John Hancock
LIFE INSURANCE

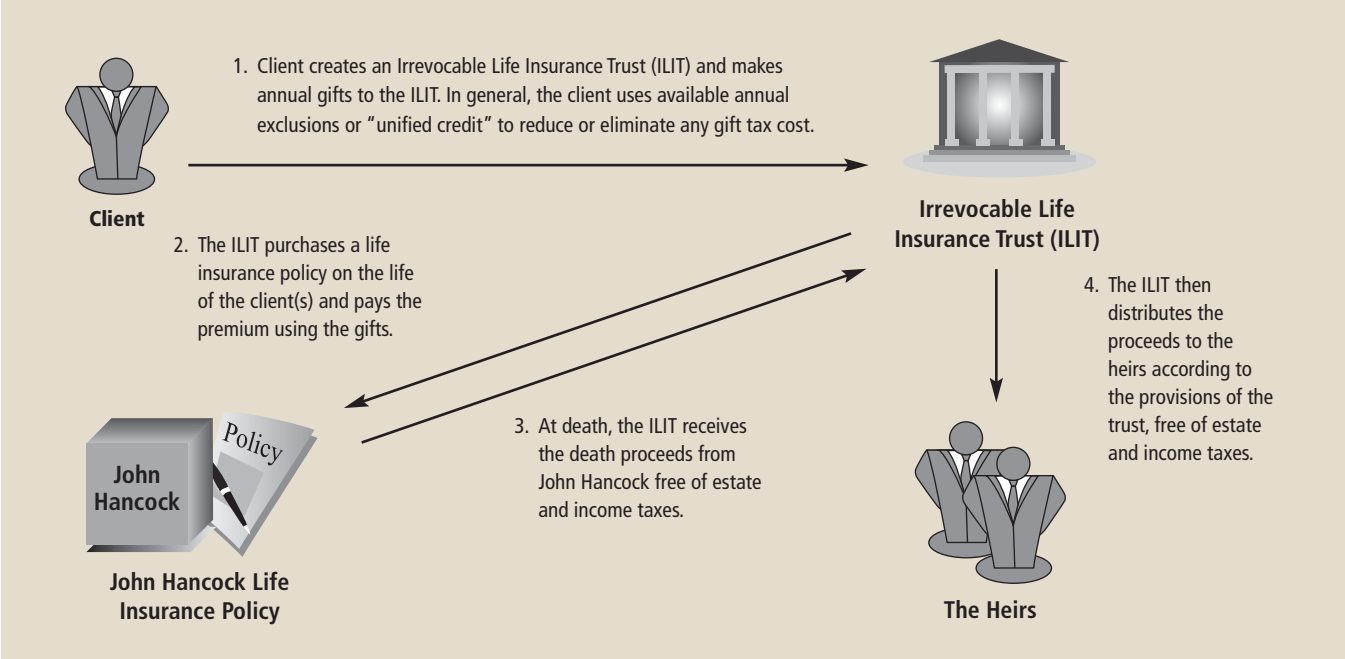
The Key to Life SERIES

Lifetime Giving

A program of Lifetime Giving can help reduce estate taxes, avoid probate, and when combined with life insurance, may also increase the amount passed to the heirs.

What is Lifetime Giving?

Every person is allowed to make annual gifts of up to $13,000[1] per person each year without having to pay gift taxes ("annual exclusion gifts"). One very effective way to use annual exclusion gifts is to make lifetime gifts to an Irrevocable Life Insurance Trust (ILIT).[2] The ILIT can purchase a life insurance policy, which can be received by the trust free of estate and income taxes, potentially increasing the amount left for the heirs.



Benefits

- Lifetime giving can help reduce the size of the estate and hence any potential estate taxes.
- Lifetime gifting can protect gifted assets from creditors, avoid probate for gifted assets, and protect the family's privacy.[3]
- When gifts are used to purchase life insurance, lifetime giving may increase the amount of money left for the heirs.

Considerations

- Transfers of assets to an ILIT are irrevocable, and once given, may only be used for the benefit of the trust beneficiaries.
- The desired life insurance policy premium may be higher than the available annual exclusion gifts.

For additional information, please contact your local John Hancock Representative or call the Advanced Markets Group at 888-266-7498, option 3.

1. Annual gift tax exclusion amount for 2009.
2. 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 transfer tax). Failure to do so could result in adverse tax treatment of trust proceeds.
3. Assuming the proposed initial gift was not a fraudulent conveyance meant to inhibit creditors.

This material does not constitute tax, legal or accounting advice and neither John Hancock nor any of its agents, employees or registered representatives are in the business of offering such advice. It was not intended or written for use and cannot be used by any taxpayer for the purpose of avoiding any IRS penalty. It was written to support the marketing of the transactions or topics it addresses. Anyone interested in these transactions or topics should seek advice based on his or her particular circumstances from independent professional advisors.

Life insurance death benefit proceeds are generally excludable from the beneficiary's gross income for income tax purposes. There are few exceptions such as when a life insurance policy has been transferred for valuable consideration. Comments on taxation are based on John Hancock's understanding of current tax law, which is subject to change. No legal, tax or accounting advice can be given by John Hancock, its agents, employees or registered representatives. Prospective purchasers should consult their professional tax advisor for details.

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

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

Insurance products are issued by John Hancock Life Insurance Company (U.S.A.), Boston, MA 02116 (not licensed in New York) and John Hancock Life Insurance Company of New York, Valhalla, NY 10595.

© 2009 John Hancock. All rights reserved.

IM6026 MLINY04140910924

www.jhsalesnet.com

John Hancock
the future is yours

Opening Doors to Sales Opportunities