



Field Underwriting Guide

Underwriting Impairments

A comprehensive reference tool to life insurance underwriting at John Hancock

June 2021



Underwriting Guidelines

- > Approved Vendors
- > Ratings Build Chart
- > Smoking Classifications
- > Financial Underwriting
- > Personal and Business Insurance
- > Foreign Travel and Non-U.S. Residents



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- > Acronyms and Abbreviations
- > Life Medical Impairments
- > Underwriting the LTC Rider
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Underwriting for Foreign Travel

These guidelines apply to U.S. residents including residents of Puerto Rico, Guam and the U.S. Virgin Islands traveling for less than six months per year. Travel for six months (183 days) per year or longer is considered Foreign Residency.

- All products are available
- Applications should not be submitted with any travel planned outside of North America within the next 30 days, until the applicant's return
- Coverage may not be available to individuals traveling to any country where a U.S. State Department travel warning, advisory, or alert has been issued. Military deployment to a war zone will not be considered
- Occupations such as foreign correspondent, diplomat, missionary, security personnel, and foreign aid worker will not be considered
- Underwriter will factor in all travel alerts posted by U.S. Department of State

Foreign Travel	<ul style="list-style-type: none"> • Which countries and destinations in each country • Frequency and duration of visit (total number of days/year in each country) • Purpose of travel • Age of applicant • Health of applicant • U.S. citizen or permanent resident 	<p>Requirement: Foreign Travel Questionnaire</p> <p>Information to include: Travel questionnaire outlining destination(s), frequency and duration of visits must be submitted with the initial documents</p>	<p>Best Case: Super Preferred available for travel to A and B countries for up to three months, and to most E countries¹ for travel up to two weeks</p> <p>Standard: Available for travel to C countries for more than three months up to six months</p> <p>Decline: Any travel to Afghanistan or Iraq Travel to other E countries¹ for up to four weeks – individual consideration will apply</p>
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1. Travel to E countries will be considered only for major cities.
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Underwriting for Non-U.S. Residents

John Hancock is a leader in offering life insurance to high-net-worth (\$5MM+) foreign nationals with strong US connections. To establish a US connection, clients must demonstrate to **John Hancock’s satisfaction one or more of the US Nexus criteria, along with each of the other factors listed below.** Underwriting reserves the right to request evidence supporting qualification of foreign national candidates.

<p>1) U.S. Nexus</p>	<p>The client must present U.S. interests that would be protected by the purchase of the insurance. The extent of the client’s U.S interests must be substantial relative to the amount of insurance applied for. Evidence of insurance need may include the following:</p> <ul style="list-style-type: none"> • U.S. real estate ownership • U.S business interests/employment • Presence of immediate family members in the US • US investment holdings with a minimum deposit of \$200,000 directly titled to the proposed insured (where a separate financial presence exists — see section 3 below)
<p>2) Physical U.S. presence</p>	<p>The client must demonstrate a regular and recurring physical presence within the US, related to the US insurance need. The length and purpose of the client’s U.S. stays will be taken into consideration. Presence in the U.S. of under 15 days per year on a recurring basis will not be considered.</p>
<p>3) Financial U.S. presence</p>	<p>The client must demonstrate a substantial US financial presence. The extent and nature of the client’s U.S. assets will be taken into consideration. The client must have a minimum of \$200k or 25% of the coverage amount applied for in US assets that are directly titled to the client or to a US entity connected to the client.</p>
<p>4) U.S. source of funds/ policy ownership</p>	<p>Premiums must be paid from a U.S. account directly connected and titled to the client. Designating foreign entities (e.g., trusts, holding companies) or individuals other than immediate family members as owner or beneficiary of the contract will not be considered. All designations are subject to underwriting review.</p>

Solicitation requirements

- Solicitation must take place in the US, including completion of:
 - Application
 - Illustration
 - Exams¹
 - Labs
- John Hancock does not accept a Power of Attorney



Policy e-Delivery availability

- Electronic delivery may be available if all other solicitation activities take place in the US
- Consult your underwriter for more details

1. Exams performed in Hong Kong may be considered with pre-approval from your Underwriter. Page 14 of 49. Not valid without all pages.



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Foreign National Parameters

Before submitting an application, please check to ensure your case falls within the following parameters. Additional guidelines and tips can be found [here](#).

