



Underwriting Guidelines for Foreign Residents

October 2008

John Hancock recently revised its underwriting guidelines for foreign residents, so that now:

- More of your clients living abroad can qualify for coverage.
- Clients can potentially qualify for better rates.

Highlights of Enhancements

1. Proposed insureds in A and B countries¹ have potential for better underwriting offers:

- **Super Preferred** is now available for proposed insureds from **A countries**.
- **Standard Plus** is the best class for **B countries**.

2. Enhanced retention capacity:

- For individuals in A countries, John Hancock will retain up to \$10 million.
- For those in B to D countries, retention will be up to \$6 million.
- Additional capacity may be available through facultative reinsurance.

3. Upgrade for high-net worth clients:

- Individuals with a net worth minimum of \$5,000,000 U.S. are eligible for a one country classification upgrade for classes B through D, with a few exceptions.^{2,3}
- Upgraded individuals qualify for the retention and risk classes available to the upgraded class. (For example, if an individual in a B country is upgraded to an A, retention could be up to \$10 million and Super Preferred would be considered.)

4. Better rates for several countries:

- We have reclassified several countries, including several country upgrades. For example, Israel and the United Arab Emirates are now A countries, and Brazil and Saudi Arabia are now B countries.¹

5. Foreign assets now included in our financial underwriting guidelines:

- In addition to U.S. assets, in general up to 50% of total assets considered can be verifiable foreign assets.

Who is a Foreign Resident?

A Foreign Resident is defined as any proposed insured who resides outside of the U.S. for more than six months (183 days). This includes:

- U.S. citizens who will be residing outside the U.S.
- Foreign Nationals – non-U.S. individuals who are living outside the U.S. but have a need for a U.S. life insurance product.

General Guidelines

All solicitation must take place in the U.S., regardless of the country of residence. Solicitation is defined as the entire new business process from illustration, application, to completion of underwriting requirements including examinations and policy delivery.

Eligibility Criteria (*applicable to all country classes*):

- Minimum issue age: 20.
- Maximum issue age: visit the Underwriting Guidelines page on JH SalesNet – www.jhsalesnet.com – to get details of John Hancock’s country-specific guidelines.
- Minimum face amount: \$1 million.
- Minimum net worth: \$5 million (verifiable U.S. assets and foreign assets).
- A reasonable, demonstrable insurable loss must exist. There should be some economic tie with the U.S. or U.S. tax liability for a foreign resident to qualify for coverage. Up to a maximum of 50% of total assets considered can be verifiable foreign assets.
- The owner must have a U.S. tax ID, SSN or must complete W-8BEN (www.irs.gov/pub/irs-pdf/fw8ben.pdf). Offshore trusts or other types of foreign ownership are not allowed.
- Premium must be paid from a pre-existing U.S. bank account and billing address. The account and address must exist for more than just this insurance.

Limitations to Coverage (all countries A–D)

- **Permanent products** – all permanent fully underwritten products are available. The same retention is used for both individual and survivorship products.
- **Term products** – these are available only for U.S. business purposes, for example, a U.S. Corporation insuring a key man in a foreign subsidiary.
- **Occupations** – certain occupations are uninsurable, for example, government or military personnel, missionaries, journalists.
- **Aviation** – coverage will not be offered on aviation risks (except in Canada).
- **Travel advisory** – coverage is not available in any country with a travel warning or alert in effect.
- **C and D countries** – coverage available only for individuals residing in major cities.⁴

Underwriting Requirements

The following requirements are in addition to the usual routine age/amount requirements:

- Minimum 5-year medical history required on the APS for proposed insureds age 70 or older.
- Minimum 3-year medical history records for all applicants less than age 70.
- Foreign Travel Questionnaire (NB5016).
- Insurance Activities and Residency Questionnaire (NB4797). (For U.S. citizens who are permanent residents and planning to migrate in the future – but are still currently in the U.S. – this questionnaire is not required).
- The APS must be provided in English. John Hancock does not cover translation fees and the translator should be at arm’s length to the sale. An Affidavit of Interpreter (NB3081) is required when translation has been done.

Additional Requirements for Foreign Nationals

Life New Business requires a cover letter with the application that includes the following details:

- Amount of time spent in the U.S.
- Where the proposed insured lives in the U.S.
- Proposed insured's occupation.
- Purpose of the insurance.
- Outline of the U.S. and foreign-held assets.
- **For face amounts over \$1 million, financial information (income and net worth) must be verified through a letter from the proposed insured's banker, accountant or tax attorney.**

1. Visit the Underwriting Guidelines page on JH SalesNet – www.jhsalesnet.com – to get a complete list of John Hancock's country-specific guidelines and country code classification.
2. The best country class for residents of South Africa is "C" and for India it is "D." Residents must still satisfy major city and high-net worth requirements.
3. The cities in China on John Hancock's B list are not eligible for upgrade to the A list.
4. A major city is defined as the capital city of the country or a city with a population of 500,000 or more. The city must have an international airport and well developed infrastructure (roads, public transit, and power, water, sewage, education and health facilities).

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