



Non-Equity Collateral Assignment Split Dollar

Using corporate dollars to fund a personally-owned life insurance policy

PREPARED FOR

Business

October 15, 2019

PRESENTED BY

Trusted Advisor

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Policy Form Series:
18PIUL

NON-EQUITY COLLATERAL ASSIGNMENT SPLIT DOLLAR

Using corporate dollars to fund a sophisticated life insurance arrangement

As a successful business owner, you may need life insurance to help preserve your wealth for your family, or you may be looking to provide a valuable benefit to recruit or reward a highly compensated key employee. A Non-Equity Collateral Assignment (NECA) Split Dollar arrangement is an excellent way to use business dollars to fund the annual premium for these life insurance needs.

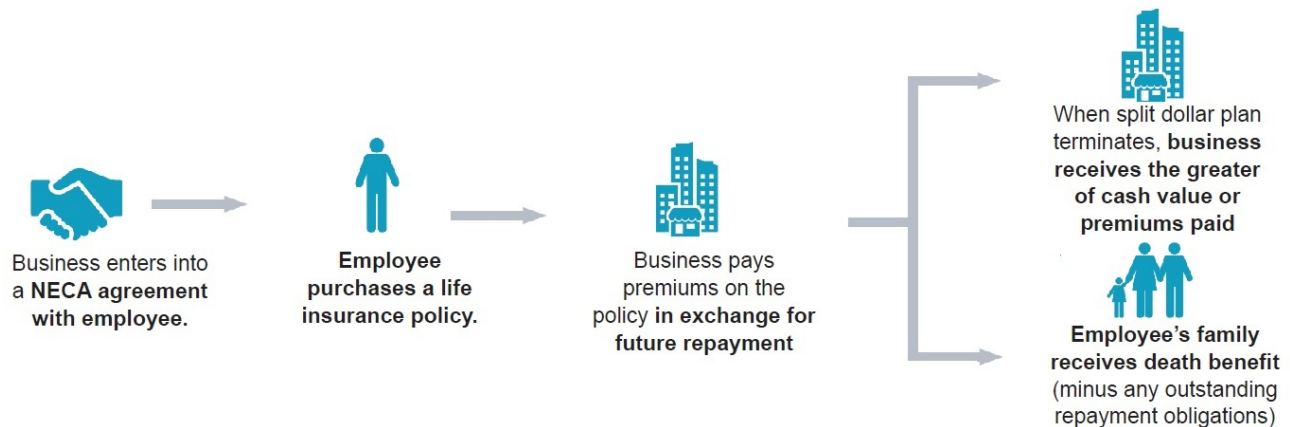
How does a NECA Split Dollar arrangement work?

Split dollar is a term used to describe an arrangement in which a life insurance policy's premium payments and benefits are split between two parties. In a split dollar arrangement, one party has a life insurance need and the second party has the funds to pay for the policy.

Under a NECA Split Dollar arrangement, the business pays the annual premium for a life insurance policy, which is owned by the individual (or his/her trust). The policy is pledged, or collaterally assigned to the business as collateral for repayment. Under the terms of the agreement, the business is required to be repaid the GREATER of the premiums paid or the cash value. The death benefit in excess of the repayment amount is paid to the policy beneficiary. The individual pays income tax annually based on his/her share of death benefit, known as the economic benefit cost. Fundamentally, a split arrangement works very much like a conventional loan but with economic benefit costs in lieu of loan interest.¹

The business typically controls the plan design, including:

- Choosing which key employee(s) to offer this benefit.² ;
- Selecting the plan termination date, which typically occurs after a set number of years or when the employee leaves the business (e.g., at retirement).



1. A NECA split dollar arrangement is governed by Treas. Reg. 1.61-22. Careful attention should be paid to these regulations as they include strict rules on the design of split dollar plans, when taxation of policy equity applies, and the measurement of economic benefit costs and when they can be used.

2. Personal loans between a publicly traded company and an executive or director are prohibited by the Sarbanes-Oxley Act of 2002 (the Act). It is not clear whether the Act applies to NECA split dollar arrangement governed by the economic benefit regime. Client should seek legal advice on this issue.

NON-EQUITY COLLATERAL ASSIGNMENT SPLIT DOLLAR

What are the options at plan termination?

Preparing for the plan's termination or rollout is critical. You must consider when and how to terminate the plan (e.g., at a certain date, retirement, death).

Consider the options for plan rollout:

Do Nothing – If there is no plan for termination, the split dollar arrangement remains in place until death. This may become problematic as economic benefit costs become increasingly expensive as the insured ages.

Full Rollout – The employee repays the business what it is owed under the split dollar agreement using cash or other assets (i.e. not using the life insurance policy cash value).

Release Assignment – The business waives the amount owed to it without any cost recovery. The employee is taxed on the amount of the debt forgiven and the business receives a corresponding tax deduction.

An alternative plan to rollout:

Switch Dollar – The plan switches to a different type of split dollar, known as loan regime split dollar. The switch usually occurs when economic benefit regime exceed the cost of loan regime (generally occurs at older ages) or if the policy cash value is about to exceed the premiums. This switch allows the client to potentially minimize income/gift taxes while keeping the split dollar plan in place.

What are the income tax considerations?

- Each year, the employee will be responsible for paying income tax on the economic benefit cost associated with his/her share of the death benefit. This cost is based on either IRS Table 2001-10 or John Hancock's published rates for annual term insurance available to all standard risks. The business should work with legal counsel to determine which rate table to use.³
- The business may opt to make an additional bonus to help the employee cover the tax associated with the economic benefit costs so that the employee has little or no out-of-pocket cost.
- The life insurance premiums are not tax deductible to the business.
- If the repayment obligation to the business is forgiven, the employee will pay income taxes on the value of the forgiven debt and the business will receive a tax deduction.
- If the Switch Dollar option is used, the employee's annual taxable income will switch from an economic benefit cost to loan interest-charged at the applicable federal rate. Any additional premium loans made after the switch will also incur an interest cost.⁴

3. IRS Notice 2002-8 provides that for split-dollar arrangements entered into after January 28, 2002, the Service will not consider an insurer's published premium to be available to all standard risks who apply for term insurance unless (i) the insurer generally makes the availability of such rates known to persons who apply for term insurance coverage from the insurer, and (ii) the insurer regularly sells term insurance at such rates to individuals who apply for term insurance coverage through the insurer's normal distribution channel. John Hancock cannot guarantee that our One- Year Term product will satisfy any applicable IRS requirements as a substitute for the IRS Table 2001 rates. Each client should rely on their tax advisor to determine which rate to use in calculating economic benefit.

4. Split dollar loans are governed by IRC §7872 and Treas. Reg. 1.7872-15. Under these rules certain related-party loans with an interest rate below the applicable federal rate (AFR) will be characterized as a below market loan, which can lead to additional income and gift tax consequences. To avoid below market treatment, loans should charge interest at a rate at least equal to the appropriate AFR.

NON-EQUITY COLLATERAL ASSIGNMENT SPLIT DOLLAR

Are there any other considerations?

- Non-Equity Collateral Assignment Split Dollar is typically used in situations where death benefit, not cash value accumulation, is the goal. Ideally, cash value will not exceed the premium paid at any point during the life of the plan. If access to cash value is an important element of the plan, the Switch Dollar rollout option should be considered.
- The rates for calculating the economic benefit cost increase with age and may stop at a specific age (e.g., age 100) depending on the rate table used. Because these rates can get quite high in older years, serious consideration should be given to a rollout option that allows for plan termination while the insured is still alive.
- If the insurance is to be used for estate planning purposes the insured should consult with legal counsel to determine if an Irrevocable Life Insurance Trust (ILIT) should own the policy and discuss the gift/estate tax ramifications of the design. For example, there may be additional gift/GST considerations regarding deemed economic benefit to the ILIT.
- To keep the death benefit payable to the business income-tax free, the employer-owned insurance requirements of IRC §101(j) must be adhered to, including Notice and Consent obtained from the insured prior to policy issuance.
- When a split dollar plan is between the business and a controlling owner, special care should be taken to avoid estate tax inclusion under IRC §2042. The business' interest in the policy should be secured by a restricted collateral assignment.⁵

5. See Treas. Reg.20.2042-1(c)(c)(6); Rev.Rul.82-145, 1982-2 C.B. 213.

NON-EQUITY COLLATERAL ASSIGNMENT SPLIT DOLLAR**Benefit Summary for Sample**

Male, Age 50, Preferred NonSmoker, Vitality (Gold)
 Tax Rates: Business 25%; Employee 28%
 Life Insurance Product: Protection IUL 18

Death Benefit: Employer Greater; Employee Residual
 Economic Benefit Tax Bonus Option: Double
 Plan Termination: Release assignment. EE pays tax using policy cash value

Summary for Year 1	Employee	Business
Total death benefit \$3,041,465	\$3,000,000	\$41,465
Business premium		\$41,465
Business additional bonus to employee		\$922
Business tax saving		\$230
Business net outlay		\$42,156
Employee economic benefit cost Alternate Term Rates	\$2,370	
Employee additional bonus from business	\$922	
Employee tax paid	\$922	
Employee net outlay	\$0	
Summary at age 66	Employee	Business
Total death benefit \$3,447,822	\$3,447,822	\$0
Business cumulative premium		\$621,975
Business cumulative additional bonus to employee		\$25,363
Business cumulative tax savings		\$161,835
Business assignment released to employee		\$621,975
Business cumulative net outlay		\$485,504
Employee cumulative economic benefit cost	\$65,220	
Employee cumulative additional bonus from business	\$25,363	
Employee assignment released from business	\$621,975	
Employee cumulative tax paid	\$199,516	
Employee cumulative policy distributions	\$174,153	
Employee cumulative net outlay	\$0	
Cash surrender value	\$415,331	\$0
Summary at age 90	Employee	Business
Total death benefit \$3,447,822	\$3,447,822	\$0
Business cumulative premium		\$621,975
Business cumulative additional bonus to employee		\$25,363
Business cumulative tax savings		\$161,835
Business assignment released to employee		\$621,975
Business cumulative net outlay		\$485,504
Employee cumulative economic benefit cost	\$65,220	
Employee cumulative additional bonus from business	\$25,363	
Employee assignment released from business	\$621,975	
Employee cumulative tax paid	\$199,516	
Employee cumulative policy distributions	\$174,153	
Employee cumulative net outlay	\$0	
Cash surrender value	\$1,437,479	\$0

This is a supplemental illustration authorized for distribution only when preceded or accompanied by a basic illustration from the issuer. Benefits and values may not be guaranteed; the assumptions on which they are based are subject to change by the insurer. Actual results may be more or less favorable. Refer to the basic illustration for guaranteed elements and other important information.

In addition, the policy includes the following rider(s):

Return of Premium rider: Provides an additional insurance amount of 100% of premiums paid.

NON-EQUITY COLLATERAL ASSIGNMENT SPLIT DOLLAR**Business Summary for Sample**

25% Business Tax Bracket; 28% Employee Tax Bracket

Year	Age	Premium	Additional Bonus to Employee	Release Assignment to Employee	Tax Savings	Net Outlay	Net Cash Value	Net Death Benefit
1	51	41,465	922	0	230	42,156	0	41,465
2	52	41,465	980	0	245	42,200	5,144	82,930
3	53	41,465	1,038	0	260	42,244	27,970	124,395
4	54	41,465	1,108	0	277	42,296	52,188	165,860
5	55	41,465	1,178	0	295	42,349	82,436	207,325
6	56	41,465	1,260	0	315	42,410	114,869	248,790
7	57	41,465	1,365	0	341	42,489	149,157	290,255
8	58	41,465	1,517	0	379	42,603	185,460	331,720
9	59	41,465	1,692	0	423	42,734	223,939	373,185
10	60	41,465	1,867	0	467	42,865	264,803	414,650
11	61	41,465	2,065	0	516	43,014	315,542	456,115
12	62	41,465	2,263	0	566	43,163	369,922	497,580
13	63	41,465	2,462	0	615	43,311	428,712	539,045
14	64	41,465	2,695	0	674	43,486	492,257	580,510
15	65	41,465	2,952	0	738	43,679	560,974	621,975
Plan Termination: Release assignment. EE pays tax using policy cash value								
16	66	0	0	621,975	155,494	-155,494	0	0
Totals		\$621,975	\$25,363	\$621,975	\$161,835	\$485,504		

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NON-EQUITY COLLATERAL ASSIGNMENT SPLIT DOLLAR

Employee Summary for Sample

28% Employee Tax Bracket

Year	Age	Amount Business Owed from Plan	Economic Benefit Cost	Additional Bonus from Business	Tax Paid	Release Assignment from Business	After-Tax Policy Distributions	Net Outlay	Net Cash Value	Net Death Benefit
1	51	41,465	2,370	922	922	0	0	0	0	3,000,000
2	52	82,930	2,520	980	980	0	0	0	0	3,000,000
3	53	124,395	2,670	1,038	1,038	0	0	0	0	3,000,000
4	54	165,860	2,850	1,108	1,108	0	0	0	0	3,000,000
5	55	207,325	3,030	1,178	1,178	0	0	0	0	3,000,000
6	56	248,790	3,240	1,260	1,260	0	0	0	0	3,000,000
7	57	290,255	3,510	1,365	1,365	0	0	0	0	3,000,000
8	58	331,720	3,900	1,517	1,517	0	0	0	0	3,000,000
9	59	373,185	4,350	1,692	1,692	0	0	0	0	3,000,000
10	60	414,650	4,800	1,867	1,867	0	0	0	0	3,000,000
11	61	456,115	5,310	2,065	2,065	0	0	0	0	3,000,000
12	62	497,580	5,820	2,263	2,263	0	0	0	0	3,000,000
13	63	539,045	6,330	2,462	2,462	0	0	0	0	3,000,000
14	64	580,510	6,930	2,695	2,695	0	0	0	0	3,000,000
15	65	621,975	7,590	2,952	2,952	0	0	0	0	3,000,000
Plan Termination: Release assignment. EE pays tax using policy cash value										
16	66	0	0	0	174,153	621,975	174,153	0	415,331	3,447,822
17	67	0	0	0	0	0	0	0	445,838	3,447,822
18	68	0	0	0	0	0	0	0	478,368	3,447,822
19	69	0	0	0	0	0	0	0	512,997	3,447,822
20	70	0	0	0	0	0	0	0	549,670	3,447,822
21	71	0	0	0	0	0	0	0	587,274	3,447,822
22	72	0	0	0	0	0	0	0	626,549	3,447,822
23	73	0	0	0	0	0	0	0	667,276	3,447,822
24	74	0	0	0	0	0	0	0	709,279	3,447,822
25	75	0	0	0	0	0	0	0	752,217	3,447,822
26	76	0	0	0	0	0	0	0	795,818	3,447,822
27	77	0	0	0	0	0	0	0	840,490	3,447,822
28	78	0	0	0	0	0	0	0	886,171	3,447,822
29	79	0	0	0	0	0	0	0	932,669	3,447,822
30	80	0	0	0	0	0	0	0	979,910	3,447,822
31	81	0	0	0	0	0	0	0	1,027,938	3,447,822
32	82	0	0	0	0	0	0	0	1,075,926	3,447,822
33	83	0	0	0	0	0	0	0	1,123,857	3,447,822
34	84	0	0	0	0	0	0	0	1,171,568	3,447,822
35	85	0	0	0	0	0	0	0	1,219,164	3,447,822
36	86	0	0	0	0	0	0	0	1,265,819	3,447,822
37	87	0	0	0	0	0	0	0	1,311,406	3,447,822

NON-EQUITY COLLATERAL ASSIGNMENT SPLIT DOLLAR

Year	Age	Amount Business Owed from Plan	Economic Benefit Cost	Additional Bonus from Business	Tax Paid	Release Assignment from Business	After-Tax Policy Distributions	Net Outlay	Net Cash Value	Net Death Benefit
38	88	0	0	0	0	0	0	0	1,355,516	3,447,822
39	89	0	0	0	0	0	0	0	1,397,632	3,447,822
40	90	0	0	0	0	0	0	0	1,437,479	3,447,822
41	91	0	0	0	0	0	0	0	1,475,103	3,447,822
42	92	0	0	0	0	0	0	0	1,509,515	3,447,822
43	93	0	0	0	0	0	0	0	1,540,294	3,447,822
44	94	0	0	0	0	0	0	0	1,567,369	3,447,822
45	95	0	0	0	0	0	0	0	1,591,654	3,447,822
46	96	0	0	0	0	0	0	0	1,615,051	3,447,822
47	97	0	0	0	0	0	0	0	1,636,199	3,447,822
48	98	0	0	0	0	0	0	0	1,655,975	3,447,822
49	99	0	0	0	0	0	0	0	1,672,949	3,447,822
50	100	0	0	0	0	0	0	0	1,685,212	3,447,822
Totals			\$65,220		\$199,516	\$621,975	\$174,153	\$0		

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NON-EQUITY COLLATERAL ASSIGNMENT SPLIT DOLLAR

Glossary

Additional bonus from employer: Additional cash bonus from the business to the employee, often made to pay the income tax due on the annual economic benefit cost, or to offset the income tax due on a release of the assignment.

