



# Introducing Underwriting Innovations to Meet Your Clients' Needs

*I am frequently asked about our secret to maintaining John Hancock's competitive underwriting edge. There are many factors at play, including our extensive experience, the depth of our expertise in impaired risk underwriting and the service focus and accessibility of our underwriters and case managers. But another key contributor to our underwriting success is our commitment to anticipate and understand the needs of our customers and determine innovative ways of meeting those needs. We have recently introduced several initiatives that show the results of this commitment and determination.*

## Staying Competitive: Better Rates for Some Breast Cancer Clients

At John Hancock, we recognize the importance of relating the new diagnostic and treatment regimes to expected mortality results. We revise and fine-tune our proprietary underwriting manual on an ongoing basis with the input of a dedicated research and development team. This means that changes that can benefit your clients are reflected in our decisions.

For example, John Hancock now offers Standard rates to women who have been successfully treated for early-stage breast cancer and meet the following criteria:

- Age 40 or older
- Small ( $\leq 1$  cm), localized, well differentiated, Grade 1
- Fully compliant with treatment regime
- Ongoing treatment with Tamoxifen (or equivalent) is acceptable

EXAMPLE	
48-year-old female, non-smoker, localized breast cancer; T1a; successfully treated with lumpectomy and radiation in 2008.	
OLD RATE	NEW RATE
\$7/m x 3 years	<b>Standard!</b>

## Making it Easier: Fewer Medical Exams Needed

We're continually looking at ways to make the application process easier. To that end, our underwriters no longer require a Medical Exam for most ages and amounts. In fact, we will accept a paramedical in lieu of a full medical exam for clients from ages 16–70 who are applying for coverage up to and including \$10 million.<sup>1</sup>

Ask your underwriter for our updated Medical Underwriting Requirements chart or obtain a copy by visiting the Underwriting Guidelines page on [www.jhsalesnet.com](http://www.jhsalesnet.com).

## Providing Access to More Coverage:

### a. Expanded Jumbo Limits Available on 1035 Exchanges

A new process for external and internal 1035 exchanges of John Hancock life insurance policies provides your clients with access to expanded jumbo limits.

Previously through our automatic agreements with our reinsurers, John Hancock wrote up to \$60 million<sup>2</sup> of individual coverage — up to a total jumbo line of \$65 million. Our previous jumbo definition considered all inforce, including "to be replaced and exchanged" and applied for coverage. However, with our new process we

now exclude policies that are being exchanged or replaced in our jumbo definition. This can significantly increase the face amount allowed on the new policy(ies) without prior consultation with our reinsurers. (John Hancock's available jumbo limits are \$65 million, up to and including age 80, and \$50 million for ages 81–90.)<sup>3</sup>



EXAMPLE	
Male, 60 years old, exchanging external UL policy with a John Hancock Protection UL-G; wants a \$45 million policy. Total current inforce is \$28 million.	
Amount Issued Under Previous Process	Amount Issued Under New Process
Maximum potential: \$37 million	Following new absolute assignment process of controlled exchange we would be able to meet this client's need and issue a <b>\$45 million policy</b> .

For details on the new process, ask your John Hancock underwriter for a copy of *John Hancock's 1035 Exchange and Replacement Process – Frequently Asked Questions and Answers*.

### **b. Modified and Expanded Guaranteed Issue Underwriting**

John Hancock's new Modified and Expanded Guaranteed Issue (GI) fills yet another niche in the portfolio of competitive COLI programs we offer you and your publically held corporate clients. Specifically, the small- to medium-sized businesses that may qualify for this approach will have access to larger face amounts than generally available through the regular GI process.

There are two methods of achieving the higher GI face amounts:

1. Modified GI approach: Along with the usual GI "actively-at-work" questions, an additional medical question is asked.
2. Expanded GI approach: a small increase in base premium is required to reflect our company's increased risk exposure.

To accommodate larger face amounts for these cases, we are able to provide very competitive GI multiples. Take a look at the following chart to see how these multiples compare with the multiples used for our regular GI process. (The maximum allowable death benefit is calculated by multiplying the number of lives by the underwriting factors indicated for each age group.)

Number of Lives	Modified and Expanded GI Multiples
10–14 lives	\$80,000
15+ lives	\$100,000

If you have any questions about this program or want to discuss a specific case, please contact Karri Somerville, Senior Underwriting Director, COLI, at [karri\\_somerville@jhancock.com](mailto:karri_somerville@jhancock.com).

As 2009 progresses, we are continuing our focus on anticipating your needs and adjusting our practices accordingly to help you generate sales in today's challenging marketplace. Watch for announcements of new initiatives in the near future. In the meantime, we welcome your calls. You can reach any John Hancock underwriter by calling 1-800-505-9427, option 2.

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1. In most instances, a paramedical will be accepted with an APS. Please note individual consideration will be applied based on an applicant's age and medical history, and additional requirements may be requested at the discretion of the underwriter.  
 2. Insured(s) up to age 80 only. Certain restrictions may apply.  
 3. Certain restrictions may apply.

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