

Manulife Par

Advisor's guide to the Manulife Par deposit option



Manulife Par is participating whole life insurance that offers clients the guarantees they need:

- Premiums that don't change
- Coverage for life
- Cash value that grows over time

In addition, the Manulife Par deposit option allows clients to make deposits into their policy over and above their regular premium payments to increase their coverage and cash values – without underwriting.

This guide highlights key benefits of Manulife Par's deposit option, so you can explain its benefits in a clear and compelling way to your clients.

How does the Manulife Par deposit option work?

The Manulife Par deposit option is simple, flexible and client-friendly. Deposit option payments purchase additional insurance called deposit option insurance, increasing the death benefit. Deposit option insurance has its own cash value. A deposit option payment results in an immediate increase in the cash value by an amount that is 7% less than the amount of the payment. The cash value grows over time at guaranteed rates. Once purchased, no further payments are required to maintain coverage and cash value.

What makes the Manulife Par deposit option different from the rest?

Manulife Par comes with a default pre-approved lifetime deposit option limit, even for policies resulting from a term conversion.¹ A client who has never made a deposit option payment could deposit up to \$100,000 at once, with no underwriting, provided there is sufficient tax and lifetime deposit option room.

The cost to buy deposit option insurance is guaranteed in the contract. Clients can benefit from the peace of mind of knowing that their extra deposits will purchase the amount of insurance they saw on the new business illustration.

Since substandard ratings are not applied to the cost to buy deposit option insurance, rated clients can purchase the same amount of deposit option insurance as a standard client.

What are the client advantages of making deposit option payments?

Deposit option payments increase both the death benefit and the cash value of the policy, which helps clients:

- Meet their changing insurance needs
- Achieve premium offset sooner
- Create higher cash value, which can be used to supplement retirement income
- Add funding flexibility

¹ Subject to available capacity for large cases

When can deposit option payments be made?

There are no restrictions to when deposit option payments can be made, whether at issue, years down the road, or at any point in the year. Manulife Par's deposit option is built with extra flexibility so at any time clients can:

- Make first payments
- Stop, skip or resume payments
- Increase or decrease payment amounts

Deposits can even be made after your client is no longer making regular premium payments.

Is the deposit option payment processed immediately?

The deposit option insurance purchase and the cash value increase happen on the business day after the payment is received, unless the payment is received within 21 days of the policy anniversary. In this case, the payment will be processed on the anniversary.

Are there any limits to how much a client can deposit?

Yes. Deposit option payments are subject to both annual and lifetime limits. But, if the lifetime limit is reached, your client can continue to make deposit option payments with additional underwriting.

Annual Limit

The lesser of:

- the previous year's deposit option payment + \$100,000
or
- available tax room for the year
or
- the remaining lifetime deposit option limit balance

Lifetime Limit

The greater of:

- the total of the deposit option payments on the product illustration submitted with the application
or
- the default limit shown on the bottom left corner of the illustration if specific deposit option payments were not illustrated

To request a new lifetime limit for a client or increase an existing one, use the [Increase lifetime deposit option limit form \(NN1678\)](#). Underwriting is required.

What if deposit option is not illustrated at the time of purchase?

Life changes. So to make things easier, the default lifetime limit is provided automatically, even if deposit option is not requested. The amount is entered into our administration systems and cannot be decreased or taken away once a policy is in force. It requires no activation, never expires and continues to be available even after the client is no longer making regular premium payments. The amount is reduced by every deposit option payment made, until the balance becomes \$0.

How do clients know the amount they can deposit?

Manulife Par's client-friendly annual statement contains a deposit option section² that indicates the:

- Annual limit for the new policy year
- Total of all deposit option payments made to-date
- Remaining lifetime limit balance

²The deposit option section will appear on the statement only if the client is rated 250% or less and the dividend option is paid-up insurance. The section will not appear if the policy is on premium offset or reduced paid-up or if the annual limit or remaining lifetime limit balance is \$0 or, if the dividend option is cash.

Manulife Par is issued and sold by The Manufacturers Life Insurance Company (Manulife). Manulife, Manulife & Stylized M Design, and Stylized M Design are trademarks of The Manufacturers Life Insurance Company and are used by it, and by its affiliates under license.

Can deposit option payments be refused?

We can refuse a deposit option payment if it doesn't meet our administrative or product rules. Here are some examples where deposit option payments would be refused:

- Policy is on premium offset or reduced paid-up
- Policy's dividend option is cash
- Client is rated more than 250%, or subject to underwriter's discretion or there is a flat extra on the policy
- Annual or lifetime limit has been reached



Start the conversation

Contact your Manulife Sales Representative to learn more about Manulife Par's unique deposit option features and how it can help your clients achieve their financial goals.