



Guide to term conversions

A term conversion is a contractual provision that allows a policy owner to convert a term policy to a permanent life insurance policy¹ during the term conversion period without evidence of insurability. Please note that term conversion periods vary by product, and will not be processed if received past the conversion expiry date.

How it works

1 Confirm your case qualifies

Call Brokerage Services at 800-505-9427

(in New York: 800-743-5542).

Note: The current policy must be within the term conversion period as outlined in the policy contract.

2 Complete all required forms and paperwork

Forms include:

- Term Conversion Application² and Agent Report
- Request for Taxpayer Identification Number and Certification
- Life New Business Transmittal
- Signed Illustration

Additional forms are required for the indicated scenarios
(ask your case manager for details):

- A. In the following states, conversions between John Hancock Life Insurance Company of New York and John Hancock Life Insurance Company (U.S.A.) are considered replacements and will require additional replacement paperwork:** Iowa, Kansas, Kentucky, Louisiana, Maine, Montana, Nevada, New Mexico, Oklahoma, Vermont, Washington
- B. Conversions in Georgia and Massachusetts are considered replacements and will require:** Replacement of Life Insurance or Annuities (Standard Form)
- C. Conversions to a variable or indexed UL product:**
- Variable: Fund Allocation
 - Indexed UL: Premium and Segment Proceeds Allocation Instructions

3 Submit “in good order” paperwork

Choose from the following methods:

- **e-Submission** via JHSalesHub, PaperClip or ExamOne Imaging
- **Fax:** 844-843-6510
- **Regular mail**
John Hancock
Life New Business
P.O. Box 55765
Boston, MA
02205-5765
- **Overnight mail**
John Hancock
Life New Business
30 Dan Rd.,
Suite 55765
Canton, MA 02021

Reminders:

- Check on the status of your case via **JHSalesHub.com** or by contacting our term conversion team at **800-505-9427**.
- All forms are available on JHSalesHub or through the other form vendors supported by John Hancock.
- The target turnaround time to complete an “in good order” term conversion is five business days.

Frequently Asked Questions

Does a term conversion require underwriting?

No. If a Term policy is being converted within the contractual conversion period to a permanent policy with the same or lesser face amount and no additional riders or benefits, no new underwriting/evidence of insurability is required. The risk classification for the permanent policy will be the same as the original Term policy.

Is the Long-Term Care Rider available on term conversions?

Yes, the Long-Term Care Rider can be added to a permanent policy upon conversion. However, the Long-Term Care Rider may be subject to a new risk classification (subject to new underwriting evidence/medical history at the time of conversion) as well as a new suicide and contestability period.

The risk classification for the permanent policy will be the same as the original Term policy.

Requirements:

In addition to forms listed in section 2 on page 1, the following will be required when adding the LTC Rider on a term conversion:

- **Long-Term Care Rider Application Supplement**
 - **Health Questionnaire**
 - **Authorization to Obtain Information**
 - **HIPAA Compliant Authorization**
 - Applicable replacement forms
 - APS, ordered by the firm (Underwriter reserves the right to request additional medical evidence if required)
-

Is John Hancock Vitality (the Healthy Engagement Rider) available on term conversions?

Yes, the Healthy Engagement Rider can be added to a permanent policy, without underwriting, upon conversion.

If I want to convert my existing Term policy to a permanent policy without underwriting but also increase the total face amount, can I do that under the term conversion privilege?

No. Any additional face amount requested will require a new policy application and will be subject to new underwriting and underwriting requirements. A request to increase the total coverage above the original Term policy will result in two policies being issued – one as a result of exercising the term conversion privilege with the original risk classification and one for the additional face amount and new risk classification resulting from the new underwriting and evidence of insurability submitted. Any new coverage issued must meet the minimum face guidelines for the new permanent product.

For example, if a policyholder has a \$1M Term policy and would now like \$2M of permanent coverage, and is within his/her term conversion privilege, the policyholder can submit a Term Conversion Application for \$1M which will be issued with the same risk classification as the Term policy. The additional \$1M will require a new policy application and be subject to new underwriting.

Frequently Asked Questions (continued)

Can a single life Term policy be converted to a survivorship permanent policy without requiring new underwriting on the original Term life insured?

