

John Hancock

Life made easy

A simple guide to understanding life insurance



Life insurance may be something you don't think about much.

That's understandable — you're busy living your life.

It may be a subject that seems complicated or even overwhelming. You're not alone — a lot of people feel the same way. However, we don't think it needs to be — which is why we've simplified the idea of life insurance.

Life insurance can be one of the most important purchases you make. So maybe you need to know a little more about it. Straight up without the insurance-speak.

Life brings the unexpected.

Life is wonderfully complicated. Filled with family, friends, educational opportunities, and entrepreneurial endeavors. All of that comes with responsibility and in the event something happens, those responsibilities would still need to be addressed. Life insurance was originally designed to protect people from financial loss when the main bread winner passed away. Not a bad idea. Having life insurance can ease the burden your loved ones would feel in the event something happens.



DID YOU KNOW:
53% of Americans would be financially impacted after the loss of the primary wage earner in one year or less.¹

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

Do I actually need life insurance?

Most people do. You don't have to be a millionaire. You just have to want to protect your loved ones from financial hardship in case anything ever happens to you.



Are you single?

Being single can be fun but it doesn't always mean completely carefree. A life insurance policy can continue to provide help to any loved ones you may be supporting or settle any of your outstanding obligations, in case you're no longer around.



Are you married or engaged?

How wonderful! The person you've chosen to spend your life with deserves life insurance protection so that he or she can continue to pay bills and other expenses, after you're gone.



Do you have children?

Kids are awesome! But, raising them from the crib to college takes money. A life insurance policy can help them live the lives you dreamed of when they were born, even if you're not there to see it.



Do you own a house?

Having a place to call your own is great, but until the mortgage is paid off, it isn't truly yours. That's where life insurance comes in, to pay down or pay off your mortgage if something happens to you, so your family can continue to call your house home.



Calculating Your Life Insurance Needs

Current and
future financial
obligations

—

Spouse's
earnings, savings,
investments
and life insurance
you already own

=

**LIFE
INSURANCE
NEEDED**



Do you have college debt?

College provides you with an abundance of opportunity but it can also leave you with a lot of debt. Life insurance can ensure that any outstanding education expenses will be taken care of and won't be passed on to your loved ones.



Do you own your own business?

That's a big responsibility. It means your loved ones and your employees rely on you and you don't want to let them down. Life insurance can help your business continue to thrive after you're gone until a succession plan is in place.



Have you changed jobs or received a promotion?

Way to go! Whenever you receive a bump in salary, you should consider bumping up your life insurance coverage, so it can replace your larger income if something happens to you.



Are you planning for retirement?

Congratulations! You have a brand new life ahead of you. Life insurance is a great way to protect your spouse so that the golden years remain golden.

CONSIDER THIS:

When you think about all of the things that life insurance proceeds need to cover and how long the money will be needed, you begin to realize that your true need for coverage could be 10 or 15 times your gross annual income.

▶ IMMEDIATE EXPENSES

- Funeral costs
- Uncovered medical expenses
- Mortgage
- Car Loans
- Credit card debt
- Taxes
- Estate settlement costs

▶ ONGOING EXPENSES

- Food
- Housing
- Utilities
- Transportation
- Health care
- Clothing
- Insurance

▶ FUTURE EXPENSES

- College
- Retirement

DID YOU KNOW:

80% of Americans overestimate the cost of life insurance. In fact, consumers' median estimate is more than twice the actual cost.²



THE COST OF COVERAGE*



\$40.95
/MONTH



\$36.55
/MONTH

THE AVERAGE AMERICAN SPENDS:



\$61/MONTH
Cell Phone Bill³



\$64/MONTH
Cable TV Bill⁴



\$80/MONTH
Morning Coffee⁵



\$140/MONTH
Fast Food/Takeout⁶

What is term insurance?

The most straightforward life insurance you can buy is term insurance. It's called term insurance because its benefit is payable only if the person insured under the policy dies during the specified period chosen for the policy. In other words, a 10-year term policy purchased today would only pay out during the next 10 years.

Why would anyone buy term insurance?

The answer is simple.

- ▶ **It's the least expensive policy you can buy**
- ▶ **Provides protection for your loved ones when they are most vulnerable**
- ▶ **You choose how long the policy will last, based on your needs**

FOR EXAMPLE, selecting a term policy to cover your mortgage or tuitions for your kids is less expensive than other types of life insurance. Its affordability helps provide a coverage amount you need to protect your family while they're most vulnerable. Once the house is paid for and your kids are out of it, the term insurance has done its job and is no longer needed.

