



Inheritance planning and wealth protection for global citizens

Client guide



Insurance products issued by: JOHN HANCOCK LIFE INSURANCE
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Table of contents

Why US life insurance for wealthy global citizens. 3

Benefits of a US policy 4

Planning opportunities for individuals and businesses. 5

Partnering with John Hancock 6

Inheritance Advisory Group 7

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Not a Deposit	Not Insured by Any Federal Government Agency	

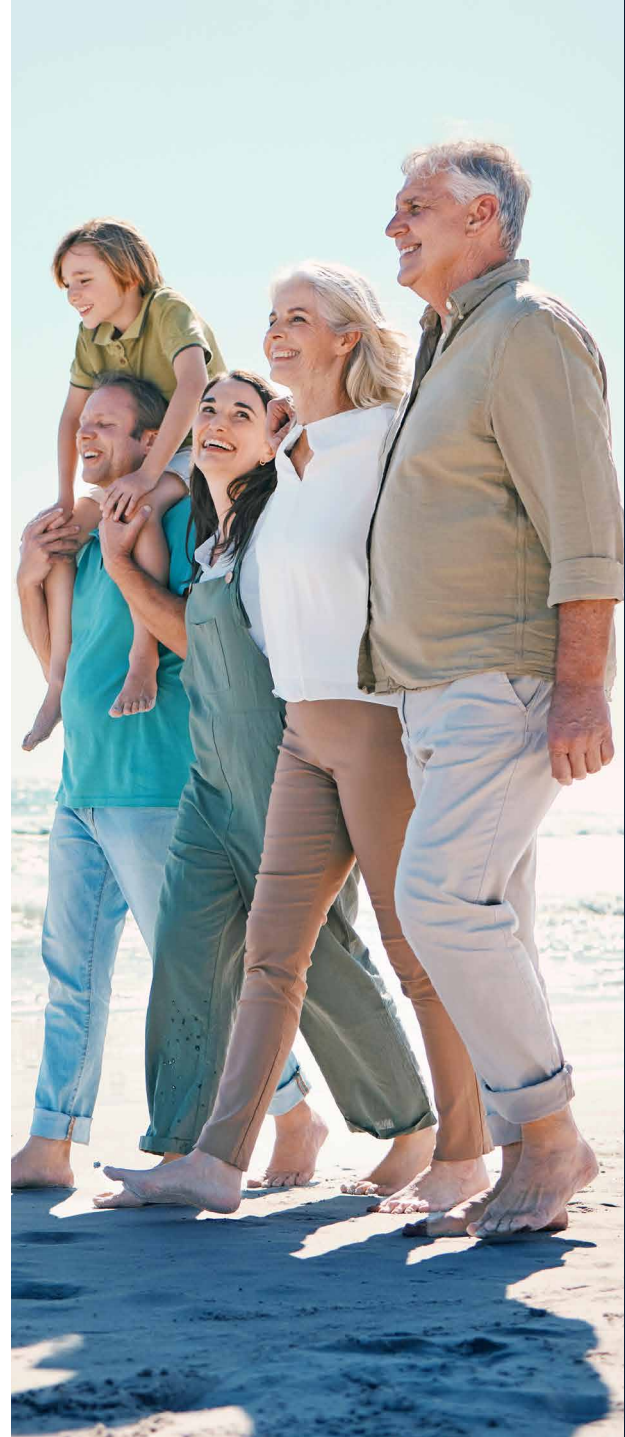
Why US life insurance for wealthy global citizens

Wealthy global citizens today have connections to and assets in multiple jurisdictions. These individuals with business, financial or personal ties to the United States face unique and complex US estate and tax planning needs, driving a need for innovative planning solutions and tools. Wealth transfer and life insurance go hand-in-hand.

Changing times, evolving needs

The largest transfer of wealth in history is upon us — with an **estimated \$84 trillion in wealth** poised to move change hands to younger generations over the next 20 years. However, many individuals are woefully underprepared — with many having no formalized estate plan at all. For wealthy global citizens with ties to multiple jurisdictions and the US, the importance of planning amidst this ever-changing landscape is even more vital.

Estate planning can be complex, particularly when there are multiple countries laws to consider and difficult emotional decisions to be made. However, formalizing a wealth transfer plan is crucial in ensuring goals are fulfilled and families are protected.



\$84T

Estimated amount of wealth poised to change hands to younger generations **in the next 20 years.**¹

Benefits of a US policy

Life insurance can be a key component of any integrated estate plan and wealth transfer strategy and can complement an individual's overall investment strategy. It has been used for decades to protect inheritances and preserve multi-generational wealth.

For wealthy global citizens, US life insurance can be attractive for many reasons, including:

Estate and wealth preservation

US life insurance can provide liquidity to cover various debt obligations or taxes and can help to ensure that heirs receive their inheritances smoothly and efficiently, overall helping to preserve wealth for generations to come.

Liquidity for estate tax planning

Many jurisdictions are subject to significant estate taxes. Individuals with assets in the US may be subject to US estate taxes, with life insurance potentially providing a key source of liquidity to cover these needs. Care should be taken to understand potential US estate tax exposure.

