

# Are you taking advantage of JH Solutions?

ADVANCED MARKETS

JH Solutions is John Hancock's proprietary concept software that illustrates different planning techniques, from complex to simple solutions. The success of JH Solutions lies in the easy-to-read presentations customized to each client; the modules highlight the benefits of life insurance and outline important considerations for each situation. In addition to our desktop version of JH Solutions, we also offer a version within the JH Illustrator software.

Below is a summary of the concepts by category; the chart starting on page 2 shows which concepts are available on JH Solutions versus JH Illustrator.

## JH Solutions Concept Modules

<b>ESTATE PLANNING</b>	<b>MAXIMIZATION STRATEGIES</b>	<b>INDIVIDUAL/RETIREMENT PLANNING</b>
Asset Transfer	Annuity Max	Creditor Protection
Credit Shelter Trust	Income Max	Life Insurance & College Planning
Dynasty Trust	IRA Legacy Max	LIRP Shortfall Analysis (LIRP+)
Estate Equalization	Muni Bond Max	Power of Permanent
Estate Tax Presentation	Qualified Plan Max	Protection SUL
Gifting Analysis	Social Security Income Max	Protection UL
Invest in Your Life	<b>CHARITABLE PLANNING</b>	Retirement Backstop Analysis
Paying Premiums with Arbitrage	Charitable Remainder Annuity Trust (CRAT)/ Charitable Remainder Unitrust (CRUT)	Supplementing Retirement Income with Life Insurance
Premium Financing	Charitable Gifts of Life Insurance	Social Security Boost
Private Financing	<b>BUSINESS INSURANCE</b>	Term vs. Permanent Analysis
Private Split Dollar	Cross Endorsement Buy-Sell (CEBS)	<b>NEEDS ANALYSIS</b>
Private Spousal ILIT	Corporate Split Dollar	Needs Analysis
Sale to a Grantor Trust	Key Person	Special Needs Analysis
Spousal Access Trust	Personal Key Person (PKP)	
	Restricted Endorsement Bonus Arrangement (REBA)/ Executive Bonus	
	Supplemental Executive Retirement Plan (SERP)	
	Traditional Buy-Sell	

## Estate Planning

The Estate Planning concepts are focused on clients who are looking for solutions with regard to estate taxes and trust planning.

		JH SOLUTIONS	JH ILLUSTRATOR
<b>Asset Transfer</b>	This takes the gifting analysis module one step further by illustrating the transfer of an asset to an ILIT. It shows the power of shifting the asset value out of the taxable estate.	X	
<b>Credit Shelter Trust</b>	For those clients who have a credit shelter trust, this module can help illustrate using trust assets to fund life insurance (using the life of a surviving spouse).	X	
<b>Dynasty Trust</b>	This module is meant to illustrate the power of legacy planning and the ability to use the Generation Skipping Transfer (GST) exemption to create a legacy that lasts multiple generations.	X	
<b>Estate Equalization</b>	This module illustrates how life insurance can be used to help divide an estate in a fair/equal manner among family members, especially when one child may inherit an illiquid asset such as a business; life insurance can become the equalizer in this type of planning.	X	
<b>Estate Tax Presentation</b>	This module is a simple projection of the amount of potential estate tax exposure. Visit our online <b>Estate Tax Calculator</b> which can be used on any mobile platform.	X	
<b>Gifting Analysis</b>	For those clients who are interested in gifting to an Irrevocable Life Insurance Trust (ILIT), our popular gifting module illustrates the power of gifting and leveraging life insurance.	X	
<b>Invest in Your Life</b>	Our most popular module that can be used to illustrate how life insurance offers liquidity, a competitive rate of return, and is self-completing.	X	X
<b>Paying Premiums with Arbitrage</b>	This is a simplified approach to illustrating the power of arbitrage. It illustrates an income producing asset in an ILIT. This income can be used to pay back interest to the grantor and the difference between what the asset earns and what it pays (arbitrage) can be used to fund a life insurance premium.	X	
<b>Premium Financing</b>	This is a module that illustrates financing premiums using a third-party lender and the impact of using assets as loan collateral.	X	
<b>Private Financing</b>	This module is used for those clients who are concerned with gifting. It illustrates the power of lending cash to an ILIT as well as illustrates the loan interest at an Applicable Federal Rate (AFR).	X	
<b>Private Split Dollar</b>	This module is used for those clients who are concerned with gifting. As an alternative, a split dollar arrangement is a way to fund a trust using economic benefit rates.	X	
<b>Private Spousal ILIT</b>	This module combines multiple techniques that can be illustrated for many affluent clients. It includes the capability of illustrating Private Finance and Spousal Access in one module.	X	
<b>Sale to a Grantor Trust</b>	This is a sophisticated strategy where a client sells assets (sometimes at a discount) to an ILIT.	X	
<b>Spousal Access Trust</b>	Many clients may be concerned with giving up control in an ILIT. This is a strategy that illustrates the flexibility of a spousal access provision, and by adding this provision to a trust, the spouse may have access to trust assets.	X	

