



Advanced Markets

Invest in your life

The value of permanent insurance — death benefit, competitive rate of return and living benefits

In addition to providing valuable death benefit protection, permanent life insurance can also offer you competitive rate of return compared to other investment options. Add to that the “living benefits” a policy can offer, and it’s clear why life insurance is frequently a key part of an overall financial plan. Let’s take a closer look at all the benefits permanent life insurance offers:

Death benefit protection

The tax-free death benefit from a life insurance policy provides a source of liquidity that your beneficiaries can use when it’s needed most:

- Replace lost income
- Pay off debt
- Pay final expenses and taxes

Many policy owners also use the life insurance death benefit to **provide a lasting legacy** to their loved ones.

Competitive rate of return

Permanent life insurance also can offer you a very attractive rate of return (ROR) when compared to other investment options. The ROR on a death benefit is equivalent to the interest rate you would need to obtain if you invested the premiums outside the policy to equal the policy’s death benefit.

Generally, a taxable investment will have to earn a high ROR to equal the amount provided by the tax-free death benefit. In fact, during the early years the ROR on the insurance can far exceed the return available on most taxable investments and typically will continue to provide strong returns even past life expectancy.

There’s another tax advantage of life insurance that makes it a unique and attractive investment. Not only are the death proceeds received income tax free, but the policy’s potential cash value grows tax-deferred and can be accessed in a tax-favored manner during your lifetime.

Want to learn more about ROR and life insurance? Ask your financial professional for a customized illustration.

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

The living benefits of life insurance

In addition to death benefit protection, permanent life insurance can provide you with significant living benefits such as:



Supplemental income

The cash value in a permanent life insurance policy can be withdrawn or borrowed from to help meet a variety of needs:

- Supplementing your retirement income
- Paying for unexpected costs that may arise such as housing, medical and/or other personal expenses
- Funding a child or grandchild's education or paying for other large expenses

Because the amounts withdrawn/borrowed from a life insurance policy are received income-tax free, access to these funds may provide significant tax benefits when compared to other investments.



Long-term care coverage

If you were to need long-term care services, how would you pay for these expenses? Have you considered the impact that paying for prolonged care might have on your accumulated savings? What about the effect on your family if a spouse or child has to provide care? To help address these risks, **adding a rider for long-term care to a life insurance policy can allow the policy owner to accelerate the policy's death benefit, income tax-free, to help cover long-term care costs.**



Critical illness coverage

During your working years, suffering an unexpected critical illness can have a debilitating effect on your finances including your ability to save for retirement. Adding a rider for critical illness to a life insurance policy can help by offering **an income tax-free benefit upon diagnosis of a covered critical illness such as stroke, heart attack and certain types of cancer.**



Rewards for healthy living

At John Hancock, we believe in helping people live longer, healthier lives. With the John Hancock Vitality Program, **clients are rewarded for the everyday things they do to be healthy, like exercising, eating well and getting annual check-ups.**



Disability protection

Adding a **disability rider to a life insurance policy can help ensure the policy stays in force, even if the policy owner cannot pay premiums due to disability.**

Next steps

Saving for the future and protecting your family are critical components of building a long-standing financial plan. Permanent life insurance can offer a comprehensive and powerful solution with its combination of income tax-free death benefit protection, competitive rates of return, tax-favored access to the policy cash value and the enhanced value of its many other living benefits.

Talk to your financial professional today to learn more about permanent life insurance.

1. Life insurance death benefit proceeds are generally received income tax-free. There are a few exceptions, such as when a life insurance policy has been transferred for valuable consideration.

2. Loans and withdrawals will reduce the death benefit and 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 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 ½. Withdrawals are available after the first policy year.

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

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Some riders may have additional fees and expenses associated with them.

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MLINY092120173