*Based on a 45 year-old preferred non-smoker, \$500,000 Death Benefit, John Hancock Term 10 year Product. Other term durations and benefit amounts are available.
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What is permanent insurance?

Unlike term, which has a limited coverage period, permanent insurance (or “perm”) lasts for as long as you live, so long as you continue to pay for it.

Why would anyone choose a perm insurance policy over a term policy? There are many reasons.

- ▶ It can accumulate cash value, over the life of the policy
- ▶ You can use your policy’s value to help pay toward your policy coverage
- ▶ You can access this cash value via withdrawals and loans

John Hancock Vitality: The life insurance that rewards healthy living

In 2015, John Hancock revolutionized the insurance industry by ushering in a new way to look at life insurance. We believe that life insurance should be about celebrating life. Now is the time to join others who are enjoying cost savings and rewards for making healthy choices. John Hancock Vitality will support you by celebrating your accomplishments and inspiring you to be the healthiest you can be. Get more out of life and find out how you can begin earning rewards for many of the healthy habits you do every day.



What else do I need to know?



How much life insurance do I need?

A general rule-of-thumb is 10 to 15 times your salary⁷, in order to give your family the funds they need to adjust to a new reality without you. Ideally, it should be enough to meet their immediate needs, like funeral costs and everyday bills, as well as future needs, like college tuition.



DID YOU KNOW:
65% of people feel they need more protection than what their employer provides.⁸



I have life insurance through my employer. Isn't that enough?

It might be. But keep in mind that if you leave your job, your life insurance doesn't travel with you, potentially leaving your loved ones unprotected if something were to happen to you. So even if you have group coverage, you may consider purchasing additional coverage, just to ensure that you have protection in place.



I already have life insurance. Why buy more?

That's easy. Life changes and your insurance protection should reflect those changes. Maybe you got married or had a baby. Maybe you bought a new house or are helping to support elderly relatives. You may need to periodically increase the amount of life insurance you carry so that your loved ones have the right amount of protection.



What does life insurance cost?

Probably not as much as you think. The amount you pay is based on your age, health, the kind of policy you choose and the amount you apply for. Term insurance is priced to be less expensive than permanent insurance and the higher a policy's coverage amount, the more it will cost.



Is applying for life insurance a hassle?

Because another hassle is the last thing you need. Over the years, the application process has changed for the better, but varies according to the type and amount of coverage you want to buy.

Applying for John Hancock's term insurance can be easy and simple. With a simplified application process, you could have a decision within three to five days. No medical exam. No hassle. Just the insurance you want at a reasonable price.

So why do I need life insurance?

Simply put, life insurance is a good thing to have if you have a family to protect or a business to maintain. Because life insurance isn't just about your death — it's about your life too — you and the people you care about. Because you're worth it and so are they.



Interested in learning more? We are here to help.

John Hancock

- 1 2014 Insurance Barometer, LIMRA and LIFE Foundation.
- 2 LIMRA Executive Summary: Insurance Barometer Tracking What's on Consumers' Minds (2015)
- 3 New Street Research, The Wall Street Journal, March 9, 2014
- 4 Report on Cable Industry Prices, Federal Communications Commission, May 16, 2014
- 5 Accounting Principals' Workonomix Survey, conducted by Braun Research, 2013
- 6 Accounting Principals' Workonomix Survey, conducted by Braun Research, 2013
- 7 2014 Insurance Barometer, LIMRA and LIFE Foundation
- 8 LIMRA Executive Summary: Insurance Barometer Tracking What's on Consumers' Minds (2015)

Vitality is the provider of the John Hancock Vitality Program in connection with your life insurance policy.

Loans and withdrawals will reduce the death benefit and the cash surrender value, and may cause the policy to lapse. Lapse or surrender of a policy with a loan may cause the recognition of taxable income. Withdrawals in excess of the cost basis (premiums paid) will be subject to tax and certain withdrawals within the first 15 years may be subject to recapture tax. Additionally, policies classified as modified endowment contracts may be subject to tax when a loan or withdrawal is made. A federal tax penalty of 10% may also apply if the loan or withdrawal is taken prior to age 59 1/2. Withdrawals are available after the first policy year.

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.

Consult your life insurance professional for a more detailed description of the various types of life insurance, their costs, complete details of coverage, and how they may apply to your specific situation.

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