## Maximization Strategies

These concepts demonstrate how clients can use specific assets that are no longer needed and leverage them to purchase life insurance.

		JH SOLUTIONS	JH ILLUSTRATOR
<b>Annuity Max</b>	This module is for clients who do not need their deferred annuity for retirement income. This module can illustrate using the annuity to provide annual distributions and leverage the income with a life insurance policy.	X	
<b>Income Max</b>	For clients who have income producing assets and do not need them, this module can illustrate using the asset and leveraging the income with a life insurance policy.	X	
<b>IRA Legacy Max</b>	This module is a twist on our Qualified Plan Maximization. It is intended for clients who do not need their qualified plan and want to benefit their children and grandchildren.	X	
<b>Muni Bond Max</b>	This module is for clients who own municipal bonds and do not need them. The module illustrates using the municipal bond to purchase life insurance.	X	
<b>QPLAN Max</b>	For clients who have qualified plans and do not need them, this module illustrates using distributions from the qualified plan to fund a life insurance.	X	
<b>Social Security Income Max</b>	For clients who do not need their social security income and would like to protect their loved ones, this module illustrates using after-tax social security income payments to purchase life insurance.	X	

These are very popular concepts in JH Solutions. The proposals are most often illustrated without considering estate taxes for simplicity. If the client is subject to estate taxes, this can be easily illustrated in JH Solutions within the modules.

## Charitable Planning

For those clients who are charitably inclined and have a history of giving to a charity, life insurance can be used in sophisticated charitable planning solutions. It is important to note that there are additional underwriting requirements when dealing with charitable planning.

		JH SOLUTIONS	JH ILLUSTRATOR
<b>Charitable Remainder Annuity Trust/ Charitable Remainder Unitrust</b>	This module illustrates the transfer of highly appreciated asset to a Charitable Remainder Trust. The transferred assets generates an income stream for the donor in the form of annual annuity or unitrust payments and provides a remainder to charity. The module illustrates the use of a separate trust to purchase a life insurance policy to replace the asset.	X	
<b>Charitable Gifts of Life Insurance</b>	This module illustrates how a charity can own life insurance on the life of a key donor. The donor can make gifts of cash to the charity that may be used to fund the premiums on the life insurance policy.	X	

## Business Insurance

JH Solutions includes a comprehensive package for clients who are business owners.

		JH SOLUTIONS	JH ILLUSTRATOR
<b>Cross Endorsement Buy-Sell (CEBS)</b>	This unique strategy allows each business owner to own their own life insurance, while endorsing a portion of the death benefit to other owners to cover buy-sell obligations.	X	
<b>Corporate Split Dollar</b>	This module demonstrates the economic benefit of a split dollar concept as a means to purchase a life insurance policy for a valued employee.	X	
<b>Key Person</b>	This module illustrates how purchasing life insurance on a key executive can provide protection to a business.	X	X
<b>Personal Key Person (PKP)</b>	For small business owners with no known successors, this module highlights how life insurance can help them by offering protection, succession planning and even other lifetime benefits.		X
<b>REBA/Executive Bonus</b>	The Restrictive Endorsement Bonus Arrangement (REBA) and Executive Bonus are ways that companies can bonus money to an employee to purchase life insurance. These non-qualified plans are a great way to keep, retain and reward key employees. A REBA illustrates the power of placing a restriction on the policy as an incentive for an employee to stay.	X	
<b>Supplemental Executive Retirement Plan (SERP)</b>	This module illustrates another non-qualified type of plan where the employer agrees to pay a retirement benefit to the employee and uses life insurance to informally fund the plan.	X	X
<b>Traditional Buy-Sell</b>	This module illustrates multiple buy-sell options including <b>Cross Purchase, Entity Purchase, and One-Way arrangements</b> . The purpose of these strategies is to illustrate the need for a buy-sell plan, and incorporate how life insurance can help with succession planning.	X	

For many of the succession planning (e.g., buy-sell and key person) modules, it is important to know the value of the business. To help with understanding business valuation and to get an idea of what the business might be worth, visit [www.jhbusinessvaluation.com](http://www.jhbusinessvaluation.com).