Minimum Issue Age	20
Maximum Issue Age	75 ^{1,3}
Minimum Net Worth²	\$5 million U.S. or equivalent
Minimum Face Amount	\$1 million
Best Class Available^{3,4,5}	A and B: Super Preferred; C: Preferred
Maximum Mortality Rating	200%
Maximum Capacity⁶	\$40 million for A and B countries ¹ \$24 million for C countries ¹ \$25 million for Canada
Jumbo Limit⁷	\$65 million for A and B countries \$45 million for C countries ⁸
Ownership Structure	<ul style="list-style-type: none"> • The owner must have a U.S. Tax ID or SSN, or must complete W-8BEN • Two-party ownership (i.e., personal ownership) is allowed • Offshore trusts or entities are not allowed
Solicitation	All solicitation must take place in the U.S, regardless of the country of residence. Solicitation is defined as the entire new business process, e.g., illustration, application, and completion of underwriting requirements, including examinations and policy delivery. Please note that the applicable law and state version of an application should be the state where there is an independent connection with the policy owner and where the owner signs the application. For example, if the foreign national has a home in Florida and was solicited and will be signing the application in Florida, a Florida state version of the John Hancock application should be submitted.
Products	All John Hancock permanent fully underwritten products are available. The same capacity is used for both individual and survivorship coverage. ⁹ For foreign nationals who are not U.S. citizens, Term coverage is available only for key person U.S. business purposes.

1. Applicable country code and maximum capacity is based on where the proposed insured resides for more than six months per year. • 2. Individual consideration for lower net-worth amounts. • 3. Best Class will be reduced for U.S. citizens living abroad who do not have a net worth equivalent to \$5 million U.S. dollars or more. Automatic capacity for C countries is limited to issue age 70. • 4. Eligibility for HealthyEdge credits may be considered for Country A risks. • 5. Non-HNW applicants of C countries must reside in an approved major city and require a flat extra rating. Please consult with your underwriter. • 6. Capacity may vary in the following scenarios: for ages 71-75 (where applicable); for residents of Singapore, China, Hong Kong, and Macau; for Term products; for M-proprietary products. Further details on capacity and country codes can be found in the Field Underwriting Guide on John Hancock's producer website. • 7. The Jumbo Limit is the sum of all in-force coverage plus pending formal applications with all companies including John Hancock. Existing insurance that is being replaced will be deducted, providing we receive a fully executed absolute assignment replacement form transferring ownership to John Hancock. For Term coverage, if total amount in-force and applied for, exceeds \$30M, please contact your Underwriting team leader for further consideration. • 8. For M-proprietary products, please confirm Capacity with your John Hancock M-dedicated underwriter. • 9. Please note that for survivorship coverage, both lives must meet issue age and maximum mortality rating requirements.

Underwriting for Non-U.S. Residents, continued

Scenarios where coverage is not available

Please note the following scenarios where John Hancock does not offer coverage to foreign nationals:

- **Term products:** Foreign nationals are not eligible for Term coverage except when a U.S. business is insuring them for key-person or business purposes. (Foreign residents who are U.S. citizens may qualify for Term insurance to be used for any purpose.)
- **Certain occupations:** Clients in certain occupations, and in some cases their family members, are uninsurable – for example, politically exposed persons (PEPs) or their family members, government or military personnel, missionaries, journalists, diplomats, members of the judiciary, security personnel, and trade union officials.
- **Aviation:** Individual policies may be offered to private pilots only, with an aviation exclusion; survivorship policies not available with aviation risk.
- **Riders:** Your foreign national clients may not include underwritten riders in their life insurance coverage, e.g., Waiver of Monthly Deductions, Disability Payment of Specified Premium, Return of Premium, Increasing Supplemental Face Amount and Long-Term Care. In addition, currently the John Hancock Vitality Program (Healthy Engagement Rider) and John Hancock Term with Vitality are not available to foreign national clients.
- **Travel advisories:** Coverage may not be available in any country with a travel warning or alert in effect.

Underwriting requirements

Avoid delays in the underwriting process. The following checklist details what to include in an “in good order” submission.