Economic benefit cost: This is the annual taxable value of the employee's share of the death benefit while the split dollar plan is in effect. For single life, this is calculated using either the government rate table (Table 2001-10) or John Hancock's alternate term rates. For survivorship policies this is calculated using adjustments to the government table while both insureds are alive.

Employee paid premium: Represents premium paid by the employee, if any, after the business transfers the policy to the employee.

Full rollout: The business is repaid the greater of premiums paid or cash value from an outside source – for example, cash/other trust assets or GRATs may be used. If the plan is switched to loan regime, the amount repaid becomes the outstanding loan and the full rollout termination option becomes installment payments.

Net cash value: This column shows the policy owner's interest in the policy's cash value. The business owns all the policy cash value while the NECA split dollar agreement is in effect. The employee has access to the policy's cash value only in the event of a termination of the NECA plan.

Net death benefit: Represents the business' share of the policy death benefit equal to the greater of premium paid or cash value (for the business ledger) and the employee's share of the death benefit (on the employee ledger).

Net outlay: Represents either the business' net after-tax outlay or the employee's net after-tax outlay. Both are calculated based on information in the prior columns.

Net tax savings: Tax savings to the business for any cash payments or release of assignment of the policy to the employee.

Non-equity collateral assignment: refers to a type of split dollar arrangement where the employer has a collateral assignment on the life insurance policy equal to the greater of premium paid or policy cash surrender value. The employee owns none of the cash value while the arrangement is active (i.e. the employee has no equity in the policy cash value).

Policy distributions: This shows withdrawals or loans from the policy cash value taken by the business or employee. Generally, these distributions by the business would be for plan cost recovery. Any withdrawals or loans from policy cash value by the employee occur after the split dollar plan is terminated.

Premium: While the split dollar arrangement is in effect, the business pays 100% of the premium. If the split dollar agreement is terminated, the employee is responsible for any premium due.

Release of assignment: Occurs when the business owner forgives the debt owed under the split dollar arrangement. The release typically occurs in a single year without cost recovery to the employer. The employee will have to recognize income in the amount of the release.

Switch dollar: This assumes that the split dollar plan will switch from a NECA to a loan regime split dollar plan - thus the interest rate will switch from economic benefit to the AFR. When the switch to a loan occurs, the loan amount is equal to the outstanding split dollar repayment obligation prior to the change. Additional premiums paid thereafter are treated as new loans. A switch dollar often occurs just prior to the policy cash value exceeding premiums paid, or at the death of the first insured on a survivorship policy.

Tax paid: Illustrates taxes paid by the employee for any cash bonus payments made by the business or economic benefit cost of the employee's share of the death benefit.

Depending on the specific NECA Split Dollar options selected, some glossary terms may not appear in the summary pages.

NON-EQUITY COLLATERAL ASSIGNMENT SPLIT DOLLAR

Important disclosures

This presentation is a planning tool designed to assist you in exploring the advantages of life insurance. However, this presentation is not intended to be a retirement/benefit or estate plan nor is it a specific recommendation for a retirement/benefit or estate plan. This material is for informational purposes only. Although many of the topics presented may also involve legal, tax, accounting or other issues, neither John Hancock nor any of its agents, employees, and registered representatives are in the business of offering such advice, and this presentation and any other oral or written communication should not be construed as such. Individuals interested in these topics should consult their own professional advisors to examine tax, legal, accounting, or financial planning aspects of this topic. As you explore your planning needs with your legal and tax advisors, we hope that you find this analysis useful.

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In addition, the actual consequences of a particular planning alternative will depend on many variables, some of which may not be fully accounted for or described in this presentation.

This presentation assumes that the life insurance policy meets the definition of life insurance per Internal Revenue Code Section 7702(a) and is not taxed as a modified endowment contract. Withdrawals and loans from life insurance policies have the effect of reducing the death benefit and cash surrender value and may cause the policy to lapse. Surrender or lapse of the policy can cause loss of death benefit and adverse income tax consequences.

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

INSURANCE PRODUCTS :		
Not FDIC Insured	 Not Bank Guaranteed	 May Lose Value
Not a Deposit	 Not Insured by Any Federal Government Agency	

MLINY062419121

John Hancock Life Insurance Company (U.S.A.)

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy
Valuable Information About Your Life Insurance Illustration

Protection IUL Form: 19PIUL

Presented By: Trusted Advisor

Illustration Assumptions

Sample
Male - Preferred NonSmoker
Age: 50
Initial Assumed Status: Gold

Initial Death Benefit \$3,000,000
Face Amount \$3,000,000
Initial Planned Premium: \$41,465.00 / Billing Mode: Annual
Death Benefit Option 1; Cash Value Accumulation Test
State: Massachusetts

Based on Current Charges and Initial Assumed Segment Growth Rate of 6.00%

Protection Indexed Universal Life Insurance

The Protection Indexed Universal Life Insurance policy which you are considering provides flexible death benefit protection and premium payment flexibility. The values in the insurance policy are based on several factors, including:

- The amount and timing of each premium payment;
- Interest earned in a Fixed Account (referred to contractually as the Guaranteed Interest Account) or in one of the Indexed Accounts included within the Index Appreciation Account ("Indexed Accounts") for amounts Not yet designated to a Segment;
- Index Segment Interest Credits (earned by Segments in an Index Appreciation Account on a Segment Maturity Date); and
- Cost of Insurance and other charges.

Your net premiums are added to your Policy Value. You may allocate premiums to one or more of the Indexed Accounts and/or to the Fixed Account. The Indexed Accounts offered in the policy are:

- Capped Indexed Account
- High Capped Indexed Account
- High Par Capped Indexed Account
- Capped Hang Seng Indexed Account

Certain aspects of the policy cannot be predicted with certainty. These nonguaranteed elements are described on the following pages. For example, the interest rate credited to the Fixed Account may exceed its guaranteed rate, Index Segment Interest Credits may exceed the Segment Floor Rate, and monthly charges may be less than their corresponding maximum guaranteed charges. These rates and charges may also vary from those illustrated. In addition, we may change the Segment Cap Rate and the Participation Rate.

This is an illustration only and is not intended to predict actual performance. Capitalized terms throughout the illustration have specific meanings to the policy and are defined either here or in the policy contract.

Descriptions provided in this illustration are meant as a summary of the product and its features; however it does not supersede, nor should it be considered a substitute for the policy contract.

How a Protection Indexed UL Policy Credits Interest

Protection IUL policy premium payments may be allocated (after deduction of a Premium Charge) to the Fixed Account, Indexed Account, or any combination of these options. This section outlines basic Protection IUL interest crediting; however the policy contract provides full details.

- Amounts held in the Fixed Account (as well as amounts you have allocated to an Indexed Account that have not yet been designated to a Segment) earn a rate of interest as described in the *Fixed Account – Interest Rate* section.
- Amounts that you allocate to the Indexed Accounts form individual Segments within the Indexed Account(s) chosen. Segments are formed once per calendar month, on a Segment Initiation Date, and may earn an Index Segment Interest Credit at the end of a one year Segment Term. The Index Segment Interest Credit proceeds are calculated and earned at Segment Maturity only. If the policy terminates prior to a Segment Maturity Date, any unmaturing Segments will not earn an interest credit. This is further described in the following Indexed Account sections.
- The Index Segment Interest Credit is calculated using a formula described in the policy that references an outside Index (ex. Standard & Poor's 500 Composite Stock Price Index), excluding dividends and as measured on a point-to-point basis. The policy does not directly participate in any stock or equity investments.
- All of the Indexed Accounts have a guaranteed Segment Floor Rate of 0%; however each reflects the positive performance of the Index differently. These differences are summarized in the following sections, and described fully in the policy.
- As each Segment matures, you can choose to allocate the Segment Proceeds to a different account option, or by default have it rollover to a new Segment of the same account type.

Your Policy Value comprises the Fixed Account, the Index Appreciation Account, and a Loan Account, when applicable. We deduct the Monthly Deduction and any other charges from the Fixed Account and the Index

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy
Valuable Information About Your Life Insurance Illustration (cont'd)

Protection IUL Form: 19PIUL

Presented By: Trusted Advisor

Illustration Assumptions

Sample
Male - Preferred NonSmoker
Age: 50
Initial Assumed Status: Gold

Initial Death Benefit \$3,000,000
Face Amount \$3,000,000
Initial Planned Premium: \$41,465.00 / Billing Mode: Annual
Death Benefit Option 1; Cash Value Accumulation Test
State: Massachusetts

Based on Current Charges and Initial Assumed Segment Growth Rate of 6.00%

Appreciation Account proportionately. Like other types of Universal Life policies, you may also take policy loans or withdrawals from the Policy Value, subject to certain limits and restrictions.

Capped Indexed Account

Segments in the Capped Indexed Account may earn an Index Segment Interest Credit based on the performance of the Index, subject to the following:

- 10.0% current Segment Cap Rate (guaranteed 3.25% Segment Minimum Cap Rate);
- 0% guaranteed Segment Floor Rate;
- S&P 500® Index, without dividends;
- One year Segment Term;
- 100% current and guaranteed Participation Rate;
- 1.98% annualized Indexed Performance Charge.

On its Segment Maturity Date, each Segment earns an Index Segment Interest Credit based on the Segment Growth Rate, multiplied by one plus the guaranteed Capped Indexed Account Multiplier of 65%. The Segment Growth Rate is the greater of (a) and (b) where (a) is the lesser of the Index Change multiplied by the Participation Rate, and the Segment Cap Rate for the Segment, and (b) is the Segment Floor Rate. The Segment Growth Rate will not be less than the 0% Segment Floor Rate and is capped at the Segment Cap Rate.

We may change the Segment Cap Rate for future Segments; however it will never be less than the Segment Minimum Cap Rate. The rate in effect on the Segment Initiation Date is guaranteed for the full duration of that Segment Term.

High Capped Indexed Account

Segments in the High Capped Indexed Account may earn an Index Segment Interest Credit based on the performance of the Index, subject to the following:

- 14.0% current Segment Cap Rate (guaranteed 3.75% Segment Minimum Cap Rate);
- 0% guaranteed Segment Floor Rate;
- S&P 500® Index, without dividends;
- One year Segment Term;

- 100% current and guaranteed Participation Rate;
- 1.98% annualized Indexed Performance Charge.

On its Segment Maturity Date, each Segment earns an Index Segment Interest Credit based on the Segment Growth Rate, multiplied by one plus the guaranteed High Capped Indexed Account Multiplier of 38%. The Segment Growth Rate is the greater of (a) and (b) where (a) is the lesser of the Index Change multiplied by the Participation Rate, and the Segment Cap Rate for the Segment, and (b) is the Segment Floor Rate. The Segment Growth Rate is floored at the 0% Segment Floor Rate and is capped at the Segment Cap Rate.

We may change the Segment Cap Rate for future Segments; however it will never be less than the Segment Minimum Cap Rate. The rate in effect on the Segment Initiation Date is guaranteed for the full duration of that Segment Term.

High Par Capped Indexed Account

Segments in the High Par Capped Indexed Account may earn an Index Segment Interest Credit based on the performance of the Index, subject to the following:

- 8.25% current Segment Cap Rate (guaranteed 3.0% Segment Minimum Cap Rate);
- 0% guaranteed Segment Floor Rate;
- S&P 500® Index, without dividends;
- One year Segment Term;
- 160.0% current Participation Rate (guaranteed 140.0% Participation Rate);
- 1.98% annualized Indexed Performance Charge.

On its Segment Maturity Date, each Segment earns an Index Segment Interest Credit based on the Segment Growth Rate, multiplied by one plus the guaranteed High Par Capped Indexed Account Multiplier of 65%. The Segment Growth Rate is the greater of (a) and (b) where (a) is the lesser of the Index Change multiplied by the Participation Rate, and the Segment Cap Rate for the Segment, and (b) is the Segment Floor Rate. The Segment Growth Rate is floored at the 0% Segment Floor Rate and capped at the Segment Cap Rate.

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy
 Valuable Information About Your Life Insurance Illustration (cont'd)

Protection IUL Form: 19PIUL

Presented By: Trusted Advisor

Illustration Assumptions

Sample
 Male - Preferred NonSmoker
 Age: 50
 Initial Assumed Status: Gold

Initial Death Benefit \$3,000,000
 Face Amount \$3,000,000
 Initial Planned Premium: \$41,465.00 / Billing Mode: Annual
 Death Benefit Option 1; Cash Value Accumulation Test
 State: Massachusetts

Based on Current Charges and Initial Assumed Segment Growth Rate of 6.00%

We may change the Segment Cap Rate for future Segments; however it will never be less than the Segment Minimum Cap Rate. We may also change the Participation Rate for future Segments; however, it will never be less than the guaranteed Participation Rate. The Segment Participation Rate may change more frequently than the Segment Cap Rate for the Capped Indexed Account though the rate in effect on the Segment Initiation Date is guaranteed for the full duration of that Segment Term.

Rate assuming different hypothetical Index Change rates of the S&P 500® Index over a Segment Term:

Index Segment Interest Credit Rate

Index Change	Capped Indexed Account	High Capped Indexed Account	High Par Capped Indexed Account
-20.00%	0.00%	0.00%	0.00%
5.00%	8.25%	6.90%	13.20%
10.00%	16.50%	13.80%	13.61%
20.00%	16.50%	19.32%	13.61%

Capped Hang Seng Indexed Account

Segments in the Capped Hang Seng Indexed Account may earn an Index Segment Interest Credit based on the performance of the Index, subject to the following:

- 11.75% current Segment Cap Rate (guaranteed 3.25% Segment Minimum Cap Rate);
- 0% guaranteed Segment Floor Rate;
- Hang Seng Index®, without dividends;
- One year Segment Term;
- 100% current and guaranteed Participation Rate;
- 1.98% annualized Indexed Performance Charge.

