



Changes to indexed account parameters and maximum illustrated rates

Important details about the transition for AG49-A (May 2023 revisions):
Indexed UL illustrations

At John Hancock, we are proud of our record of delivering exceptional policy performance for our customers. Our strong investment capabilities are at the core of this continued success. We are excited to announce that effective May 1, 2023, we will increase the participation rates on the Barclays indexed accounts for new and inforce Protection IUL (PIUL) and Protection SIUL (PSIUL) customers. Please see below for a chart outlining the changes to these accounts.

Additionally, on May 1, 2023, the National Association of Insurance Commissioners (NAIC) will enact enhancements to Actuarial Guideline XLIX (AG49-A). By this date, all illustrations of indexed UL (IUL) products sold by John Hancock and all US insurers must comply with these new regulations. For John Hancock, this will impact the illustrated rates for the following accounts: Barclays Global MA Classic, Barclays Global MA Bonus, and the Base Capped Two Year. For additional information, refer to the details below.

Indexed Account parameters effective May 15, 2023

Account	Participation rate	Bonus
Barclays Global MA Classic Indexed Account (on Protection IUL 22 and Protection SIUL 22)	140%	N/A
Barclays Global MA Bonus Indexed Account (on Protection IUL 22 and Protection SIUL 22)	110%	0.65%

What is AG49-A?

AG49 was regulation introduced by the NAIC in 2015 to standardize how maximum rates could be shown on IUL illustrations. AG49-A was a revision to these standards in 2020, and the May 2023 revisions will enact additional changes to bring further consistency across IUL illustrations.

What is changing with the latest revisions to AG49-A?

As of May 1, illustrations showing indexed accounts with a fixed bonus will no longer illustrate significantly better than accounts without these features. In addition, any accounts utilizing a hedging strategy different from the product's benchmark indexed account will need to align their maximum illustrated rate with the strategy for that specific account.

Is anything changing to policy contracts?

No, these changes will not impact the policy's actual performance or product features, which will still be administered as outlined in the contract. In addition, John Hancock will continue its support of policy features that can help our policyholders adapt to changing market conditions and provide value in both up and down market cycles.

Are inforce policies affected?

The new regulation only impacts new business and inforce illustrations for policies sold on or after May 1, 2023. Therefore, inforce illustrations for policies sold before May 1, 2023 may be illustrated under the same guidelines as when they were sold.

What John Hancock products does this affect?

The latest revisions to AG49-A affects all our currently sold IUL products (AIUL 21 Reprice, Protection IUL 22 Reprice, Protection SIUL 22) in all states, including New York.

What will be the effect on maximum illustrated rates under these new guidelines?

Check the chart below to see the maximum illustrated rates that will be impacted under the latest revisions to AG49-A. **Accounts not listed are unchanged.**

Product	Account	Old max rate	New max rate
PIUL 22 Reprice/PSIUL 22	Barclays Global MA Classic Indexed Account	6.51%	5.90%
	Barclays Global MA Bonus Indexed Account	6.51%	4.69%
	Base Capped Two Year Indexed Account	6.51%	5.38%
AIUL 21 Reprice	Barclays Global MA Classic Indexed Account	6.10%	5.41%
	Barclays Global MA Bonus Indexed Account	6.10%	4.44%
	Base Capped Two Year Indexed Account	6.10%	5.09%
AIUL 21 Reprice (NY)	Base Capped Two Year Indexed Account	5.54%	4.72%

What are the transition rules?

As you sell our IUL products during the coming weeks, please note the following key transition dates to the AG49-A (May 2023 revisions) guidelines:

- **April 30:** For any illustrations using the old rates, John Hancock must have received a signed formal application and signed illustration by this date.
- **May 1:** JH Illustrator and WinFlex web will be updated with the increased participation and maximum rates, and illustrations of the above-mentioned products will comply with the new regulation. Any signed applications received on or after this date will need to include an illustration using the updated rates.

- **May 15:** First segment with the new participation rates on the Barclays accounts will begin. Note, the lock in date for this segment is May 10.
- **June 30:** For any policy that is using the old rates and met the April 30, 2023 signed application and signed illustration deadline, John Hancock must have provided a final underwriting offer, received all administrative requirements to issue the policy, and received at least the Minimum Initial Premium to place the policy in force.

What are some recommended tips and tools to help run an IUL illustration in today's environment?

Possibly more than ever before, today's clients are looking for reassurance in uncertain times. Therefore, as you illustrate John Hancock's IUL products, follow these recommendations to help them both understand the performance potential of their policy and keep it on track to meet their goals.

- **Review multiple rates** to better show how policy performance could vary
- **Explain how the various allocation options** could perform under different return scenarios
- **Encourage your clients to use LifeTrack** — John Hancock's policy management tool — to help keep the policy on track as illustrated

Who should you contact with questions?

To ensure minimal disruption to your business, please reach out to our National Sales Support team at the number below for any cases that may be impacted by the above-mentioned transition deadlines. Due to state regulations, there can be no exceptions.

- Contact us at 800-505-9427
- **Inforce Service:** Option 1
- **Sales Support:** Option 3
- **New Business:** Option 4

As a leading educator in the IUL market, we offer a wide array of tools and resources designed to make it easier for producers to understand and sell IUL.

Visit [John Hancock's IUL Academy](#) today!

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

Protection IUL and Protection Survivorship IUL are not available in New York.

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