Yes. However, please note the following guidelines when converting a Term policy to a survivorship policy:

- New life must be underwritten, insurable and age 75 or younger
- New face amount equal to the face amount³ of the original term policy. Total capacity limited to available retention up to \$25 million³
- If Estate Preservation rider (EPR) is requested, the submission will not be considered a term conversion – new underwriting and application information will be required on both lives (i.e., new life and existing Term life). Capacity is limited to a total of \$25 million³ (includes base face amount plus EPR)
- **For the new life**, the following forms should be completed in full and submitted to John Hancock:
 - **Application for Life Insurance** (please indicate “Term Conversion” in the “Special Requests” section)
 - **HIPAA Compliant Authorization for Release of Health-Related Information** John Hancock’s age and amount requirements for the new life.
- **For existing/converted life**, complete and submit sections A, B (basic client information), and C (existing insurance information) of the **Survivorship Supplement for Second Life** application
 - Be sure to indicate “Term Conversion” in the “Special Requests” section of the application and on the transmittal

Is death benefit option two available on a term conversion?

Yes, death benefit option two is available on all permanent products, including term conversions.

Is it possible to combine two or more single-life term policies on the same life into one new permanent policy, or combine two or more single-life term policies on different lives (e.g., a husband and wife) into a survivorship policy, without underwriting?

No. Contractually it is not an option to combine more than one term policy into a new permanent policy as a result of exercising a term conversion. For example, if an insured has two \$1 million term policies, he/she may only convert to two \$1 million single-life permanent policies. In the situation involving two or more single-life term policies on different lives requesting a new survivorship policy, underwriting will be required on one of the lives. Please contact our term conversion team for additional information.

What if the term policy is paid up beyond the conversion date (e.g., paid to September, but the conversion date is May)?

After the new John Hancock policy is put in force, the Company will refund the policy holder the unearned premium.

Frequently Asked Questions (continued)

Can the term conversion be backdated?

Yes, a client can choose to backdate the new permanent policy to save age. The existing term policy will always be terminated as of a current date. The normal backdating rules apply, i.e., maximum backdating period is six months, unless a lesser period is regulated by the state. Normal administrative forms are required in backdating scenarios. Backdating cannot be used to secure the maximum age available for conversion.

Note: If the permanent product is being backdated, the illustration will also need to reflect backdating.

How is the Policy Year Date (PYD) determined on a term conversion?

As a general rule, the PYD is the same calendar day of the original term policy in the month of issue. For example, if the original policy was issued on May 15 and the new policy is being issued in September, then the PYD will be September 15. Therefore, in order to avoid delays, please submit the Term Conversion Application prior to the actual PYD. Backdating to save age is an exception to this rule.

Note:

- A backdating notice is required if the PYD on the new policy is before the application submission date.
 - If the payment draft day selected is after the day of the PYD, an additional modal premium may be required at issue.
-

Can the client do a partial term conversion?

Yes, however partial conversions to permanent products will need to meet the minimum face amount required on the permanent product.

Note: The face amount on the remaining term policy can't fall below the minimum face amount limit. Face amount limits vary by product.

Can the owner of the new permanent policy be different than the owner of the term policy?

An ownership change can be accomplished in one of two ways:

- 1** Submit a **Change of Ownership (Absolute Assignment)** form to change the owner on the term policy, then have the new term policy owner submit the **Term Conversion Application**, or
 - 2** Submit the **Term Conversion Application** signed by the current term policy owner. A new permanent policy will be issued to this owner. To change the owner on the new permanent policy, submit a **Change of Ownership (Absolute Assignment)** form assigning the ownership of the permanent policy.
-

For more information, call Brokerage Services at **800-505-9427**
(in New York, please call 800-743-5542).

1. Please note that conversions are allowed to any permanent product available for new business sale as outlined in the Term Conversion Provision in the policy contract.

2. The **Application for Life Insurance** will be required in certain scenarios, where additional underwriting is required. When completing the application, be sure to indicate "Term Conversion" in the "Special Requests" section and on the transmittal.

3. Represents maximum available retention for Standard or better lives. Retention limits may be reduced by age, mortality assessment, for aviation risks and entertainment figures. Coverage may be reduced or not available for foreign risks and sports figures. Some older Term products may contractually allow up to two times the face amount. Refer to the Term Conversion Provision in the policy contract.

For agent use only. This material may not be used with the public.

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 02210

(not licensed in New York) and John Hancock Life Insurance Company of New York, Valhalla, NY 10595.

MLINY02219136