This example assumes the current Capped Indexed Account Segment Cap Rate of 10.0%, the current Participation Rate of 100%, the Segment Floor Rate of 0%, and the guaranteed Indexed Account Multiplier of 65%. The Segment Minimum Cap Rate is 3.25%. It assumes the current High Capped Indexed Account Segment Cap Rate of 14%, the current Participation Rate of 100%, the Segment Floor Rate of 0%, and the guaranteed Indexed Account Multiplier of 38%. The Segment Minimum Cap Rate is 3.75%. It assumes the current High Par Capped Indexed Account Segment Cap Rate of 8.25%, the current Participation Rate of 160%, the Segment Floor Rate of 0%, and the guaranteed Indexed Account Multiplier of 65%. The Segment Minimum Cap Rate is 3%.

On its Segment Maturity Date, each Segment earns an Index Segment Interest Credit based on the Segment Growth Rate, multiplied by one plus the guaranteed Capped Hang Seng Indexed Account Multiplier of 65%. The Segment Growth Rate is the greater of (a) and (b) where (a) is the lesser of the Index Change multiplied by the Participation Rate, and the Segment Cap Rate for the Segment, and (b) is the Segment Floor Rate. The Segment Growth Rate will not be less than the 0% Segment Floor Rate and is capped at the Segment Cap Rate.

Capped Hang Seng Indexed Account Index Segment Interest Credit Rate Example

This is an example of the Index Segment Interest Credit Rate assuming different hypothetical Index Change rates of the Hang Seng® Index over a Segment Term:

Index Segment Interest Credit Rate

Index Change	Capped Hang Seng Indexed Account
-20.00%	0.00%
5.00%	8.25%
10.00%	16.50%
20.00%	19.39%

We may change the Segment Cap Rate for future Segments; however it will never be less than the Segment Minimum Cap Rate. The rate in effect on the Segment Initiation Date is guaranteed for the full duration of that Segment Term.

Capped, High Par Capped and High Capped Indexed Account Index Segment Interest Credit Rate Example

This is an example of the Index Segment Interest Credit

This example assumes the current Capped Hang Seng Indexed Account Segment Cap Rate of 11.75%, the current Participation Rate of 100%, the Segment Floor Rate of 0%, and the guaranteed Indexed Account

John Hancock Life Insurance Company (U.S.A.)

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Valuable Information About Your Life Insurance Illustration (cont'd)

Protection IUL Form: 19PIUL

Presented By: Trusted Advisor

Illustration Assumptions

Sample
Male - Preferred NonSmoker
Age: 50
Initial Assumed Status: Gold

Initial Death Benefit \$3,000,000
Face Amount \$3,000,000
Initial Planned Premium: \$41,465.00 / Billing Mode: Annual
Death Benefit Option 1; Cash Value Accumulation Test
State: Massachusetts

Based on Current Charges and Initial Assumed Segment Growth Rate of 6.00%

Multiplier of 65%. The Segment Minimum Cap Rate is 3.25%.

Customer Risk Disclosure

You may allocate your Policy Value among five options, which include the Fixed Account and four Indexed Accounts – High Par, Capped, High Capped and Capped Hang Seng. Policy Value allocated to the Indexed Accounts will incur an additional monthly Indexed Performance Charge of 0.165%. This charge will not be applied to Policy Value allocated to the Fixed Account.

Each Indexed Account presents a different range of potential interest credit outcomes, and your choice of allocation among the Indexed Account options should be made taking into account your financial objectives, time horizon and personal risk tolerance. Your financial adviser can help you make the choice that is best for you.

- The High Par Capped Indexed Account, which offers a higher participation rate and a lower cap than the other Indexed Accounts, may be expected to present lower volatility than the other Indexed Accounts over time in the Indexed Segment Interest Credits applied to your Policy Value from period to period, but at the same time may be expected to result in lower Indexed Segment Interest Credits than the other Indexed Accounts over the long term.
- The Capped Indexed Account, on account of its lower participation rate and higher cap than the High Par Capped Indexed Account, may be expected to result in higher Index Segment Interest Credits applied to your Policy Value over the long term than the High Par Capped Indexed Account, but might also be expected to have a higher degree of volatility in the Indexed Segment Interest Credits from period to period.
- The High Capped Indexed Account presents a higher cap than the other Indexed Accounts, and as a result may be expected to generate higher Index Segment Interest Credits over the long term than the other Indexed Accounts, along with higher volatility in the Index Segment Interest Credits from period to period.

- The Capped Hang Seng Indexed Account has Index Segment Interest Credits that are determined by reference to the Hang Seng Index that is comprised of stocks traded on the Hong Kong stock exchange. The geographic diversification provided by the Capped Hang Seng Indexed Account generates a different volatility profile than other Indexed Accounts.

The Fixed Account credits interest daily at a declared rate (subject to a Minimum Guaranteed Interest Account Annual Rate of 2%) and is not linked to the gains of any index. As such, the Fixed Account may be expected to have the highest return, when equity indexes decline, the lowest return over the long term, and the least volatility among all allocation options.

John Hancock reserves the right to add Indexed Accounts or cease offering one or more of the Indexed Accounts at any time. We also reserve the right for any Indexed Account to substitute an Index with another Index for any reason. We will give you notice when we do so. Depending on what we add, substitute, or remove, the expected return and volatility relationship among Indexed Accounts might change. You should contact your financial adviser to select an allocation that is best for you.

You should consider all your allocation options carefully and review your options over time as your needs change.

Death Benefit Protection

This policy illustration shows the Death Benefit Protection feature guaranteeing the policy death benefit to the Life Insured's attained age 76.

As long as the Death Benefit Protection feature is in effect, your policy cannot lapse even if the Net Cash Surrender Value falls to zero or below. The Death Benefit Protection feature will stay in effect as long as the reference value called the Net Death Benefit Protection Value is greater than zero.

The Death Benefit Protection Value is a reference value and is only used to determine whether or not the Death Benefit Protection feature will stay in effect. The policy owner cannot access this reference value.

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy
Valuable Information About Your Life Insurance Illustration (cont'd)

Protection IUL Form: 19PIUL

Presented By: Trusted Advisor

Illustration Assumptions

Sample
Male - Preferred NonSmoker
Age: 50
Initial Assumed Status: Gold

Initial Death Benefit \$3,000,000
Face Amount \$3,000,000
Initial Planned Premium: \$41,465.00 / Billing Mode: Annual
Death Benefit Option 1; Cash Value Accumulation Test
State: Massachusetts

Based on Current Charges and Initial Assumed Segment Growth Rate of 6.00%

Like your Policy Value, the Death Benefit Protection Value is directly affected by the timing and amounts of premiums paid. To ensure that you have the Death Benefit Protection feature in effect for the period illustrated, it is important that premium payments are paid when they are due, otherwise your policy may lapse.

decrease the coverage in the year(s) shown, however, per the contract provisions, the death benefit will actually remain as issued unless you specifically request to decrease it at the time desired. Funding for the death benefit is based on your intent to decrease, however, if you never decrease your benefit as illustrated, then additional premium may be required to maintain the death benefit.

For purposes of calculating your Death Benefit Protection Value, we will apply premiums retroactively to the beginning of the policy month in which they are received.

Planned Premium Outlay

One of the advantages of Protection Indexed Universal Life Insurance is premium payment flexibility, allowing you to vary the amount of your payments. This illustration assumes an initial Planned Premium outlay of \$41,465.00 and that all subsequent premium payments are made at the beginning of each modal period. Reduced or discontinued premiums in future years are only possible if the premiums paid and amounts credited are sufficient to cover the Monthly Deduction and any other charges. These factors, as well as any outstanding policy loans or withdrawals, could necessitate additional premium payments to maintain your insurance coverage. Paying less than the planned premium can have a negative impact on the policy and its guarantees. Premium payments in excess of the Planned Premium are subject to underwriting approval.

Death benefit option changes, loans, withdrawals, rider termination or change, and/or face amount decreases will also affect the Death Benefit Protection feature.

If a policy loan is outstanding, the Death Benefit Protection feature will not prevent your policy from lapsing if the Net Policy Value falls to zero.

If you pay only the illustrated Death Benefit Protection Premium, you may be foregoing the advantage of building significant value in this policy, and your Policy Value may be insufficient to keep this policy in force beyond the Death Benefit Protection period. In this event, premiums significantly higher than the Death Benefit Protection Premium may be required to keep your policy from lapsing. The financial consequences of having little or no Policy Value also include a potentially lower death benefit (under death benefit option 2), less available loan value, and less net surrender value available for partial withdrawals or a surrender of the policy. Death Benefit Protection Feature cannot be reinstated after it lapses.

Premium Outlay Based on Guaranteed Assumptions

Based on the initial Death Benefit shown in the illustration, the level annual premium to guarantee coverage for life is \$178,774.83. Death Benefit Option changes, loans, withdrawals, policy changes, and Face Amount changes will cause this premium to be recalculated. Premiums are subject to maximum guidelines allowed by the Internal Revenue Code.

Net Death Benefit

The life insurance provided in this illustration reflects an initial Total Death Benefit of \$3,000,000 (Option 1). The initial Death Benefit is composed of \$3,000,000 in Face Amount (Option 1) and \$41,465 in Return of Premium Rider benefit. The Net Death Benefit reflects any Policy Debt (total loans plus any loan interest due).

Minimum Initial Premium

The Minimum Initial Premium is shown on the Basic Illustration Summary page and is the minimum premium needed to put the policy in force.

The death benefit coverage illustrates your intent to

Premium and Maturing Segment Allocations

This policy illustration uses the following (initial)

John Hancock Life Insurance Company (U.S.A.)

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Valuable Information About Your Life Insurance Illustration (cont'd)

Protection IUL Form: 19PIUL

Presented By: Trusted Advisor

Illustration Assumptions

Sample
Male - Preferred NonSmoker
Age: 50
Initial Assumed Status: Gold

Initial Death Benefit \$3,000,000
Face Amount \$3,000,000
Initial Planned Premium: \$41,465.00 / Billing Mode: Annual
Death Benefit Option 1; Cash Value Accumulation Test
State: Massachusetts

Based on Current Charges and Initial Assumed Segment Growth Rate of 6.00%

allocations for New premium.

Premium Allocation	
Capped Indexed Account	100%
High Capped Indexed Account	0%
High Par Capped Indexed Account	0%
Capped Hang Seng Indexed Account	0%
Fixed Account	0%

Amounts allocated to the Index Appreciation Account only form new Segments on the Segment Initiation Date (the 15th day of the month), subject to a Lock In Date of three Business Days prior to the Segment Initiation Date. Depending on the date that we receive your premium, there may be a delay of up to one month between the Lock In Date and the Segment Initiation Date when any allocated portion of the premium is included in a new Segment. The policy illustration does not take this potential delay into account.

Proceeds from maturing Index Appreciation Account Segments are illustrated rolling over to new Segments of the same Indexed Account type (the default allocation); however policy owners may elect to allocate maturing Segment Proceeds to any combination of the accounts by Written Request.

Index Appreciation Account – Illustrated Segment Growth Rates

This illustration assumes that Index Segment Interest Credits are applied to the amounts in the Capped Indexed Account, High Par Capped Indexed Account, Capped Hang Seng Indexed Account and High Capped Indexed Account. The calculation of those credits is based on assumed, hypothetical annual Segment Growth Rates and the Indexed Account Multipliers for each of the Capped, High Par Capped, Capped Hang Seng and High Capped Indexed Account.

Many approaches exist for choosing the hypothetical annual Segment Growth Rate that is assumed in your policy's illustration. This illustration utilizes a formula mandated by Actuarial Guideline 49 (AG49) to determine the maximum hypothetical Segment Growth Rate. This formula uses the geometric average annual

credited rate for the S&P 500 Index for the 25-year periods over the last 65 years, excluding dividends, of each Indexed Account and its Benchmark Index Account. The appropriate S&P 500 Index Benchmark Index Account and the Hang Seng Index are both used in determining the maximum hypothetical Segment Growth Rate for the Capped Hang Seng Indexed Account.

The table below shows the 25-year geometric average annual Segment Growth Rate, as well as its minimum and maximum.

Min, Max and Average Rates

	Min	Average	Max
Benchmark Indexed Account 1	4.82%	7.75%	9.89%
High Capped Indexed Account (14.0% Cap)*	4.82%	7.75%	9.89%
Benchmark Indexed Account 2	3.92%	6.12%	7.71%
Capped Indexed Account (10.0% Cap)**	3.92%	6.12%	7.71%
High Par Capped Indexed Account (8.25% Cap) and Participation Rate (160% Current)**	3.92%	5.53%	6.99%
Capped Hang Seng Indexed Account (11.75% Cap)**	5.04%	7.17%	8.84%

*Benchmark Indexed Account 1 applies to this indexed account

**Benchmark Indexed Account 2 applies to this indexed account

We recommend that you review additional illustrations using various hypothetical Segment Growth Rates to better understand how changes in index performance may affect the policy value and premium payment schedule.

Historical Performance of the S&P 500 Composite Index

The table below shows the actual historical performance of the S&P 500 Composite Index change and corresponding hypothetical Index Segment Interest Credits using the current Indexed Account parameters

John Hancock Life Insurance Company (U.S.A.)

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Valuable Information About Your Life Insurance Illustration (cont'd)

Protection IUL Form: 19PIUL

Presented By: Trusted Advisor

Illustration Assumptions

Sample
Male - Preferred NonSmoker
Age: 50
Initial Assumed Status: Gold

Initial Death Benefit \$3,000,000
Face Amount \$3,000,000
Initial Planned Premium: \$41,465.00 / Billing Mode: Annual
Death Benefit Option 1; Cash Value Accumulation Test
State: Massachusetts

Based on Current Charges and Initial Assumed Segment Growth Rate of 6.00%

for the most recent 20-year period. These values should not be considered a representation of past or future performance of the Indexed Accounts available in a policy. The table assumes 100% Participation Rate for the Capped and High Capped Indexed Accounts and a Participation Rate of 160% for the High Par Capped Indexed Account.

performance of the Indexed Accounts available in a policy. The table assumes 100% Participation Rate for the Capped Hang Seng Indexed Account.