Tax efficiency

Depending on home country's tax laws and treaties with the US, wealthy global citizens may find US life insurance advantageous for income tax planning purposes. From a US perspective, permanent life insurance can offer tax-deferred growth and an income tax free death benefit.

Product flexibility

The US life insurance market is diverse, with many product options to choose from depending on planning goals. For example, some types of policies offer greater cash value protection and others may offer strong no-lapse guarantees.

Financial stability and security

US life insurance carriers are highly regulated, and US insurance policies are often seen as stable and reliable, providing a secure way to protect wealth.

Risk management and asset diversification

US life insurance can serve as a hedge against various risks, including economic or political instability, and investing in US-based insurance products can provide access to US financial markets and currency diversification.

All of these factors make US life insurance an attractive option to wealthy global citizens looking to protect their assets and secure financial futures.

Planning opportunities for individuals and businesses

In addition to the many benefits that US life insurance can offer, it can also help to address nuanced or unique planning needs for both individuals and business owners, including:



Multi-generational planning

Many have a goal of leaving a legacy not just for their children, but with an emphasis on grandchildren and future generations. Dynasty trust planning funded with US life insurance can help support a holistic legacy to benefit multiple generation.



Key man coverage

For business owners, the business is often their most valuable asset. Utilizing US life insurance to protect the business from the loss of key contributors may be something to consider.



Estate Equalization

Many global citizens are concerned about wealth transfer and find it challenging to divide assets fairly. US life insurance can help to equalize an estate amongst beneficiaries.



Buy-Sell and succession coverage

For businesses with multiple owners, the needs of those owners can get complex. This is particularly true if owners have ties to different jurisdictions and the US. Life insurance can be integral in transitioning a business from one generation to the next, and reviewing business succession plans and ensuring they are adequately funded is key.

Partnering with John Hancock

Choose an insurance company with strength

Experience and commitment

With 160 years of experience and stability, John Hancock has an unwavering focus on meeting the commitments it makes to its policyholders.

Underwriting expertise

John Hancock's underwriters provide concierge-level support for high-net-worth clients, backed by in-depth underwriting expertise and decades of experience in underwriting large, complex cases.

Financial strength

Now more than ever, it is important to partner with a life insurance company that can meet the promises it makes, both today and in the future.

John Hancock's credentials include its demonstrated financial strength. It is among the highest-rated companies for financial strength and stability, as judged by the major rating agencies.

A+

A.M. Best

(2nd highest of 13 ratings)

Superior ability to meet ongoing insurance obligations

AA-

Standard & Poor's

(4th highest of 21 ratings)

Very strong financial security characteristics

A1

Moody's

(5th highest of 21 rankings)

Obligations are subject to low credit risk

AA-

Fitch

(4th highest of 21)

Very strong capacity to meet policy holder and contract obligations

Financial strength ratings, which are current as of June 30, 2024, and are subject to change, apply to John Hancock Life Insurance Company (U.S.A.) and John Hancock Life Insurance Company of New York as a measure of each company's financial ability to pay claims and to honor any guarantees provided by the contract and any applicable optional riders. The ratings are not an assessment or recommendation of specific products, policy provisions, premium rates, performance of the products, the value of any investment in these products upon withdrawal, individual securities held in any portfolio, or to the practices of the insurance company. Financial strength ratings do not apply to the safety and performance of separate accounts.



Inheritance Advisory Group

Inheritance Advisory Group is a global firm that benefits from over 80 years of combined experience assisting families in inheritance planning, liquidity solutions and intergenerational wealth transfer. We specialize in designing and delivering personalized wealth strategies, including financial and corporate solutions, with meticulous and seamless execution. As a leader in the creation of tailored life insurance-based wealth solutions, we offer exceptional legacy planning and liquidity strategies designed specifically for high-net-worth individuals.

Our unrivaled elite team has unique and complementary skill sets with shared experience in the insurance and financial industries, performing executive roles in JP Morgan, UBS, Citi, Sun Life, New York Life, ultra-high-net-worth Family Offices, among other leading institutions in the United States, Mexico, Europe and Latin America.

We help you protect what matters most and prepare it for the future.

Carrier collaboration with John Hancock

Inheritance Advisory Group has partnered with John Hancock, a carrier with a sophisticated understanding of global wealth strategies. John Hancock is a leader in the high-net-worth space and offers a robust suite of products along with best-in-class underwriting and advanced markets support.

1. What Is The Great Wealth Transfer And How Could It Affect Your Finances? | Bankrate.

John Hancock is not affiliated with Inheritance Advisory Group or its subsidiaries or affiliates.

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. There can be costs associated with drafting a trust.

Life insurance death benefit proceeds are generally excludable from the beneficiary's gross income for federal income tax purposes. There are a few exceptions such as when a life insurance policy has been transferred for valuable consideration. In addition, state and estate taxes may apply in certain instances.

This material does not constitute tax, legal, investment or accounting advice and is not intended for use by a taxpayer for the purposes of avoiding any IRS penalty. Comments on taxation are based on tax law current as of the time we produced the material.

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