John Hancock
LIFE INSURANCE

Quit Smoking Incentive

March 2014

FREQUENTLY ASKED QUESTIONS

1. What is the Quit Smoking Incentive?

The Quit Smoking Incentive (QSI) allows all Standard and Preferred Smokers to receive Standard Non Smoker policy charges for the first three policy years on certain John Hancock UL and VUL products. The earliest an insured can request a change to Standard Non Smoker is on or after the first policy anniversary.

2. How can an insured maintain the Non Smoker policy charges after year three?

If by the end of policy year three, the insured provides satisfactory evidence of having quit smoking[1] for at least 12 consecutive months and the microurinalysis is free of nicotine and metabolites, then the policy is re-classified as Non Smoker, and future policy values will reflect Standard Non Smoker policy charges. Please note the following:

- Available for issue ages 20-70
- Not available for substandard ratings
- Term Conversions and internal replacements will require full underwriting if the original policy (replaced or converted) was issued more than three years ago
- Insureds upgraded to Standard Smoker via the HealthStyles program will require full underwriting

3. What happens if the insured fails to quit smoking or does not apply for the Non Smoker policy charges within the first three policy years?

If the insured fails to quit smoking and/or does not apply for the Non Smoker policy charges within the first three policy years, the policy will remain classified as Smoker and will reflect current Smoker policy charges from that point forward.

4. What evidence must clients provide to prove they have quit smoking?

To qualify for Non Smoker charges, insureds must provide evidence that they have quit smoking[1] for 12 consecutive months as outlined below:

- If the insured (age 70 or younger) was rated as a Standard or Preferred Smoker and is applying for Non Smoker policy charges within 36 months of policy issue,[2] a microurinalysis (that shows no nicotine and metabolites), *Request for Policy Changes That Require Underwriting Approval* (PS5148), and the *Tobacco Use Questionnaire* (NB5024) are required. (Note: policies upgraded to Standard Smoker via the HealthStyles program will require full underwriting.)
- For policies beyond 36 months of the policy issue date[1], for insureds ages 71+, or if the policy was issued on a rated basis — the above, along with full underwriting requirements, will be requested. Refer to our "Changing Smoking Class" flyer for more information.

The earliest an insured can request a change to Non Smoker is at the first policy anniversary, or any time after that, provided he/she has ceased use of cigarettes for a period of 12 months.

5. Can Smokers pay the Standard Non Smoker premium?

Smokers will have to pay the premium that is at least the required minimum for their smoking class until such time that they are permanently classified as Non Smoker. On some policies, this payment may be higher than on the typical premium "solve" for a Standard Non Smoker.

It is possible to pay Standard Non Smoker premium for the first three years on the following products and their survivorship counterparts (where applicable): Protection UL, Protection IUL, Premier Life, and UL-G.

1. These guidelines do not apply to insureds who smoke or use marijuana in any other form (e.g., via vaporizer, oral consumption). Consult with your underwriter for more information.
2. For Term Conversions or internal replacements, the policy issue dates equals the original issue date of the converted or replaced policy.

6. How is QSI illustrated?

Standard and Preferred Smoker illustrations automatically reflect lower current policy charges for the first three policy years. No action is necessary on your part.

If, however, you want to illustrate a Protection UL, Premier Life, UL-G or SUL-G case under both best and worst-case scenarios (i.e. the insured quits smoking, the insured does not quit smoking), JH Illustrator gives you the option of a "QSI Comparison" when you select "Click to Compare" from the top of the "Quick View" or "Illustration Preview" screens.

The policy owner must sign a sales illustration that reflects a smoker risk classification.

7. Is QSI available on all products?

No. QSI is available on certain John Hancock's permanent products. Please note QSI is not available on Term, and COLI products.

8. If the insured quit smoking 9 months ago and the policy is issued today, can he/she apply for the Standard Non Smoker rates in 3 months?

The insured must have quit smoking[1] for a total period of 12 months. The earliest the insured can request a change to a Non Smoker status is on or after the first policy anniversary.

9. Is QSI part of the contract?

No. QSI is not part of the policy contract. QSI is an incentive program and current Non Smoker policy charges are reflected in the client's illustration.

10. Will the policy be issued as a Smoker or as a Non Smoker policy?

The policy will be issued as a Smoker policy. The policy owner must sign a sales illustration with the insured classified as either a Preferred or Standard Smoker.

11. Is QSI available on Smoker policies issued with substandard ratings?

No. QSI does not apply to substandard ratings. Full underwriting will be required if the insured quits smoking and applies for a Non Smoker policy.

12. Is QSI available on Term Conversions or internal replacements?

Yes, the QSI is available on certain fully underwritten permanent products currently for sale, including internal replacements and permanent policies issued as the result of a Term Conversion, subject to the eligibility requirements outlined in question 2. To determine what requirements are necessary to apply for a new smoking class on these policies, please refer to question 4.

13. If an insured is a Preferred Smoker and quits smoking, will the rating change to Preferred Non Smoker?

No. If insureds fulfill the requirements as outlined on page 1, we will change the risk class to Standard Non Smoker. When insureds have been smoke-free for 24 months (the minimum requirement for Preferred Non Smoker), they can request another rating change to Preferred Non Smoker. However, full underwriting will be required for that change.

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Guaranteed product features are dependent upon minimum premium requirements and the claims-paying ability of the issuer.

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