Historical Performance of an Index

Years *	S&P 500 Index Point-to-Point Performance	Capped Indexed Account (10.0% Cap)	High Capped Indexed Account (14.0% Cap)	High Par Capped Indexed Account (8.25% Cap)
1998-1999	22.96%	16.50%	19.32%	13.61%
1999-2000	-4.44%	0.00%	0.00%	0.00%
2000-2001	-16.25%	0.00%	0.00%	0.00%
2001-2002	-20.80%	0.00%	0.00%	0.00%
2002-2003	20.76%	16.50%	19.32%	13.61%
2003-2004	12.03%	16.50%	16.60%	13.61%
2004-2005	5.76%	9.50%	7.95%	13.61%
2005-2006	12.00%	16.50%	16.56%	13.61%
2006-2007	2.98%	4.92%	4.11%	7.87%
2007-2008	-40.07%	0.00%	0.00%	0.00%
2008-2009	26.64%	16.50%	19.32%	13.61%
2009-2010	11.44%	16.50%	15.79%	13.61%
2010-2011	-2.40%	0.00%	0.00%	0.00%
2011-2012	16.65%	16.50%	19.32%	13.61%
2012-2013	25.59%	16.50%	19.32%	13.61%
2013-2014	12.79%	16.50%	17.65%	13.61%
2014-2015	0.98%	1.62%	1.35%	2.59%
2015-2016	11.44%	16.50%	15.79%	13.61%
2016-2017	17.70%	16.50%	19.32%	13.61%
2017-2018	-1.96%	0.00%	0.00%	0.00%

*Source: S&P 500 Index Data from 12/14/1998 to 12/14/2018

Historical Performance of the Hang Seng Index

Years *	Hang Seng Point-to-Point Performance	Capped Hang Seng Indexed Account (11.75% Cap)
1998-1999	65.72%	19.39%
1999-2000	-4.83%	0.00%
2000-2001	-26.01%	0.00%
2001-2002	-15.15%	0.00%
2002-2003	29.46%	19.39%
2003-2004	11.51%	18.99%
2004-2005	6.64%	10.96%
2005-2006	26.33%	19.39%
2006-2007	45.69%	19.39%
2007-2008	-46.46%	0.00%
2008-2009	49.65%	19.39%
2009-2010	6.09%	10.05%
2010-2011	-21.67%	0.00%
2011-2012	23.16%	19.39%
2012-2013	2.83%	4.67%
2013-2014	0.01%	0.02%
2014-2015	-8.34%	0.00%
2015-2016	5.38%	8.88%
2016-2017	29.88%	19.39%
2017-2018	-10.53%	0.00%

*Source: Hang Seng Index Data from 12/14/1998 to 12/14/2018

Fixed Account – Interest Rate

Interest on amounts in the Fixed Account is illustrated at an initial assumed effective annual rate of 4.50%. We determine the rate of interest to be credited to the Fixed Account based on our assessment of investment yields and other considerations as outlined in the policy. The current rate may increase or decrease, but at no point will the interest credited on amounts in the Fixed Account be lower than the Minimum Guaranteed Interest Account Annual Rate of 2.00%.

Historical Performance of the Hang Seng Index

The table below shows the actual historical performance of the Hang Seng Index change and corresponding hypothetical Index Segment Interest Credits using the current Indexed Account parameters for the most recent 20-year period. These values should not be considered a representation of past or future

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Valuable Information About Your Life Insurance Illustration (cont'd)

Protection IUL Form: 19PIUL

Presented By: Trusted Advisor

Illustration Assumptions

Sample Male - Preferred NonSmoker Age: 50 Initial Assumed Status: Gold

Initial Death Benefit \$3,000,000 Face Amount \$3,000,000 Initial Planned Premium: \$41,465.00 / Billing Mode: Annual Death Benefit Option 1; Cash Value Accumulation Test State: Massachusetts

Based on Current Charges and Initial Assumed Segment Growth Rate of 6.00%

Illustrations show interest applied to the Fixed Account at the Minimum Guaranteed Interest Account Annual Rate, and an assumed rate (or rates). The assumed illustrated rate will never be higher than the current rate, or lower than the Minimum Guaranteed Interest Account Annual Rate. Values illustrated at the current or assumed rate are not guarantees or estimates, but merely illustrate results on the basis of the selected assumption.

The illustrated current rate shows the rate of interest increasing for policies that are still in force at the beginning of Policy Year 11. We may credit your policy with a "persistence bonus," which is illustrated here to be an annual increase of 0.65%. We do not guarantee that there will be an increase in the Fixed Account interest rate due to a persistence bonus. If there is an increase, it will be applied only to the un-loaned portion of Policy Value allocated to the Fixed Account, and to any amount allocated to an Indexed Account but not yet designated to a Segment.

Accessing Policy Value

After your policy has been In Force for one year, you can make partial cash withdrawals. You can surrender your policy for cash at any time. We will pay you the Policy Value less a Surrender Charge and any Policy Debt you may have. You can also borrow the available cash value at any time.

Policy Loans

Policy loans may be taken against the Policy Value at any time, and if projected on an illustration, are assumed to be taken at the beginning of the month. The maximum loan amount available is the policy's Cash Surrender Value at the time of request, less any existing Policy Debt, less Monthly Deductions through the remainder of the Policy Year, all multiplied by one minus the rate of Loan Interest Charged for an Index Loan.

Loan Interest Charged is added to the Policy Debt in arrears on the Annual Processing Date. The loan interest rate used in this policy illustration is shown in the Policy Summary. Loan interest rates are variable and subject to change annually on the policy

anniversary.

You may choose between a Standard Loan and an Index Loan. Each of these options is described below. Only one loan option may be utilized at a time. However, you may also request to change your policy's loan option up to once per policy year, on the Policy Anniversary. The current rate of Loan Interest Charged may differ depending on whether the policy owner elects a Standard Loan or an Index Loan. Only the Standard Loan option is available during the first three Policy Years.

The illustrated values for the guaranteed assumption illustrations reflect the Loan Interest Charged Annual Rate for any Standard Loan and the Maximum Loan Interest Charged Annual Rate of 15% and Indexed Segment Interest Credits of 0% for any Index Loan, in addition to any other applicable maximum charges and minimum credits under the policy. If there is a loan that is collateralized by policy value in the Indexed Accounts, illustrative values for all non-guaranteed assumption illustrations reflect, for the portion of the policy value in the Indexed Accounts used as collateral for loans, a credited rate that takes into account any applicable adjustment for Index Account Multipliers, but is no greater than the Loan Interest Charged rate plus 1%, and a 0% Indexed Performance Charge, in addition to any other applicable current charges and current credits. The illustrative values are hypothetical. The 1.98% annualized Indexed Performance Charge is deducted from your policy value as described in your contract.

The choice of a Standard or Index Loan can have a significant effect on future Policy Values and the ultimate net cost of a loan. Please review the enclosed Understanding Potential Loan Costs for additional details.

Standard Loan

Under the Standard Loan option, loan proceeds and any capitalized loan interest are, to the extent possible, secured by amounts you have in the Fixed Account. Amounts from the Fixed Account used to secure a loan are transferred to a Loan Account. Any amount

Protection IUL

John Hancock Life Insurance Company (U.S.A.)

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Valuable Information About Your Life Insurance Illustration (cont'd)

Protection IUL Form: 19PIUL

Presented By: Trusted Advisor

Illustration Assumptions

Sample

Male - Preferred NonSmoker

Age: 50

Initial Assumed Status: Gold

Initial Death Benefit \$3,000,000

Face Amount \$3,000,000

Initial Planned Premium: \$41,465.00 / Billing Mode: Annual

Death Benefit Option 1; Cash Value Accumulation Test

State: Massachusetts

Based on Current Charges and Initial Assumed Segment Growth Rate of 6.00%

borrowed in excess of the Fixed Account is secured by the Index Appreciation Account, similar to an Index Loan (see below); however as Indexed Account Segments mature, those proceeds will be transferred to the Loan Account until the loan is fully-capitalized as a Standard Loan.

For a Standard Loan, the Loan Interest Charged Rate is guaranteed not to exceed 15.0%. Loan interest is payable in arrears. The Loan Interest Credited Differential is guaranteed not to exceed 1.25% in years 1-10 and 0.25% in years 11+.

Index Loan

Under the Index Loan option, loan proceeds and any capitalized loan interest are, to the extent possible, secured by amounts you have in the Index Appreciation Account. Amounts from the Index Appreciation Account used to secure a loan remain in Index Appreciation Account Segments, where those Segments may earn a Segment Interest Credit upon Segment Maturity. Any amount borrowed in excess of the Index Appreciation Account is secured by the Fixed Account, similar to a Standard Loan (see above).

Index Loan interest rates are variable and subject to change annually on the Annual Processing Date.

If there is an Index Loan, the illustrated values for the guaranteed assumption illustrations reflect the Maximum Loan Interest Charged Annual Rate of 15% and Indexed Segment Interest Credits of 0%, in addition to other applicable maximum charges and minimum credits under the policy. If there is an Index Loan, illustrative values for all non-guaranteed assumption illustrations reflect a credited rate that is no greater than the Loan Interest Charged rate plus 1%, in addition to other applicable current charges and a 0% Indexed Performance Charge. This is a hypothetical treatment of the Index Loan. Policy value allocated to the Indexed Accounts will be subject to a 1.98% annualized Indexed Performance Charge.

Net Effect of a Standard Loan vs. an Index Loan on Policy Value

The net effect of a loan on Policy Value varies

depending on which Loan Option you choose.

Standard Loan. The net cost of a Standard Loan equals the Loan Interest Charged less the sum of the Loan Interest Credited to the Loan Account and any Index Segment Interest Credits earned For portions of the loan that may be secured by the Index Appreciation Account.

Index Loan. The cost of an Index Loan can vary much more substantially than that of a Standard Loan. The net cost of an Index Loan equals the Loan Interest Charged less the sum of any Index Segment Interest Credits earned for portions of the loan that are secured by the Index Appreciation Account and the Loan Interest Credited to the Loan Account. For instance, assuming there is no Loan Account, an Index Loan scenario with a loan rate of 6% and Index Segment Interest Credit(s) of 0% would result in a net loan cost of 6% – much higher than the cost of a Standard Loan. Conversely, a loan rate of 6% and Index Segment Interest Credit(s) of 10% would result in a net loan gain of 4% to the policy.

Index Loans can have the effect of amplifying – both positively and negatively – the impact that Index Appreciation Account performance has on the policy. Therefore, the risk of policy lapse with an Index Loan is greater than it would be with a Standard Loan.

Annual Loan Interest

This is the interest charged on the outstanding Policy Debt. In the event that you do not pay the Loan Interest Charged in any Policy Year, it will be borrowed against the policy and added to the Policy Debt in arrears at the Policy Anniversary.

Withdrawals

Withdrawals reduce the Policy Value and the Death Benefit. If illustrated, withdrawals are assumed to be taken at the beginning of the month. Withdrawals and any related Surrender Charge amounts are first deducted from the Fixed Account and then from Segments in the Indexed Accounts on a proportionate basis.

Note that a withdrawal from the Index Appreciation

John Hancock Life Insurance Company (U.S.A.)

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy
Valuable Information About Your Life Insurance Illustration (cont'd)

Protection IUL Form: 19PIUL

Presented By: Trusted Advisor

Illustration Assumptions

Sample
Male - Preferred NonSmoker
Age: 50
Initial Assumed Status: Gold

Initial Death Benefit \$3,000,000
Face Amount \$3,000,000
Initial Planned Premium: \$41,465.00 / Billing Mode: Annual
Death Benefit Option 1; Cash Value Accumulation Test
State: Massachusetts

Based on Current Charges and Initial Assumed Segment Growth Rate of 6.00%

Account which was not pre-scheduled using the Systematic Withdrawal program will initiate a one-year Lock Out Period during which no new Segments in any Indexed Account (except for those resulting from a maturing Segment) may be created.

Healthy Engagement Rider and Vitality

Overview

The Healthy Engagement Rider and Vitality provide the opportunity each year, beginning in policy year 2, to add a Rider Credit to your Policy Value based on the Status of the Life Insured. There are four Status levels: Bronze, Silver, Gold and Platinum. The achievement of a Status beyond Bronze is dependent upon the Life Insured meeting certain Status Qualification requirements in each year.

Rider Charge

The rider is available for an additional charge of \$2 per month deducted from your Policy Value. This charge will be deducted regardless of whether or not the Life Insured participates in the program and whether or not the policy earns any Rider Credits. If you elect this rider, you may cancel it at any time, and the rider charge will no longer be deducted from your Policy Value. The rider charge will cease when the Life Insured attains age 80. At the earlier of attained age 80 or when you cancel this rider, no new Rider Credits will be earned, no new Status levels will be achieved, and all previously earned Rider Credits will continue to apply as described in the policy.

Rider Credits

On each Annual Processing Date, John Hancock will use the Life Insured's current Status as of that date to determine a schedule of Rider Credits that will be applied in the current policy year and the subsequent 19 policy years.

The formula for determining Rider Credits is described in the policy and guaranteed not to change. The Status Qualification requirements may be changed, as described in the policy.

Assumed Status in this Illustration

This illustration assumes the Life Insured achieves a Status of Gold. Achieving a different Status will affect the amount of Rider Credits applied. As the Rider Credits are applied to increase the Policy Value, they may be used to reduce the amount of premium required to maintain coverage.

This table shows how achieving different Statuses could affect the continuation of coverage, keeping other assumptions constant (including planned premiums, issue age, risk class, current charges, and assumed interest crediting rate):

Assumed Status (all years)	Policy Year at Lapse*
Platinum	N/A
Gold	N/A
Silver	43
Bronze	40

*The policy year at lapse is hypothetical and based on the same assumed premium payments and non-guaranteed factors shown on the Basic Illustration Summary page.

This illustration also includes a hypothetical scenario that assumes the Life Insured remains at Bronze status in all years and receives no Rider Credits.

You may request additional illustrations with different assumptions to understand how a Status change can affect your policy.

Important Reminders

- Actions you or the insured take can affect your policy and the premium required to maintain coverage, such as:
 - Achieving, or not achieving, a certain Status
 - The timing and amount of premiums you pay
 - Any loans, withdrawals, or material changes you make to your policy
- Your policy can also be affected by:
 - Changes to the current declared interest rate of the Fixed Account
 - Changes to the current Cost of Insurance rates

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy
Valuable Information About Your Life Insurance Illustration (cont'd)

Protection IUL Form: 19PIUL

Presented By: Trusted Advisor

Illustration Assumptions

Sample
Male - Preferred NonSmoker
Age: 50
Initial Assumed Status: Gold

Initial Death Benefit \$3,000,000
Face Amount \$3,000,000
Initial Planned Premium: \$41,465.00 / Billing Mode: Annual
Death Benefit Option 1; Cash Value Accumulation Test
State: Massachusetts

Based on Current Charges and Initial Assumed Segment Growth Rate of 6.00%

- Changes to the qualification requirements for a Status
- Changes in the Index Segment Interest Credits earned by Segments in an Index Appreciation Account on a Segment Maturity Date

may also request a decrease in the Return of Premium Death Benefit coverage amount on any monthiversary coincident with or next following the date we approve the request.

Tax Disclosure – Healthy Engagement Rider

- John Hancock will treat the monthly rider charges as distributions from your life insurance policy for federal income tax purposes, and thus such charges may be includible in your taxable income if the policy is a MEC or the cost basis is \$0. If the policy is a MEC, a 10% penalty tax also may apply. See the "Taxation of Life Insurance" section of this illustration for additional information.
- The value of some of the rewards such as gift cards and other cash equivalents may be includible in your taxable income and John Hancock would have to report them to the IRS on Form 1099-MISC if the combined value totals at least \$600 per year. Since the tax treatment of such benefits is subject to some uncertainty, you should consult your own tax advisor.
- This material does not constitute tax or legal advice and neither John Hancock nor any of its agents, employees or registered representatives are in the business of offering such advice. You should consult with your own tax advisor.