Financial underwriting requirements

Financial underwriting is a critical part of the underwriting process that examines the economic feasibility of the case at hand, and allows the underwriters to consider the insurable interest at the time of the application. Please submit the following requirements:

- ✓ *Foreign Resident Inquiry form* — required as initial review
- ✓ A broker’s cover letter of introduction, to include detailed travel information. (See “[Tips to Packaging Your Case](#)” [here](#).)
- ✓ A completed *Financial Supplement for Personal Insurance* OR *Financial Supplement for Business Insurance*
- ✓ Proof of identity (e.g., copy of passport or visa)
- ✓ Letter of reference from financial institution with all account values and duration of relationship. If not provided, detailed account statements must be submitted to support the declarations on the *Financial Supplement for Personal Insurance* or *Financial Supplement for Business Insurance*



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<p>Additional considerations</p>	<p>In addition to these requirements, the underwriter also takes into account insurable interest/insurable loss, and the net worth and assets required to justify the requested coverage.</p> <ul style="list-style-type: none"> • Insurable interest/insurable loss The first consideration in financial underwriting is to establish that an insurable interest exists. The concept of insurable interest is fundamental to ensuring that the insurance applied for makes economic sense. We consider insurable interest as existing when the owner (if other than the insured) and the designated beneficiary have a financial interest in the continued life of the insured and are able to demonstrate a measurable financial loss should the insured die prematurely. The loss should equal or exceed the requested insurance amount. The underwriter will examine the amount of potential loss suffered by an owner/beneficiary in the context of the requested death benefit, purpose of coverage and financial profile (including the ability to pay ongoing premiums). It is the risk of loss that helps the underwriter quantify the amount of insurable interest and ultimately justify the requested death benefit. <p>Example</p> <p>Application</p> <ul style="list-style-type: none"> • 55-year-old male, citizen of the U.K. • Applying for \$10 million (typically would require net worth of \$7-8 million to qualify); no coverage inforce with John Hancock • Net worth — \$12 million (\$3 million U.S.; \$9 million foreign) • \$3 million U.S. brokerage account, and • Three week-long trips per year to Miami for business • \$10 million applied for <p>Financial Presence and Nexus guideline</p> <ul style="list-style-type: none"> • The lesser of \$700K or 25% of requested death benefit in US assets • Business trips to Miami <p>CONCLUSION: The client is eligible for the \$10M he applied for</p>
<p>Medical underwriting requirements</p>	<ul style="list-style-type: none"> ✓ John Hancock's routine underwriting requirements ✓ Medical records (five-year history) from all the appropriate physicians and medical facilities ✓ APS must be provided in English. John Hancock does not cover translation fees and the translator should be at arm's length to the sale ✓ In some instances, consideration for exams completed in Hong Kong or the United Kingdom may be available. Please contact your underwriting team lead for case-specific approval. <p>Please note that ExamOne is the approved vendor for this market: InternationalServices@questdiagnostics.com.</p>



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Risk class available by country code

Risk Classes ¹	Country Code Classification		
Non-Smoker	A ²	B	C ³
Super Preferred	✓	✓	
Preferred	✓	✓	✓
Standard Plus ⁴	✓	✓	✓
Standard	✓	✓	✓
Preferred Smoker	✓	✓	✓
Standard Smoker	✓	✓	✓

Permanent coverage capacity: High net worth individuals

The following is a summary of available amounts for Non-U.S. residents applying for Permanent coverage, providing there is no additional coverage in force with John Hancock:

Country	Code	Best class	Capacity*	Retention	Jumbo
Dubai/UAE	A	Super Preferred	\$40,000,000	\$20,000,000	\$65,000,000
Panama	B	Super Preferred	\$40,000,000	\$20,000,000	\$65,000,000
Dominican Republic	B	Super Preferred	\$40,000,000	\$20,000,000	\$65,000,000
Canada	A	Super Preferred	\$25,000,000	\$10,000,000	\$65,000,000
China	A	Super Preferred	\$40,000,000	\$17,000,000	\$65,000,000

*Capacity subject to change. Capacity grades over age 70

1. Best Class will be reduced for U.S. citizens living abroad who do not have the net worth equivalent to \$5 million U.S. or more.
 2. Eligibility for HealthyEdge credits may be considered for Country A risks.
 3. Non-HNW applicants of C countries must reside in an approved major city and require a flat extra rating. Please consult with your underwriter.
 4. Standard Plus is available depending on product selection.
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Tips to packaging your case

Take advantage of the following tips to help streamline the application process.



Identify your client:

- Determine if your client meets the guidelines and requirements outlined [here](#).
- Check that your case falls within the parameters and scenarios [here](#).



