbo Limit.
- The agent is in a competitive situation and there are formal applications pending. Even taking all of these applications into account, the Jumbo Limit has not been exceeded.
- The Jumbo Limit has been exceeded and you want us to approach our reinsurers on a facultative basis for additional capacity (above and beyond our available retention).
- The Automatic Binding Limit has been exceeded (but not necessarily the Jumbo Limit) and you want us to approach our reinsurers on a facultative basis for additional capacity (above and beyond our available retention).

#### Consider deferring the submission of a formal application when:

The agent is in a competitive situation, formal applications are pending and the Jumbo Limit has been temporarily exceeded. Wait until the other formal applications have been withdrawn.

### Shopping the Case to Reinsurance

On occasion, you may want us to submit the case to our treaty reinsurers to seek an improved underwriting offer. This is rarely done as our experience has shown that John Hancock's offers are usually as competitive as our reinsurers' assessments. In these cases, John Hancock will withdraw its original offer and it cannot be reinstated.

### John Hancock combines progressive, flexible and competitive underwriting with the expertise and capacity to place your large cases.

**For more information, contact us today by calling an underwriter at 800-505-9427, option 2.  
(For John Hancock New York call 800-743-5542, option 2.)**

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

Insurance products are issued by: John Hancock Life Insurance Company (U.S.A.) (not licensed in New York), John Hancock Variable Life Insurance Company (not licensed in New York), John Hancock Life Insurance Company, Boston, MA 02116 and John Hancock Life Insurance Company of New York, Valhalla, NY 10595.

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