Policy Continuation at Age 121

Provided your coverage is in effect on the policy anniversary nearest the date on which the life insured reaches attained age 121, coverage will continue thereafter. We will continue to credit interest to the Fixed Account, and when applicable, apply Index Segment Interest Credits to any Index Appreciation Account Segments at each Segment Maturity Date. No additional charges, other than those for any outstanding policy loans, will be deducted.

The tax implications with respect to policies that continue beyond age 121 are not clear at the present time. We urge you to consult your tax advisor regarding this issue if there are questions about what happens after age 121.

Return of Premium Rider

This rider provides an additional coverage on the insurance amount payable on the death of the life insured, provided the Net Cash Surrender Value is greater than zero. The Death Benefit Protection feature also applies to this rider. The rider amount is based on the percentage of premiums paid that you specified, and less any withdrawals. This rider will only terminate when the policy is terminated.

The amount of the Return of Premium Death Benefit Coverage will not exceed the Maximum Benefit Amount stated in the policy information page for this rider in the policy contract.

The policy owner may request a cessation of increases of the Return of Premium Death Benefit coverage amount on any Policy Anniversary. The policy owner

Taxation of Life Insurance

The information contained in this illustration is based on certain tax and legal assumptions. We suggest that you seek professional counsel regarding the interpretation of current tax laws and accounting practices as they relate to your actual situation. The Technical and Miscellaneous Revenue Act (TAMRA) of 1988 classifies some policies as Modified Endowment Contracts (MECs). Distributions from these policies (excluding death benefits but including policy loans and withdrawals) are taxed differently and may be subject to an IRS 10% penalty tax. TAMRA testing has been performed on the assumed scale only.

- The initial annual 7-pay premium for this policy is \$97,993.00.
- Based on our interpretation of TAMRA, this policy as illustrated would not be considered a Modified Endowment Contract (MEC).
- **Employer-owned Life Insurance.** Where the owner of the policy is the employer of the life insured, Section 101(j) of the Internal Revenue Code specifies a number of requirements that must be satisfied in order for life insurance death benefits to be excluded from income taxation. The life insureds

John Hancock Life Insurance Company (U.S.A.)

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Valuable Information About Your Life Insurance Illustration (cont'd)

Protection IUL Form: 19PIUL

Presented By: Trusted Advisor

Illustration Assumptions

Sample

Male - Preferred NonSmoker

Age: 50

Initial Assumed Status: Gold

Initial Death Benefit \$3,000,000

Face Amount \$3,000,000

Initial Planned Premium: \$41,465.00 / Billing Mode: Annual

Death Benefit Option 1; Cash Value Accumulation Test

State: Massachusetts

Based on Current Charges and Initial Assumed Segment Growth Rate of 6.00%

must be the employer's directors and "highly compensated" employees (as is defined by law). If the life insured is not a director or highly compensated employee then the policy's death benefit must be paid out to the life insured (or to the life insured's designated beneficiary) or used to redeem an equity interest in the employer. **Before the issuance of the policy**, the insured must (1) be notified in writing that the employer/policy owner intends to insure the employee's life and the maximum face amount for which the employee could be insured; (2) give his/her written consent to being insured under the policy and agree that such coverage may continue after the life insured terminates employment; and (3) be informed in writing that the employer/policy owner will be a beneficiary of any proceeds payable upon the death of the life insured. Finally, the employer/policy owner is required to keep records and make an annual report concerning its employer-owned life insurance policies. Taxpayers should seek the counsel of qualified tax advisors to determine the applicability of IRC Section 101(j) or other provisions of federal tax law and/or compliance with the requirements of any such law or regulation.

unchanged for all years shown. This is not likely to occur, and the actual results may be more or less favorable. Future credits for interest and deductions can vary at the company's discretion depending upon factors such as death claims, investment earnings and expenses, as well as policy owner actions such as the timing and amount of premium payments, policy lapse and reinstatement, loans and withdrawals, and contractual changes.

To ensure that your policy continues to meet your objectives, we suggest that in addition to reviewing annual statements, you periodically request in force illustrations. In force illustrations will provide an updated projection of the policy.

Protection IUL is issued by John Hancock Life Insurance Company (U.S.A.) of Boston, MA 02117. John Hancock Life Insurance Company (U.S.A.) consistently receives high financial strength ratings from independent rating agencies. For more information, please visit our website at www.JohnHancock.com.

For more than a century, John Hancock has offered security and high quality products to its customers. The company's experience and resources allow it to provide first class financial solutions to customers in every market in which it operates.

Important Disclosure

No information provided by John Hancock to you or your advisors in connection with this sale is intended as tax, legal, or investment advice. This illustration and all other information and materials provided by John Hancock as part of this sale are not intended to be nor shall they be construed as providing impartial advice or recommendations as to the sale of and/or investment in John Hancock products and services. John Hancock and its representatives will receive compensation derived from such sales or services.

Other Considerations

This is an illustration only. An illustration is not intended to predict actual performance. Unless otherwise stated, amounts credited and other values set forth in the illustration are not guaranteed.

This illustration assumes that the currently illustrated nonguaranteed elements will continue

John Hancock Life Insurance Company (U.S.A.)

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Basic Illustration Summary

Protection IUL Form: 19PIUL

Presented By: Trusted Advisor

Illustration Assumptions

Sample	Initial Death Benefit \$3,000,000
Male - Preferred NonSmoker	Face Amount \$3,000,000
Age: 50	Initial Planned Premium: \$41,465.00 / Billing Mode: Annual
Initial Assumed Status: Gold	Death Benefit Option 1; Cash Value Accumulation Test
	State: Massachusetts

Based on Current Charges and Initial Assumed Segment Growth Rate of 6.00%

Coverage Summary

Coverage Description	Initial Amount	Initial Premium
Face Amount - Level for all years	\$3,000,000	\$41,465.00
Healthy Engagement Rider		
Additional Coverage On Insured		
Return of Premium Death Benefit Rider Using 100% of Premium		From 1 Thru 50

Policy Summary

State	Massachusetts	
Death Benefit Option	1	From 1 Thru 71
Definition of Life Insurance	CVAT	
Payment Mode	Annual	
Charges	Current	
Assumed Segment Growth Rate****		
Assumed Capped Indexed Segment Growth Rate†	6.00%	From 1 Thru 71
Assumed High Capped Indexed Segment Growth Rate†	7.75%	From 1 Thru 71
Assumed High Par Capped Indexed Segment Growth Rate†	5.53%	From 1 Thru 71
Assumed Capped Hang Seng Indexed Segment Growth Rate†	6.12%	From 1 Thru 71
Assumed Fixed Account Rate†	4.50%	From 1 Thru 10
(includes non-guaranteed persistency bonus)	5.15%	From 11 Thru 71
Loan Interest Rate	3.75%	From 1 Thru 71
Employee Tax Bracket	28%	From 1 Thru 71
Employer Tax Bracket	25%	From 1 Thru 71
Initial 7-Pay Premium	\$97,993.00	
Target Premium	\$33,473.29	
Minimum Initial Premium	\$1,083.08	
Assumed Status	Gold	
LifeTrack Billing	No	
Illustration Serial Number	8ED1C8917	

This is your Basic Illustration and is valid only if all illustration pages are included.

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John Hancock Life Insurance Company (U.S.A.)

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Basic Illustration Summary (cont'd)

Protection IUL Form: 19PIUL

Presented By: Trusted Advisor

Illustration Assumptions

Sample Initial Death Benefit \$3,000,000
 Male - Preferred NonSmoker Face Amount \$3,000,000
 Age: 50 Initial Planned Premium: \$41,465.00 / Billing Mode: Annual
 Initial Assumed Status: Gold Death Benefit Option 1; Cash Value Accumulation Test
 State: Massachusetts

Based on Current Charges and Initial Assumed Segment Growth Rate of 6.00%

Premium Allocation Table

	Initial Premium Allocation	Non-Guaranteed Initial Segment Growth Rate /Fixed Account Rate	****
Capped Indexed Account	100%	6.00%	
High Capped Indexed Account	0%	7.75%	
High Par Capped Indexed Account	0%	5.53%	
Capped Hang Seng Indexed Account	0%	6.12%	
Fixed Account	0%	4.50%	

Interest Adjusted Indexes on Insured at 5%

	-----Payment-----		-----Cost-----	
	10 Year	20 Year	10 Year	20 Year
Guaranteed	13.08	10.49	9.91	10.49
Current	13.08	10.49	6.75	5.68
Non-guaranteed Element	0.00	0.00	3.16	4.81

Interest Adjusted Indexes

These indexes provide a means for evaluating the comparative cost of the policy under stated assumptions. They can be useful in comparing similar plans of insurance, a lower index being better than a higher one. These indexes reflect the time value of money. Indexes are approximate because they involve assumptions, including the rate of interest used.

†An Asset Bonus will be credited to policy values beginning in policy year 11, as described in your policy.

**** Illustrated values for all non-guaranteed assumption illustrations reflect the application of the guaranteed Indexed Account Multiplier to the Segment Growth Rate and, as a result, such illustrated values will be greater than if the illustrated values only reflected the Segment Growth Rate. The guaranteed Indexed Account Multiplier for the Capped Indexed Account, the High Par Capped Indexed Account and the Capped Hang Seng Indexed Account is 65%. The guaranteed Indexed Account Multiplier for High Capped Indexed Account is 38%. The Indexed Segment Interest Credit on the Segment Maturity Date is equal to the Adjusted Segment Crediting Balance, multiplied by (1 + the guaranteed Indexed Account Multiplier) multiplied by the Segment Growth Rate. Illustrated values include any Indexed Segment Interest Credit.

Protection IUL

John Hancock Life Insurance Company (U.S.A.)

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Numeric Summary

Protection IUL Form: 19PIUL

Presented By: Trusted Advisor

Illustration Assumptions

Sample
Male - Preferred NonSmoker
Age: 50
Initial Assumed Status: Gold

Initial Death Benefit \$3,000,000
Face Amount \$3,000,000
Initial Planned Premium: \$41,465.00 / Billing Mode: Annual
Death Benefit Option 1; Cash Value Accumulation Test
State: Massachusetts

GUARANTEED ASSUMPTIONS

These policy benefits and values are based on the guaranteed interest of 0.00% and guaranteed charges. Based on your Planned Premium Outlay, the policy would remain in force until policy year 27, month 5*.

NON-GUARANTEED ASSUMPTIONS

These policy benefits and values are based on non-guaranteed elements that are subject to change by the insurer. Actual results may be more or less favorable.

ASSUMED SCALE:

Policy benefits and values are based on the initial assumed Segment Growth Rate of 6.00% and current charges. Based on your Planned Premium Outlay, the policy would remain in force until age 121*.

SUMMARY YEARS	GUARANTEED ASSUMPTIONS	NON-GUARANTEED ASSUMPTIONS	
		Midpoint Scale	Assumed Scale
Years Premium Paid in Cash	15	15	15
Income Cease Year	16	16	16
Summary Year 5			
Net Surrender Value	56,404	62,559	82,436
Net Death Benefit	3,207,325	3,207,325	3,207,325
Summary Year 10			
Net Surrender Value	132,757	169,250	264,803
Net Death Benefit	3,414,650	3,414,650	3,414,650
Summary Year 20			
Net Surrender Value	0	87,173	549,670
Net Death Benefit	3,447,822	3,447,822	3,447,822

MIDPOINT SCALE:

Assumes the midpoint interest rate and charges which are halfway between assumed and guaranteed. Based on your Planned Premium Outlay, the policy would remain in force until policy year 27, month 5*.

Premiums are assumed to be paid at the beginning of each modal period. Policy values, including surrender values and death benefits, are illustrated as of the end of the year, unless otherwise noted.

Income Cease Year indicates the first policy year in which loans and/or withdrawals no longer occur.

* See Policy Continuation at Age 121 on "Valuable Information" page.

Representative's Address:
Trusted Advisor

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We recommend that you review additional illustrations using various assumed, hypothetical Rates of Return to understand how changes in the Index performance may affect the Policy Value and premium payment schedule.

I have received a copy of this illustration and understand that any non-guaranteed elements illustrated are subject to change and could be either higher or lower. The representative has told me they are not guaranteed.

Applicant: _____ Date: _____
(Signature) (mm/dd/yyyy)

I certify that this illustration has been presented to the applicant and that I have explained that any non-guaranteed elements illustrated are subject to change. I have made no statements that are inconsistent with the illustration.

Representative: _____ Date: _____
(Signature) (mm/dd/yyyy)

John Hancock Life Insurance Company (U.S.A.)

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Illustration Based on Guaranteed Assumptions

Protection IUL Form: 19PIUL

Presented By: Trusted Advisor

Illustration Assumptions

Sample

Male - Preferred NonSmoker

Age: 50

Initial Assumed Status: Gold

Initial Death Benefit \$3,000,000

Face Amount \$3,000,000

Initial Planned Premium: \$41,465.00 / Billing Mode: Annual

Death Benefit Option 1; Cash Value Accumulation Test

State: Massachusetts

Based on Guaranteed Charges and a Guaranteed Rate of 0.00%

Policy Year	EOY Age	Planned Premium	Annual Withdrawal Amount	Net Outlay	Policy Value	Net Surrender Value	Net Death Benefit	IRR on Death Benefit
1	51	41,465	0	41,465	17,941	0	3,041,465	7,235.02%
2	52	41,465	0	41,465	34,580	0	3,082,930	713.71%
3	53	41,465	0	41,465	50,406	17,643	3,124,395	284.27%
4	54	41,465	0	41,465	65,510	34,964	3,165,860	163.77%
5	55	41,465	0	41,465	79,949	56,404	3,207,325	110.84%
6	56	41,465	0	41,465	88,862	72,964	3,248,790	81.96%
7	57	41,465	0	41,465	96,961	88,888	3,290,255	64.05%
8	58	41,465	0	41,465	104,277	104,191	3,331,720	52.00%
9	59	41,465	0	41,465	110,801	118,847	3,373,185	43.38%
10	60	41,465	0	41,465	116,444	132,757	3,414,650	36.96%
Totals:		414,650	0	414,650				
11	61	41,465	0	41,465	131,437	149,819	3,456,115	32.01%
12	62	41,465	0	41,465	144,990	165,144	3,497,580	28.08%
13	63	41,465	0	41,465	156,795	178,898	3,539,045	24.91%
14	64	41,465	0	41,465	166,648	190,863	3,580,510	22.30%
15	65	41,465	0	41,465	174,328	200,785	3,621,975	20.11%
16	66	0	174,153	-174,153	0	0	3,447,822	18.37%
17	67	0	0	0	0	0	3,447,822	16.90%
18	68	0	0	0	0	0	3,447,822	15.64%
19	69	0	0	0	0	0	3,447,822	14.54%
20	70	0	0	0	0	0	3,447,822	13.59%
Totals:		621,975	174,153	447,822				
21	71	0	0	0	0	0	3,447,822	12.75%
22	72	0	0	0	0	0	3,447,822	12.01%
23	73	0	0	0	0	0	3,447,822	11.35%
24	74	0	0	0	0	0	3,447,822	10.75%
25	75	0	0	0	0	0	3,447,822	10.22%
26	76	0	0	0	0	0	3,447,822	9.73%
27	77	##	##	##	##	##	##	##
Totals:		621,975	174,153	447,822				

The IRR on death benefit is equivalent to an interest rate at which an amount equal to the illustrated premiums could have been invested outside the policy to arrive at the net death benefit of the policy.

