

# Quit Smoking Incentive

## FREQUENTLY ASKED QUESTIONS

### Q. What is the “Quit Smoking Incentive”?

A. The Quit Smoking Incentive (QSI) is a feature available on John Hancock UL and VUL products.\* Clients with Standard Smoker or Preferred Smoker risk classes will receive Standard Non Smoker cost-of-insurance rates for the first three policy years. Those who provide evidence they quit smoking for a period of at least 12 months within the first three policy years can have their risk classes and their policy charges permanently changed to Standard Non Smoker.

### Q. Can Smokers who participate in QSI pay the Standard Non Smoker premium?

A. Preferred Smokers and Standard Smokers who purchase a Protection UL-G or Protection SUL-G can pay the Standard Non Smoker premium for the first three policy years. If before the end of year three they provide evidence that they have quit smoking for a period of at least 12 months, they will be able to continue paying the Standard Non Smoker premium. **For all other products that participate in QSI, smokers will have to pay a premium that is at least the required minimum for their Smoker class. In many cases, this premium is higher than the typical “solve” premium for a Standard Non Smoker premium.**

### Q. How is QSI illustrated?

#### A. Protection UL-G & Protection SUL-G Products

Due to the design of **Protection UL-G** and **Protection SUL-G**, the Quit Smoking Incentive allows Preferred and Standard Smokers to pay Standard Non Smoker premiums for the first three policy years.

This applies ONLY to these two products.

Here's what you need to do to illustrate:

**Step One:** On JH Illustrator, run your client as a Standard Non Smoker and write that premium down.

**Step Two:** Now, switch the risk class of your client either to Standard or Preferred **Smoker**.

**Step Three:** Take the Standard Non Smoker premium that you have written down and manually input that premium into the premium schedule for the first three policy years. Then, choose the PPR premium option for the fourth year until the clients' desired policy duration. *Remember to keep the risk class as either Preferred or Standard Smoker. Do not change to Non Smoker risk class.*

**Step Four:** Run the illustration. If run correctly, your illustration should have the standard Non Smoker premium that you inputted for the first three policy years and then a jump in premium in the fourth policy year. This is the premium that your client will need to pay if they do not quit smoking.