Submit an informal application:

- Include the *Foreign Resident Inquiry Form*
- Include a broker's cover letter of introduction with the following information:
 - Details of residences and travel outside country of residence
 - Source of your referral to the proposed insured
 - Proposed insured's background information and mention of any other publicly available information
 - Source of insurance premium: at John Hancock we require premium to be paid from a pre-existing U.S. bank account and billing address. It is important to note the account history and how long it has been in place
 - Time spent in the U.S.



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Country Classifications for Foreign Travel and Non-U.S. Residents^{1,2}

Countries

A	Andorra	Canada	Finland	Israel – excluding West Bank and Gaza	Lithuania	New Zealand	Singapore ⁴	Taiwan
	Anguilla	Canary Islands	France	Italy	Luxembourg	Norway	Slovak Republic	Turks and Caicos
	Australia	Cayman Islands	Germany	Japan	Macau	Poland	(Slovakia) Slovenia	United Arab Emirates
	Austria	China ²	Greece	Korea	Malta	Portugal	Spain	United Kingdom
	Belgium	Cyprus	Hong Kong	Latvia	Martinique	Qatar	Sweden	United States
	Bermuda	Czech Republic	Hungary	Liechtenstein	Monaco	San Marino	Switzerland	
	British Virgin Islands	Denmark	Iceland		Netherlands	Saudi Arabia		
	Brunei Darussalam	Estonia	Ireland					
B	Antigua & Barbuda	Brazil	Ecuador ²	Macedonia	Netherlands Antilles	Romania	South Africa	St. Martin
	Argentina	Bulgaria	French Polynesia	Malaysia	New Caledonia	Russian Federation ²	St. Kitts and Nevis	Thailand
	Aruba	Chile	Grenada	Maldives	Northern Mariana Islands	Saint Maarten	St. Vincent & the Grenadines	The former Yugoslav Republic of Macedonia
	Bahamas	Costa Rica	Guadeloupe	Mauritius	Oman	Saint Vincent and the Grenadines	Suriname	Trinidad & Tobago
	Barbados	Croatia	Indonesia	Mexico	Palau	Serbia	St. Lucia	Uruguay
	Bosnia and Herzegovina	Curacao	Jamaica	Montenegro	Panama ²	Seychelles		
	Botswana	Dominica	Kazakhstan	Namibia				
		Dominican Republic	Kuwait					
C³	Albania	Cambodia	Egypt ²	Jordan	Guatemala	Mongolia	Peru	Tonga
	Belize	Cape Verde Islands	El Salvador	Kenya	India	Montserrat	Philippines ²	Turkey
	Bhutan	Colombia ²	Fiji	Gabon	Micronesia	Morocco	Samoa	Vietnam
	Bolivia	Cook Islands	French Guyana	Ghana	Moldova	Paraguay	Sri Lanka	Zambia
E	Afghanistan	Chad	Ethiopia	Korea (Democratic People's Rep. of)	Mali	Occupied Palestinian Territories	Sudan	Tuvalu
	Algeria	Comoros	Gambia	Kyrgyzstan	Marshall Islands	Swaziland	Uganda	
	Angola	Congo	Georgia	Laos	Mauritania	Syria	Ukraine	
	Bahrain	Congo, Dem People's Rep (formerly Zaire)	Guinea	Lebanon	Mozambique	Tajikistan	Uzbekistan	
	Bangladesh	Côte d'Ivoire	Guinea Bissau	Lesotho	Nauru	Tanzania	Vanuatu	
	Benin	(Ivory Coast)	Guyana	Liberia	Nepal	Tibet	Venezuela	
	Burkina Faso	Djibouti	Haiti	Libya	Nicaragua	Timor-Leste	Western Sahara	
	Burundi	Egypt	Honduras	Madagascar	Niger	Togo	Yemen	
	Cameroon	Equatorial Guinea	Iraq	Malawi	Nigeria	Tunisia	Zimbabwe	
	Central African Republic	Eritrea	Kiribati		Somalia	Turkmenistan		

1. Country classifications and rates are subject to change at any time. For confirmation, please contact a John Hancock Underwriter.

2. High-risk areas within some countries may be uninsurable. Contact your underwriter for details.

3. For foreign residents, a residency extra of \$1 applies for non-HNW countries.

4. Coverage is not available for residents of Singapore.

Note: We are not able to offer coverage to residents of Japan and Switzerland, due to Japanese Government rules and regulations.

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