Indicates that the policy has lapsed under the illustrated assumption. Additional premium would be required to maintain policy benefits.

This is your Basic Illustration and is valid only if all illustration pages are included.

John Hancock Life Insurance Company (U.S.A.)

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Illustration Based on Nonguaranteed Assumptions

Protection IUL Form: 19PIUL

Presented By: Trusted Advisor

Illustration Assumptions

Sample

Male - Preferred NonSmoker

Age: 50

Initial Assumed Status: Gold

Initial Death Benefit \$3,000,000

Face Amount \$3,000,000

Initial Planned Premium: \$41,465.00 / Billing Mode: Annual

Death Benefit Option 1; Cash Value Accumulation Test

State: Massachusetts

Based on Current Charges and Initial Assumed Segment Growth Rate of 6.00%

Policy Year	EOY Age	Planned Premium	Annual Withdrawal Amount	Net Outlay	Policy Value	Net Surrender Value	Net Death Benefit	IRR on Death Benefit
1	51	41,465	0	41,465	20,193	0	3,041,465	7,235.02%
2	52	41,465	0	41,465	41,022	5,144	3,082,930	713.71%
3	53	41,465	0	41,465	63,050	27,970	3,124,395	284.27%
4	54	41,465	0	41,465	86,459	52,188	3,165,860	163.77%
5	55	41,465	0	41,465	111,410	82,436	3,207,325	110.84%
6	56	41,465	0	41,465	138,141	114,869	3,248,790	81.96%
7	57	41,465	0	41,465	166,727	149,157	3,290,255	64.05%
8	58	41,465	0	41,465	197,328	185,460	3,331,720	52.00%
9	59	41,465	0	41,465	230,109	223,939	3,373,185	43.38%
10	60	41,465	0	41,465	265,275	264,803	3,414,650	36.96%
Totals:		414,650	0	414,650				
11	61	41,465	0	41,465	315,542	315,542	3,456,115	32.01%
12	62	41,465	0	41,465	369,922	369,922	3,497,580	28.08%
13	63	41,465	0	41,465	428,712	428,712	3,539,045	24.91%
14	64	41,465	0	41,465	492,257	492,257	3,580,510	22.30%
15	65	41,465	0	41,465	560,974	560,974	3,621,975	20.11%
16	66	0	174,153	-174,153	415,331	415,331	3,447,822	18.37%
17	67	0	0	0	445,838	445,838	3,447,822	16.90%
18	68	0	0	0	478,368	478,368	3,447,822	15.64%
19	69	0	0	0	512,997	512,997	3,447,822	14.54%
20	70	0	0	0	549,670	549,670	3,447,822	13.59%
Totals:		621,975	174,153	447,822				
21	71	0	0	0	587,274	587,274	3,447,822	12.75%
22	72	0	0	0	626,549	626,549	3,447,822	12.01%
23	73	0	0	0	667,276	667,276	3,447,822	11.35%
24	74	0	0	0	709,279	709,279	3,447,822	10.75%
25	75	0	0	0	752,217	752,217	3,447,822	10.22%
26	76	0	0	0	795,818	795,818	3,447,822	9.73%
27	77	0	0	0	840,490	840,490	3,447,822	9.29%
28	78	0	0	0	886,171	886,171	3,447,822	8.89%
29	79	0	0	0	932,669	932,669	3,447,822	8.52%
30	80	0	0	0	979,910	979,910	3,447,822	8.18%
Totals:		621,975	174,153	447,822				

The IRR on death benefit is equivalent to an interest rate at which an amount equal to the illustrated premiums could have been invested outside the policy to arrive at the net death benefit of the policy.

This is your Basic Illustration and is valid only if all illustration pages are included.

John Hancock Life Insurance Company (U.S.A.)

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Illustration Based on Nonguaranteed Assumptions (cont'd)

Protection IUL Form: 19PIUL

Presented By: Trusted Advisor

Illustration Assumptions

Sample

Male - Preferred NonSmoker

Age: 50

Initial Assumed Status: Gold

Initial Death Benefit \$3,000,000

Face Amount \$3,000,000

Initial Planned Premium: \$41,465.00 / Billing Mode: Annual

Death Benefit Option 1; Cash Value Accumulation Test

State: Massachusetts

Based on Current Charges and Initial Assumed Segment Growth Rate of 6.00%

Policy Year	EOY Age	Planned Premium	Annual Withdrawal Amount	Net Outlay	Policy Value	Net Surrender Value	Net Death Benefit	IRR on Death Benefit
31	81	0	0	0	1,027,938	1,027,938	3,447,822	7.86%
32	82	0	0	0	1,075,926	1,075,926	3,447,822	7.57%
33	83	0	0	0	1,123,857	1,123,857	3,447,822	7.30%
34	84	0	0	0	1,171,568	1,171,568	3,447,822	7.05%
35	85	0	0	0	1,219,164	1,219,164	3,447,822	6.81%
36	86	0	0	0	1,265,819	1,265,819	3,447,822	6.59%
37	87	0	0	0	1,311,406	1,311,406	3,447,822	6.39%
38	88	0	0	0	1,355,516	1,355,516	3,447,822	6.19%
39	89	0	0	0	1,397,632	1,397,632	3,447,822	6.01%
40	90	0	0	0	1,437,479	1,437,479	3,447,822	5.84%
Totals:		621,975	174,153	447,822				
41	91	0	0	0	1,475,103	1,475,103	3,447,822	5.67%
42	92	0	0	0	1,509,515	1,509,515	3,447,822	5.52%
43	93	0	0	0	1,540,294	1,540,294	3,447,822	5.38%
44	94	0	0	0	1,567,369	1,567,369	3,447,822	5.24%
45	95	0	0	0	1,591,654	1,591,654	3,447,822	5.11%
46	96	0	0	0	1,615,051	1,615,051	3,447,822	4.98%
47	97	0	0	0	1,636,199	1,636,199	3,447,822	4.86%
48	98	0	0	0	1,655,975	1,655,975	3,447,822	4.75%
49	99	0	0	0	1,672,949	1,672,949	3,447,822	4.64%
50	100	0	0	0	1,685,212	1,685,212	3,447,822	4.54%
Totals:		621,975	174,153	447,822				
51	101	0	0	0	1,692,690	1,692,690	3,447,822	4.44%
52	102	0	0	0	1,695,525	1,695,525	3,447,822	4.34%
53	103	0	0	0	1,694,418	1,694,418	3,447,822	4.25%
54	104	0	0	0	1,690,594	1,690,594	3,447,822	4.17%
55	105	0	0	0	1,685,778	1,685,778	3,447,822	4.08%
56	106	0	0	0	1,680,822	1,680,822	3,447,822	4.00%
57	107	0	0	0	1,676,370	1,676,370	3,447,822	3.93%
58	108	0	0	0	1,672,502	1,672,502	3,447,822	3.85%
59	109	0	0	0	1,672,997	1,672,997	3,447,822	3.78%
60	110	0	0	0	1,680,039	1,680,039	3,447,822	3.71%
Totals:		621,975	174,153	447,822				

The IRR on death benefit is equivalent to an interest rate at which an amount equal to the illustrated premiums could have been invested outside the policy to arrive at the net death benefit of the policy.

This is your Basic Illustration and is valid only if all illustration pages are included.

John Hancock Life Insurance Company (U.S.A.)

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Illustration Based on Nonguaranteed Assumptions (cont'd)

Protection IUL Form: 19PIUL

Presented By: Trusted Advisor

Illustration Assumptions

Sample

Male - Preferred NonSmoker

Age: 50

Initial Assumed Status: Gold

Initial Death Benefit \$3,000,000

Face Amount \$3,000,000

Initial Planned Premium: \$41,465.00 / Billing Mode: Annual

Death Benefit Option 1; Cash Value Accumulation Test

State: Massachusetts

Based on Current Charges and Initial Assumed Segment Growth Rate of 6.00%

Policy Year	EOY Age	Planned Premium	Annual Withdrawal Amount	Net Outlay	Policy Value	Net Surrender Value	Net Death Benefit	IRR on Death Benefit
61	111	0	0	0	1,706,295	1,706,295	3,447,822	3.65%
62	112	0	0	0	1,748,015	1,748,015	3,447,822	3.58%
63	113	0	0	0	1,814,139	1,814,139	3,447,822	3.52%
64	114	0	0	0	1,919,023	1,919,023	3,447,822	3.46%
65	115	0	0	0	2,079,739	2,079,739	3,447,822	3.40%
66	116	0	0	0	2,254,292	2,254,292	3,447,822	3.35%
67	117	0	0	0	2,443,512	2,443,512	3,447,822	3.29%
68	118	0	0	0	2,648,387	2,648,387	3,447,822	3.24%
69	119	0	0	0	2,870,456	2,870,456	3,447,822	3.19%
70	120	0	0	0	3,110,876	3,110,876	3,447,822	3.14%
Totals:		621,975	174,153	447,822				
71	121	0	0	0	3,371,178	3,371,178	3,447,822	3.09%
72	122	0	0	0	3,704,925	3,704,925	3,704,925	3.16%
73	123	0	0	0	4,071,712	4,071,712	4,071,712	3.25%
74	124	0	0	0	4,474,812	4,474,812	4,474,812	3.34%
75	125	0	0	0	4,917,818	4,917,818	4,917,818	3.43%
Totals:		621,975	174,153	447,822				

The IRR on death benefit is equivalent to an interest rate at which an amount equal to the illustrated premiums could have been invested outside the policy to arrive at the net death benefit of the policy.

This is your Basic Illustration and is valid only if all illustration pages are included.

John Hancock Life Insurance Company (U.S.A.)

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Protection IUL Form: 19PIUL

Alternate Assumptions

Presented By: Trusted Advisor

Illustration Assumptions

Sample

Initial Death Benefit \$3,000,000

Male - Preferred NonSmoker

Face Amount \$3,000,000

Age: 50

Initial Planned Premium: \$41,465.00 / Billing Mode: Annual

Initial Assumed Status: Gold

Death Benefit Option 1; Cash Value Accumulation Test

State: Massachusetts

Policy Year	EOY Age	Planned Premium	Annual Withdrawal Amount	End of Year Guaranteed Assumptions 0.00% Minimum Rate, Maximum Charges			End of Year Alternate Assumptions 4.50% Initial Assumed Rate, Current Charges		
				Policy Value	Net Surrender Value	Net Death Benefit	Policy Value	Net Surrender Value	Net Death Benefit
1	51	41,465	0	17,941	0	3,041,465	19,630	0	3,041,465
2	52	41,465	0	34,580	0	3,082,930	39,381	3,503	3,082,930
3	53	41,465	0	50,406	17,643	3,124,395	59,766	24,685	3,124,395
4	54	41,465	0	65,510	34,964	3,165,860	80,904	46,633	3,165,860
5	55	41,465	0	79,949	56,404	3,207,325	102,890	73,916	3,207,325
6	56	41,465	0	88,862	72,964	3,248,790	125,881	102,609	3,248,790
7	57	41,465	0	96,961	88,888	3,290,255	149,867	132,297	3,290,255
8	58	41,465	0	104,277	104,191	3,331,720	174,915	163,047	3,331,720
9	59	41,465	0	110,801	118,847	3,373,185	201,085	194,915	3,373,185
10	60	41,465	0	116,444	132,757	3,414,650	228,470	227,998	3,414,650
Totals:		414,650	0						
11	61	41,465	0	131,437	149,819	3,456,115	269,221	269,221	3,456,115
12	62	41,465	0	144,990	165,144	3,497,580	312,240	312,240	3,497,580
13	63	41,465	0	156,795	178,898	3,539,045	357,608	357,608	3,539,045
14	64	41,465	0	166,648	190,863	3,580,510	405,426	405,426	3,580,510
15	65	41,465	0	174,328	200,785	3,621,975	455,835	455,835	3,621,975
16	66	0	174,153	0	0	3,447,822	293,972	293,972	3,447,822
17	67	0	0	0	0	3,447,822	306,485	306,485	3,447,822
18	68	0	0	0	0	3,447,822	319,078	319,078	3,447,822
19	69	0	0	0	0	3,447,822	331,616	331,616	3,447,822
20	70	0	0	0	0	3,447,822	343,834	343,834	3,447,822
Totals:		621,975	174,153						
21	71	0	0	0	0	3,447,822	354,308	354,308	3,447,822
22	72	0	0	0	0	3,447,822	363,514	363,514	3,447,822
23	73	0	0	0	0	3,447,822	370,648	370,648	3,447,822
24	74	0	0	0	0	3,447,822	374,919	374,919	3,447,822
25	75	0	0	0	0	3,447,822	375,360	375,360	3,447,822
26	76	0	0	0	0	3,447,822	370,861	370,861	3,447,822
27	77	0	0	##	##	##	360,911	360,911	3,447,822
28	78	0	0				344,104	344,104	3,447,822
29	79	0	0				318,641	318,641	3,447,822
30	80	0	0				282,281	282,281	3,447,822
Totals:		621,975	174,153						

Indicates that the policy has lapsed under the illustrated assumption. Additional premium would be required to maintain policy benefits.

This is your Basic Illustration and is valid only if all illustration pages are included.

John Hancock Life Insurance Company (U.S.A.)

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Alternate Assumptions (cont'd)

Protection IUL Form: 19PIUL

Presented By: Trusted Advisor

Illustration Assumptions

Sample
 Male - Preferred NonSmoker
 Age: 50
 Initial Assumed Status: Gold

Initial Death Benefit \$3,000,000
 Face Amount \$3,000,000
 Initial Planned Premium: \$41,465.00 / Billing Mode: Annual
 Death Benefit Option 1; Cash Value Accumulation Test
 State: Massachusetts

Policy Year	EOY Age	Planned Premium	Annual Withdrawal Amount	End of Year Guaranteed Assumptions 0.00% Minimum Rate, Maximum Charges			End of Year Alternate Assumptions 4.50% Initial Assumed Rate, Current Charges		
				Policy Value	Net Surrender Value	Net Death Benefit	Policy Value	Net Surrender Value	Net Death Benefit
31	81	0	0				232,381	232,381	3,447,822
32	82	0	0				164,166	164,166	3,447,822
33	83	0	0				72,421	72,421	3,447,822
34	84	##				##	##	##	##
Totals:		621,975	174,153						

Indicates that the policy has lapsed under the illustrated assumption. Additional premium would be required to maintain policy benefits.

This is your Basic Illustration and is valid only if all illustration pages are included.

John Hancock Life Insurance Company (U.S.A.)