In addition, for help with finding the optimal executive benefit plan for a business, please visit [www.jhbusinessanalyzer.com](http://www.jhbusinessanalyzer.com).

## Individual/Retirement Planning

These concepts demonstrate the power of permanent life insurance not only as a valuable protection tool for families, but also to provide valuable living benefits. In addition, many of these modules help explain the benefits of specific John Hancock products.

		JH SOLUTIONS	JH ILLUSTRATOR
<b>Creditor Protection</b>	This module gives state-specific information on the creditor protection afforded to life insurance. See our <b>Know the Law</b> site to view the state-specific information.	X	
<b>Life Insurance &amp; College Planning</b>	For those clients who have young children, this module illustrates how the cash value can be used for college education purposes.	X	
<b>LIRP Shortfall Analysis (LIRP+)</b>	This module illustrates how life insurance can be used in retirement planning, and focuses on calculating the potential shortfall. The analysis incorporates what the client would like for retirement income, their current retirement portfolio and savings, and then illustrates the potential retirement gap.	X	
<b>Power of Permanent Protection</b>	Permanent insurance can offer coverage for a lifetime, premium recovery through policy cash values, and continuing internal rate of return on premium compared to term products.	X	
<b>Protection SUL</b>	This module is specific to the Protection SUL product and allows the comparison of the product, with or without a side fund, to a guaranteed universal life product.	X	
<b>Protection UL</b>	This module is specific to the Protection UL product and includes Protection UL with Vitality. It offers the comparison of the product, with or without a side fund, to a guaranteed universal life product.	X	
<b>Retirement Backstop Analysis</b>	This module shows how life insurance is a multifaceted product to help protect, provide and preserve assets during retirement.	X	X
<b>Social Security Boost</b>	This module shows how to incorporate life insurance into your client's retirement planning to help boost their social security income.	X	
<b>Supplementing Retirement Income with Life Insurance</b>	This module is the traditional way of illustrating taking distributions from the life insurance cash value for supplemental retirement income purposes. The client has a need for permanent life insurance and discretionary income.	X	X
<b>Term vs. Permanent Analysis</b>	This module is great for those who are looking to compare "buy term and invest the difference." This module can compare a term insurance policy with a side fund versus a permanent policy.	X	

Our [www.jhretirementcalculator.com](http://www.jhretirementcalculator.com) also has the ability to illustrate a client's retirement shortfall.

## Needs Analysis

Today's families are diverse and may have special needs depending on the makeup of the family.

		JH SOLUTIONS	JH ILLUSTRATOR
<b>Needs Analysis</b>	For those clients who want a comprehensive analysis of their assets and debts to ensure they have coverage for their loved ones in the event of their death. See our online <b>Needs Analysis Calculator</b> .	X	
<b>Special Needs Analysis</b>	Clients who have loved ones with special needs have additional considerations that they need to consider when setting up a plan. This module addresses some of the planning considerations they need to think about and takes into account some of the special needs that they might need to cover.	X	

### To download either software package go to JHSaleshub.com > Sales Tools and Resources:

#### ***JH Illustrator***

Go to JH Illustrator and download the JH Illustrator software. Already have JH Illustrator? Find these JH Solutions under the "Concept" tab to select the solution.

#### ***JH Solutions***

Go to Tools and Calculators > JH Solutions and download the JH Solutions desktop software.

*JH Solutions is a powerful tool that can demonstrate the value of life insurance for a wide range of client needs. Please contact a John Hancock Advanced Markets Consultant for assistance designing JH Solutions presentations. You can reach us at 888-266-7498, option 3.*

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The rate of return on the death benefit is equivalent to an interest rate at which an amount equal to the illustrated premiums could have been invested outside the policy to arrive at the net death benefit of the policy.

Trusts should be drafted by an attorney familiar with such matters in order to take into account income and estate tax laws (including the generation-skipping tax). Failure to do so could result in adverse tax treatment of trust proceeds.

Loans and withdrawals will reduce the death benefit, 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. 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 59½. Insurance policies and/or associated riders and features may not be available in all states.

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