



# New Maximum Illustrated Rates for IUL Products

Effective September 1, 2015

Earlier this year The National Association of Insurance Commissioners (NAIC) and the American Council of Life Insurers (ACLI) developed Uniform Actuarial Guideline 49 (AG49), which standardizes many Indexed Universal Life (IUL) illustration practices.

Two key changes will affect John Hancock illustrations:

- ✓ **Effective September 1, 2015:** All IUL products must adhere to new guidelines for setting maximum illustrated rates
- ✓ **Effective March 1, 2016:** Any illustrated IUL loan rate credited must be less than or equal to the loan interest rate charged plus 1%. Additional explanatory disclosure will also be required on all illustrations.

John Hancock currently uses a 25-year historical look-back to set maximum illustrated rates. The new approach uses a different calculation that looks back over the past 65 years. As a result, the maximum illustrated rates for the Capped, Uncapped, and High Par Index Accounts will decrease September, as shown in the chart below.

It is important to remember that John Hancock’s IUL products are not changing as a result of AG49. Indexed Account caps, floors, thresholds, and participation rates are not affected. Only the maximum assumed rate-of-return shown on illustrations will be affected. **These guidelines will be applied industry-wide and we expect all companies to make similar changes.**

## JOHN HANCOCK USA (ALL STATES EXCEPT NY)

Product	Account	Illustrated Rate Before 9/1/2015	Maximum Illustrated Rate Effective 9/1/2015
<b>Accumulation IUL 15</b>	Capped Account	7.44%	6.66%
	High Participation	7.24%	6.45%
	Uncapped	7.61%	6.66%
<b>Protection IUL 15</b>	Capped Account	6.97%	6.23%
	High Participation	6.59%	5.87%
	Uncapped	7.29%	6.23%
<b>Protection SIUL 13</b>	Capped Account	7.44%	6.66%
	High Participation	7.24%	6.45%
	Uncapped	7.61%	6.66%

## JOHN HANCOCK NEW YORK

Product	Account	Illustrated Rate Before 9/1/2015	Maximum Illustrated Rate Effective 9/1/2015
<b>Accumulation IUL 11</b>	Capped Account	7.21%	6.45%
	High Participation	6.92%	6.16%
	Uncapped	7.61%	6.45%
<b>Protection IUL 15</b>	Capped Account	6.46%	5.77%
	High Participation	5.92%	5.28%
	Uncapped	6.98%	5.77%
<b>Protection SIUL 13</b>	Capped Account	6.97%	6.23%
	High Participation	6.59%	5.87%
	Uncapped	7.29%	6.23%

As part of these changes, the optional IUL Historical Report will be removed from JH Illustrator.

### Impact on Pending Business

Signed illustrations that exceed the new maximum illustration will be accepted **only if the illustration was created prior to September 1, 2015 and no changes are required** after the underwriting process. If any changes to the illustrations are required after September, the rate for the new illustration may not exceed the new maximum illustration rate.

In order to ensure the smoothest possible sales process, we recommend you begin adhering to the new maximum rates prior to September.

Details of the changes for March 1, 2016 will be communicated closer to implementation.

**For questions about these changes, please contact the National Sales Support at 1-888-266-7498, option 2.**

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

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

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

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