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Bronze Assumptions

Protection IUL Form: 19PIUL

Presented By: Trusted Advisor

Illustration Assumptions

Sample

Male - Preferred NonSmoker

Age: 50

Assumed Status All Years: Bronze

Initial Death Benefit \$3,000,000

Face Amount \$3,000,000

Initial Planned Premium: \$41,465.00 / Billing Mode: Annual

Death Benefit Option 1; Cash Value Accumulation Test

State: Massachusetts

Based on Current Charges and Initial Assumed Segment Growth Rate of 6.00%

Policy Year	EOY Age	Planned Premium	Annual Withdrawal Amount	Net Outlay	Policy Value	Net Surrender Value	Net Death Benefit
1	51	41,465	0	41,465	20,193	0	3,041,465
2	52	41,465	0	41,465	40,989	5,111	3,082,930
3	53	41,465	0	41,465	62,931	27,850	3,124,395
4	54	41,465	0	41,465	86,190	51,918	3,165,860
5	55	41,465	0	41,465	110,919	81,945	3,207,325
6	56	41,465	0	41,465	137,359	114,087	3,248,790
7	57	41,465	0	41,465	165,511	147,941	3,290,255
8	58	41,465	0	41,465	195,448	183,579	3,331,720
9	59	41,465	0	41,465	227,227	221,057	3,373,185
10	60	41,465	0	41,465	260,924	260,452	3,414,650
Totals:		414,650	0	414,650			
11	61	41,465	0	41,465	309,302	309,302	3,456,115
12	62	41,465	0	41,465	361,212	361,212	3,497,580
13	63	41,465	0	41,465	416,884	416,884	3,539,045
14	64	41,465	0	41,465	476,599	476,599	3,580,510
15	65	41,465	0	41,465	540,710	540,710	3,621,975
16	66	0	174,153	-174,153	389,652	389,652	3,447,822
17	67	0	0	0	413,830	413,830	3,447,822
18	68	0	0	0	439,023	439,023	3,447,822
19	69	0	0	0	465,189	465,189	3,447,822
20	70	0	0	0	492,134	492,134	3,447,822
Totals:		621,975	174,153	447,822			
21	71	0	0	0	517,846	517,846	3,447,822
22	72	0	0	0	543,460	543,460	3,447,822
23	73	0	0	0	568,530	568,530	3,447,822
24	74	0	0	0	592,603	592,603	3,447,822
25	75	0	0	0	615,058	615,058	3,447,822
26	76	0	0	0	635,290	635,290	3,447,822
27	77	0	0	0	653,772	653,772	3,447,822
28	78	0	0	0	670,054	670,054	3,447,822
29	79	0	0	0	683,484	683,484	3,447,822
30	80	0	0	0	693,384	693,384	3,447,822
Totals:		621,975	174,153	447,822			

Indicates that the policy has lapsed under the illustrated assumption. Additional premium would be required to maintain policy benefits.

This is your Basic Illustration and is valid only if all illustration pages are included.

John Hancock Life Insurance Company (U.S.A.)

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Bronze Assumptions (cont'd)

Protection IUL Form: 19PIUL

Presented By: Trusted Advisor

Illustration Assumptions

Sample

Male - Preferred NonSmoker

Age: 50

Assumed Status All Years: Bronze

Initial Death Benefit \$3,000,000

Face Amount \$3,000,000

Initial Planned Premium: \$41,465.00 / Billing Mode: Annual

Death Benefit Option 1; Cash Value Accumulation Test

State: Massachusetts

Based on Current Charges and Initial Assumed Segment Growth Rate of 6.00%

Policy Year	EOY Age	Planned Premium	Annual Withdrawal Amount	Net Outlay	Policy Value	Net Surrender Value	Net Death Benefit
31	81	0	0	0	698,994	698,994	3,447,822
32	82	0	0	0	698,872	698,872	3,447,822
33	83	0	0	0	690,854	690,854	3,447,822
34	84	0	0	0	671,418	671,418	3,447,822
35	85	0	0	0	636,528	636,528	3,447,822
36	86	0	0	0	579,498	579,498	3,447,822
37	87	0	0	0	491,585	491,585	3,447,822
38	88	0	0	0	359,594	359,594	3,447,822
39	89	0	0	0	163,079	163,079	3,447,822
40	90	##	##	##	##	##	##

Totals: 621,975 174,153 447,822

Indicates that the policy has lapsed under the illustrated assumption. Additional premium would be required to maintain policy benefits.

This is your Basic Illustration and is valid only if all illustration pages are included.

John Hancock Life Insurance Company (U.S.A.)

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Additional Supplemental Page

Protection IUL Form: 19PIUL

Presented By: Trusted Advisor

Illustration Assumptions

Sample
Male - Preferred NonSmoker
Age: 50
Initial Assumed Status: Gold

Initial Death Benefit \$3,000,000
Face Amount \$3,000,000
Initial Planned Premium: \$41,465.00 / Billing Mode: Annual
Death Benefit Option 1; Cash Value Accumulation Test
State: Massachusetts

Based on Current Charges and Initial Assumed Segment Growth Rate of 6.00%

For Split Dollar Plans:

On September 11, 2003, the IRS published final regulations ("Final Regulations") regarding the tax treatment of split dollar arrangements. The provisions of the Final Regulations apply only to split dollar arrangements entered into or materially modified after September 17, 2003. The Final Regulations provide two mutually exclusive tax regimes for the taxation of split dollar arrangements; the economic benefit regime and the loan regime.

Endorsement method and non-equity collateral assignment split dollar arrangements are taxed under the economic benefit regime and the principles of Internal Revenue Code ("IRC") §§61 and 83. Under the economic benefit regime, an employee is taxed on the economic benefit of the life insurance protection, as well as any other economic benefits provided under the arrangement. All other types of split dollar arrangements are taxed under a new loan regime with premiums treated as loans generally subject to the below-market interest rate principles of IRC Section 7872.

This illustration shows a split dollar plan based on the economic benefit regime. Consult your tax advisors before entering into any split dollar arrangement.

The Internal Revenue Services provided, in Rev. Rul. 66-110, as further developed by IRS Notices 2001-10 and 2002-8, guidance for the valuation of life insurance protection under split dollar arrangements. Among many other provisions, Rev. Rul 66-110 as presently developed allows, under specific factual circumstances and subject to limitations prescribed in Notice 2002-8, "current published premium rates charged by an insurer for individual 1-year term life insurance available to all standard risks [to be] used for determining the cost of insurance in connection with individual policies issued by the same insurer and used for "split dollar" arrangements." The availability of any such rates for this purpose may be modified or withdrawn at any time by IRS or the federal legislature. John Hancock makes no representation as to whether any premium rates that

it publishes meet the requirements set forth by the IRS for the use of such rates to value life insurance protection under a split-dollar arrangement. Taxpayers considering the use of such rates for this purpose should consult their qualified tax and legal advisors.

[Reference# 274-07012004-9348111]

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John Hancock Life Insurance Company (U.S.A.)

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Understanding Potential Loan Costs

Protection IUL Form: 19PIUL

Presented By: Trusted Advisor

Illustration Assumptions

Sample Initial Death Benefit \$3,000,000
 Male - Preferred NonSmoker Face Amount \$3,000,000
 Age: 50 Initial Planned Premium: \$41,465.00 / Billing Mode: Annual
 Initial Assumed Status: Gold Death Benefit Option 1; Cash Value Accumulation Test
 State: Massachusetts

Based on Current Charges and Initial Assumed Segment Growth Rate of 6.00%

Below are hypothetical examples of the net loan cost (and in some cases gain) associated with taking either a Standard Loan or an Index Loan. Example 1 assumes that the Standard Loan is fully secured by the Fixed Account, and uses a Fixed Loan Charge Rate of 2%. Examples 2 and 3 assume that the Index Loans are fully secured by the Capped Indexed Account which has a guaranteed Indexed Account Multiplier of 65%, and a hypothetical Loan Charge Rate of 5.5%. All three scenarios assume a \$100,000 Policy Value at the beginning of the loan period and annual loans of \$10,000 are taken at the beginning of the Policy Year. In order to isolate the impact of the loan option and assumed crediting rate, no policy charges are assumed.

Example 1 - Standard Loan – Current Loan Charge Rate & Current Loan Account Crediting Rate

Assumed Fixed Account Rate	4.60%	Loan Rate Charged	2.00%
Assumed Loan Account Crediting Rate	2.00%	Net Loan Cost	0.00%

Policy Year	Annual Loan Requested	Annual Loan Amount	Loan Account Credited Amount	Loan Charged Amount	Cumulative Net Loan Cost	Net Cash Surrender Value
11	(10,000)	10,000	-	-	-	107,300
12	(10,000)	10,550	550	550	-	104,937
13	(10,000)	11,130	1,130	1,130	-	102,373
14	(10,000)	11,742	1,742	1,742	-	99,594
20	(10,000)	16,191	6,191	6,191	-	77,294

Under current assumptions, the rate of interest credited to the policy's Loan Account equals the rate of interest charged for the loan after Policy Year 10. Therefore, in this example the net cost of the Standard Loan is zero.

Example 2 - Index Loan – Current Loan Charge Rate & an Assumed 2.0% Segment Growth Rate

Assumed Segment Growth Rate	2.00%	Loan Rate Charged	5.50%
Assumed Loan Account Crediting Rate	N/A	Net Loan Cost	2.20%

Policy Year	Annual Loan Requested	Annual Loan Amount	Indexed Account Credited Amount	Loan Charged Amount	Cumulative Net Loan Cost	Net Cash Surrender Value
11	(10,000)	10,000	-	-	-	103,500
12	(10,000)	10,550	350	550	200	97,123
13	(10,000)	11,130	719	1,130	611	90,322
14	(10,000)	11,742	1,109	1,742	1,245	83,072
20	(10,000)	16,191	3,940	6,191	10,456	38,497

Under an Index Loan, when the rate of interest charged for that loan exceeds the Segment Growth Rate earned in the Indexed Account, the net cost of holding that loan can be substantial.

Example 3 - Index Loan – Current Loan Charge Rate & an Assumed 9.0% Segment Growth Rate

Assumed Segment Growth Rate	9.00%	Loan Rate Charged	5.50%
Assumed Loan Account Crediting Rate	N/A	Net Loan Gain	9.40%

Policy Year	Annual Loan Requested	Annual Loan Amount	Indexed Account Credited Amount	Loan Charged Amount	Cumulative Net Loan Cost	Net Cash Surrender Value
11	(10,000)	10,000	-	-	-	107,500
12	(10,000)	10,550	750	550	(200)	105,563
13	(10,000)	11,130	1,541	1,130	(611)	103,680
14	(10,000)	11,742	2,376	1,742	(1,245)	101,867
20	(10,000)	16,191	8,442	6,191	(10,456)	93,541

Under an Index Loan, when the Segment Growth Rate earned in the Indexed Account exceeds the rate charged for that loan, the result would be a net loan gain to the policy.

You should consider the potential effect that each type of loan can have on your policy before taking a loan.

John Hancock Life Insurance Company (U.S.A.)

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Protection IUL Form: 19PIUL

Glossary of Terms

Presented By: Trusted Advisor

Illustration Assumptions

Sample
Male - Preferred NonSmoker
Age: 50
Initial Assumed Status: Gold

Initial Death Benefit \$3,000,000
Face Amount \$3,000,000
Initial Planned Premium: \$41,465.00 / Billing Mode: Annual
Death Benefit Option 1; Cash Value Accumulation Test
State: Massachusetts

Based on Current Charges and Initial Assumed Segment Growth Rate of 6.00%

Advance Contribution Charge

An Advance Contribution Charge is assessed on each monthly processing date when the cumulative premiums paid exceed the Advance Contribution Limit times the current Policy Year. It is deducted for the first 10 Policy Years. The Advance Contribution Charge rates and Advance Contribution Limit are both shown in the policy contract.

Asset Bonus

Beginning in Policy Year 11 and continuing beyond Age 121, we apply an Asset Bonus at the Asset Bonus Annual Rate to any balances in your Fixed Account, Indexed Account Holding Segments, and the Index Appreciation Account as described in your policy. The Asset Bonus Rates vary by issue age, gender, and policy duration.

Cost of Insurance

Current insurance charges are based on Company experience. The current rates may change, but are guaranteed never to exceed the maximum rates. Maximum rates are no greater than the 2017 CSO Composite Age Nearest Birthday Ultimate mortality rates, adjusted for any applicable ratings.

Index Change

The Index Change is the difference in the index from the beginning to the end of a Segment.

Indexed Performance Charge

The Indexed Performance Charge is equal to an annualized rate of 1.98% multiplied by the Policy Value in the Indexed Appreciation Account. The charge is deducted monthly.

Death Benefit Option

Death Benefit Option 1 provides a level amount of coverage. It will increase only when necessary to maintain the definition of life insurance. Death Benefit Option 2 provides coverage equal to the Face Amount plus the Policy Value plus any amount necessary to maintain the definition of life insurance.

Face Amount

The Face Amount is the coverage provided by the base policy. Any decreases to the Face Amount must fall within policy minimums, and are only allowed after the first Policy Year. The Face Amount coverage illustrates your intent to decrease or terminate the coverage in the years shown, however, per the contract provisions, the Face Amount death benefit will actually remain level unless you specifically request to decrease it at the time desired. Funding for this benefit is based on your intent to decrease, however, if you never decrease your benefit as illustrated, then additional premiums may be required to maintain the level death benefit.

Face Amount Charge

The Face Amount Charge is an additional \$0.2227 of Face Amount per policy month in years 1-3. In years 4-10, the rate is \$0.2227. This charge varies by the insured's issue age, gender, risk classification and the policy duration.

Monthly Administrative Charge

A monthly Administrative Charge of \$15 will be assessed in all years, current and guaranteed.

Net Death Benefit

The Death Benefit illustrated is the Face Amount plus any Required Additional Death Benefit. This is the value that is payable upon the death of the insured as stated on the front page of the policy. The actual amount payable may be decreased by loans or increased by additional insurance benefits. Death Benefits are illustrated as of the end of the year. Net Death Benefit reflects the total loan plus any loan interest due.

Net Income

Net Income reflects any illustrated withdrawal, policy loan and/or loan interest due.

Net Surrender Value

The Net Surrender Value is the Policy Value less

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Glossary of Terms (cont'd)

Protection IUL Form: 19PIUL

Presented By: Trusted Advisor

Illustration Assumptions

Sample
Male - Preferred NonSmoker
Age: 50
Initial Assumed Status: Gold

Initial Death Benefit \$3,000,000
Face Amount \$3,000,000
Initial Planned Premium: \$41,465.00 / Billing Mode: Annual
Death Benefit Option 1; Cash Value Accumulation Test
State: Massachusetts

Based on Current Charges and Initial Assumed Segment Growth Rate of 6.00%

Surrender Charge(s), and is illustrated as of end of the year. This amount is shown net of withdrawals and total loans plus loan interest due. During the Surrender Charge period, there is a Surrender Charge assessed if all or part of the Face Amount is reduced. If the policy terminates for any reason, the amount of any outstanding loan (that was not previously considered income) could result in a considerable tax. Under certain situations involving large amounts of outstanding loans, you might find yourself having to choose between high premium requirements to keep your policy from lapsing and a significant tax burden if you allow the lapse to occur. Please consult your tax advisor for further information.

Participation Rate

The Participation Rate is the percentage of the Index Change (change in the value of the Index over the Segment Term) that will be recognized in the calculation of the Segment Growth Rate

Planned Premium Outlay

The Planned Premium Outlay is the amount which the policyholder plans to pay. This illustration assumes that Planned Premiums are paid at the beginning of each modal period indicated. Additional premiums may be paid while the policy is In Force, subject to our minimum and maximum limits.

Policy Value

The Policy Value is the sum of all amounts held in the policy including the Fixed Account, the Index Appreciation Account, and any value in the Loan Account. When premiums are paid, the balance, after a premium charge is deducted, is allocated between the Fixed Account and the Index Appreciation Account, per your instructions. The Fixed Account is credited daily with a guaranteed interest rate of 2.00% or the current rate, whichever is greater. Segments in the Index Appreciation Account may earn an Index Segment Interest Credit at each Segment Maturity Date, subject to a guaranteed Segment Floor Rate of 0%. Also, once each month, Cost of Insurance and any other charges are deducted proportionately from both the Fixed Account and the Index Appreciation Account.

Cumulative Guarantee. Protection IUL policies also include a Cumulative Guarantee used for purposes of calculating Minimum Death Benefit, Insurance Benefit and the Cash Surrender Value. The Policy Value used for these purposes (only) is the greater of the Policy Value described above and the Cumulative Guaranteed Policy Value which is determined in the same manner as the Policy Value except that:

- Net Premiums accumulate with interest in the manner applicable to amounts accumulated in the Fixed Account;
- Monthly Deductions and withdrawals, including any applicable charges, are made from the amount accumulated as described above, in the manner applicable to the Fixed Account;
- The Indexed Performance Charge that is deducted will be determined by multiplying the Indexed Performance Charge by the Cumulative Guarantee Policy Value (which includes the Policy Value in the Fixed Account and Index Appreciation Account) instead of the Policy Value in the Index Appreciation Account;
- A 2% Cumulative Guaranteed Interest Rate is used to credit this amount.

The Indexed Performance Charge is deducted from your Cumulative Guarantee Policy Value even if a portion of your policy Value is allocated to the Fixed Account. The Cumulative Guarantee does not increase the amount available for withdrawals or policy loans, and does not affect the amount available for transfers or allocations.

Premium Charge

A Premium Charge of 35.0% is deducted from each premium in years 1-10. In years 11+, the charge is 32.0%.

Required Additional Death Benefit

The death benefit will automatically be increased if necessary to maintain the minimum amount of insurance needed to comply with current federal tax law (Section 7702 of the Internal Revenue Code). This will ensure that your policy maintains the favorable tax

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Protection IUL Form: 19PIUL

Glossary of Terms (cont'd)

Presented By: Trusted Advisor

Illustration Assumptions

Sample Male - Preferred NonSmoker Age: 50 Initial Assumed Status: Gold

Initial Death Benefit \$3,000,000 Face Amount \$3,000,000 Initial Planned Premium: \$41,465.00 / Billing Mode: Annual Death Benefit Option 1; Cash Value Accumulation Test State: Massachusetts

Based on Current Charges and Initial Assumed Segment Growth Rate of 6.00%

treatment associated with being a life insurance policy.

Risk Class

Classifications represent groups of people with similar risk characteristics and help to determine the Cost of Insurance. Final risk classification for a proposed insured is determined upon completion of the underwriting process, and may vary from what is shown on this illustration. If so, you will receive a Revised Basic Illustration prior to or upon delivery of your insurance contract.

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Protection IUL

John Hancock Life Insurance Company (U.S.A.)

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Protection IUL Form: 19PIUL

Glossary of Terms (cont'd)

Presented By: Trusted Advisor

Illustration Assumptions

Sample

Initial Death Benefit \$3,000,000

Male - Preferred NonSmoker

Face Amount \$3,000,000

Age: 50

Initial Planned Premium: \$41,465.00 / Billing Mode: Annual

Initial Assumed Status: Gold

Death Benefit Option 1; Cash Value Accumulation Test

State: Massachusetts

Based on Current Charges and Initial Assumed Segment Growth Rate of 6.00%

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Protection IUL

John Hancock Life Insurance Company (U.S.A.)

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Death Benefit Illustration

Protection IUL Form: 19PIUL

Presented By: Trusted Advisor

Illustration Assumptions

Sample

Male - Preferred NonSmoker

Age: 50

Initial Assumed Status: Gold

Initial Death Benefit \$3,000,000

Face Amount \$3,000,000

Initial Planned Premium: \$41,465.00 / Billing Mode: Annual

Death Benefit Option 1; Cash Value Accumulation Test

State: Massachusetts

Based on Current Charges and Initial Assumed Segment Growth Rate of 6.00%

Policy Year	EOY Age	Planned Premium	Face Amount	Return of Premium Rider	Policy Value	Withdrawal Amount	Net Death Benefit
1	51	41,465	3,000,000	41,465	20,193	0	3,041,465
2	52	41,465	3,000,000	82,930	41,022	0	3,082,930
3	53	41,465	3,000,000	124,395	63,050	0	3,124,395
4	54	41,465	3,000,000	165,860	86,459	0	3,165,860
5	55	41,465	3,000,000	207,325	111,410	0	3,207,325
6	56	41,465	3,000,000	248,790	138,141	0	3,248,790
7	57	41,465	3,000,000	290,255	166,727	0	3,290,255
8	58	41,465	3,000,000	331,720	197,328	0	3,331,720
9	59	41,465	3,000,000	373,185	230,109	0	3,373,185
10	60	41,465	3,000,000	414,650	265,275	0	3,414,650
Totals:		414,650				0	
11	61	41,465	3,000,000	456,115	315,542	0	3,456,115
12	62	41,465	3,000,000	497,580	369,922	0	3,497,580
13	63	41,465	3,000,000	539,045	428,712	0	3,539,045
14	64	41,465	3,000,000	580,510	492,257	0	3,580,510
15	65	41,465	3,000,000	621,975	560,974	0	3,621,975
16	66	0	3,000,000	447,822	415,331	174,153	3,447,822
17	67	0	3,000,000	447,822	445,838	0	3,447,822
18	68	0	3,000,000	447,822	478,368	0	3,447,822
19	69	0	3,000,000	447,822	512,997	0	3,447,822
20	70	0	3,000,000	447,822	549,670	0	3,447,822
Totals:		621,975				174,153	
21	71	0	3,000,000	447,822	587,274	0	3,447,822
22	72	0	3,000,000	447,822	626,549	0	3,447,822
23	73	0	3,000,000	447,822	667,276	0	3,447,822
24	74	0	3,000,000	447,822	709,279	0	3,447,822
25	75	0	3,000,000	447,822	752,217	0	3,447,822
26	76	0	3,000,000	447,822	795,818	0	3,447,822
27	77	0	3,000,000	447,822	840,490	0	3,447,822
28	78	0	3,000,000	447,822	886,171	0	3,447,822
29	79	0	3,000,000	447,822	932,669	0	3,447,822
30	80	0	3,000,000	447,822	979,910	0	3,447,822
Totals:		621,975				174,153	

Death Benefit reflects cumulative withdrawals.

John Hancock Life Insurance Company (U.S.A.)

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Death Benefit Illustration (cont'd)

Protection IUL Form: 19PIUL

Presented By: Trusted Advisor

Illustration Assumptions

Sample

Male - Preferred NonSmoker

Age: 50

Initial Assumed Status: Gold

Initial Death Benefit \$3,000,000

Face Amount \$3,000,000

Initial Planned Premium: \$41,465.00 / Billing Mode: Annual

Death Benefit Option 1; Cash Value Accumulation Test

State: Massachusetts

Based on Current Charges and Initial Assumed Segment Growth Rate of 6.00%

Policy Year	EOY Age	Planned Premium	Face Amount	Return of Premium Rider	Policy Value	Withdrawal Amount	Net Death Benefit
31	81	0	3,000,000	447,822	1,027,938	0	3,447,822
32	82	0	3,000,000	447,822	1,075,926	0	3,447,822
33	83	0	3,000,000	447,822	1,123,857	0	3,447,822
34	84	0	3,000,000	447,822	1,171,568	0	3,447,822
35	85	0	3,000,000	447,822	1,219,164	0	3,447,822
36	86	0	3,000,000	447,822	1,265,819	0	3,447,822
37	87	0	3,000,000	447,822	1,311,406	0	3,447,822
38	88	0	3,000,000	447,822	1,355,516	0	3,447,822
39	89	0	3,000,000	447,822	1,397,632	0	3,447,822
40	90	0	3,000,000	447,822	1,437,479	0	3,447,822
Totals:		621,975				174,153	
41	91	0	3,000,000	447,822	1,475,103	0	3,447,822
42	92	0	3,000,000	447,822	1,509,515	0	3,447,822
43	93	0	3,000,000	447,822	1,540,294	0	3,447,822
44	94	0	3,000,000	447,822	1,567,369	0	3,447,822
45	95	0	3,000,000	447,822	1,591,654	0	3,447,822
46	96	0	3,000,000	447,822	1,615,051	0	3,447,822
47	97	0	3,000,000	447,822	1,636,199	0	3,447,822
48	98	0	3,000,000	447,822	1,655,975	0	3,447,822
49	99	0	3,000,000	447,822	1,672,949	0	3,447,822
50	100	0	3,000,000	447,822	1,685,212	0	3,447,822
Totals:		621,975				174,153	
51	101	0	3,000,000	447,822	1,692,690	0	3,447,822
52	102	0	3,000,000	447,822	1,695,525	0	3,447,822
53	103	0	3,000,000	447,822	1,694,418	0	3,447,822
54	104	0	3,000,000	447,822	1,690,594	0	3,447,822
55	105	0	3,000,000	447,822	1,685,778	0	3,447,822
56	106	0	3,000,000	447,822	1,680,822	0	3,447,822
57	107	0	3,000,000	447,822	1,676,370	0	3,447,822
58	108	0	3,000,000	447,822	1,672,502	0	3,447,822
59	109	0	3,000,000	447,822	1,672,997	0	3,447,822
60	110	0	3,000,000	447,822	1,680,039	0	3,447,822
Totals:		621,975				174,153	

Death Benefit reflects cumulative withdrawals.

John Hancock Life Insurance Company (U.S.A.)

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Death Benefit Illustration (cont'd)

Protection IUL Form: 19PIUL

Presented By: Trusted Advisor

Illustration Assumptions

Sample

Male - Preferred NonSmoker

Age: 50

Initial Assumed Status: Gold

Initial Death Benefit \$3,000,000

Face Amount \$3,000,000

Initial Planned Premium: \$41,465.00 / Billing Mode: Annual

Death Benefit Option 1; Cash Value Accumulation Test

State: Massachusetts

Based on Current Charges and Initial Assumed Segment Growth Rate of 6.00%

Policy Year	EOY Age	Planned Premium	Face Amount	Return of Premium Rider	Policy Value	Withdrawal Amount	Net Death Benefit
61	111	0	3,000,000	447,822	1,706,295	0	3,447,822
62	112	0	3,000,000	447,822	1,748,015	0	3,447,822
63	113	0	3,000,000	447,822	1,814,139	0	3,447,822
64	114	0	3,000,000	447,822	1,919,023	0	3,447,822
65	115	0	3,000,000	447,822	2,079,739	0	3,447,822
66	116	0	3,000,000	447,822	2,254,292	0	3,447,822
67	117	0	3,000,000	447,822	2,443,512	0	3,447,822
68	118	0	3,000,000	447,822	2,648,387	0	3,447,822
69	119	0	3,000,000	447,822	2,870,456	0	3,447,822
70	120	0	3,000,000	447,822	3,110,876	0	3,447,822
Totals:		621,975				174,153	
71	121	0	3,000,000	447,822	3,371,178	0	3,447,822
72	122	0	0	0	3,704,925	0	3,704,925
73	123	0	0	0	4,071,712	0	4,071,712
74	124	0	0	0	4,474,812	0	4,474,812
75	125	0	0	0	4,917,818	0	4,917,818
Totals:		621,975				174,153	

Death Benefit reflects cumulative withdrawals.

John Hancock Life Insurance Company (U.S.A.)

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Protection IUL Form: 19PIUL

Input Summary -- Agent Use Only --

Presented By: Trusted Advisor

Illustration Assumptions

Sample Initial Death Benefit \$3,000,000
 Male - Preferred NonSmoker Face Amount \$3,000,000
 Age: 50 Initial Planned Premium: \$41,465.00 / Billing Mode: Annual
 Initial Assumed Status: Gold Death Benefit Option 1; Cash Value Accumulation Test
 State: Massachusetts

Product & Concept

Concept	Split Dollar	Assumed Vitality PLUS	Gold
Approved in	Massachusetts	Status	
Product Type	All Products	Total Face Amount	3,000,000
Product	Protection IUL 18	Death Benefit Option	Option 1
		Premium	Schedule
		-- Solve	1 @Retirement

Concept Design

Split Dollar Plan	Collateral	Premium Duration	@Retirement
Options		Premium Mode	Annual
Employer Name	Business	Target Cash Value	Endow
Economic Benefit Rate	Alternate Term Rates	Target Year	Lifetime
Table		Allocation Option	Custom Allocation and Rate
Economic Benefit Tax	Double	Capped Acct. Rate	6%
Bonus Option		High Capped Acct. Rate	7.75%
Salary	Schedule	Rate	
-- 100,000	4% 1 A65	High Par Acct. Rate	5.53%
Compensation Bonus	Schedule	Hang Seng Acct. Rate	6.12%
-- 5,000	4% 1 A65	Fixed Acct. Rate	Current
Years to Average	1	Agent Name	Trusted Advisor
Compensation		Allocation Capped Acct. Rate	100%
Retirement Year	A65	Allocation High Capped	0%
Death Year (Mortality)	A90	Acct. Rate	
Plan Termination Type	Release Assignment	Allocation High Par	0%
Release Year	@Retirement + 1	Acct. Rate	
Taxation Funding	Withdrawal	Allocation Hang Seng	0%
		Acct. Rate	
		Allocation Crediting	0%
		Rate	

Allocation

Employer Death Benefit	Greater		
Employer Tax Rate	25%		
Employee Death Benefit	Residual		
Employee Tax Rate	28%		
Employee Excess Death Benefit	Yes		

Policy Options

Estimated Policy Issue Date	Today + 1 Month
Charges	Current
Lump Sum Month Year 1	1
Lump Sum Month Years 2+	1
MEC Testing	Avoid MEC
Target Cash Value	Endow
Target Year	Lifetime
Withdrawal Cap	Basis

Policy Design

Insured Name	Sample
Sex	Male
Issue Age / Birthdate	50
State	Massachusetts
Risk Class	Preferred NonSmoker
Vitality PLUS	Yes

John Hancock used the fully allocated expense method to test and verify all products for compliance with the NAIC Life Insurance Illustration Model Regulation.

Protection IUL

John Hancock Life Insurance Company (U.S.A.)

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Input Summary -- Agent Use Only -- (cont'd)

Protection IUL Form: 19PIUL

Presented By: Trusted Advisor

Illustration Assumptions

Sample	Initial Death Benefit \$3,000,000
Male - Preferred NonSmoker	Face Amount \$3,000,000
Age: 50	Initial Planned Premium: \$41,465.00 / Billing Mode: Annual
Initial Assumed Status: Gold	Death Benefit Option 1; Cash Value Accumulation Test
	State: Massachusetts

Loan Cap	None
Loan Type	Standard Loan
Loan Interest Payment Type	Borrow
Variable Loan Interest Rate	3.75%

Riders

Return of Premium	Yes
Death Benefit	
ROP Stop Growth Year	Lifetime
ROP DB Percentage	100%

Optional Reports

Optional Reports	Yes
Input Summary	Yes

Protection IUL

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