



Statement of  
**John Hancock Life Insurance Company (U.S.A.)**

Presented by  
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Before the  
**Subcommittee on Health**  
**Committee of Ways and Means**  
**United States House of Representatives**

Hearing on  
***Modernizing American Health Care: Creating  
Healthy Options and Better Incentives***

February 11, 2025



## **Introduction**

For more than 160 years, John Hancock has been one of the largest life insurers in the United States, supporting more than ten million Americans with a broad range of financial products. John Hancock also supports Americans through a separate Global Wealth and Asset Management business, bringing leading investment capabilities, retirement planning, and administration expertise to individuals and institutions.

For much of our history, we, like all life insurers, issued policies and then waited until a customer or their beneficiary made a claim. For those individuals, we were fulfilling a promise we made to them or a loved one, sometimes decades earlier. While monumentally important to the people to whom we paid claims, at its very core, life insurance was historically about dying. We saw an opportunity to reframe life insurance around living. More specifically, at John Hancock, we believe life insurance can help people live longer, healthier, better lives.

Life insurance companies make money by investing their customers' premium payments. Generally, the longer the insured lives, the longer those funds can remain invested and the more the company stands to earn before a claim is paid. On the economics alone, no one should care more about people living longer than the life insurance industry. But we see this as more than economics. It's about values, principles and people.

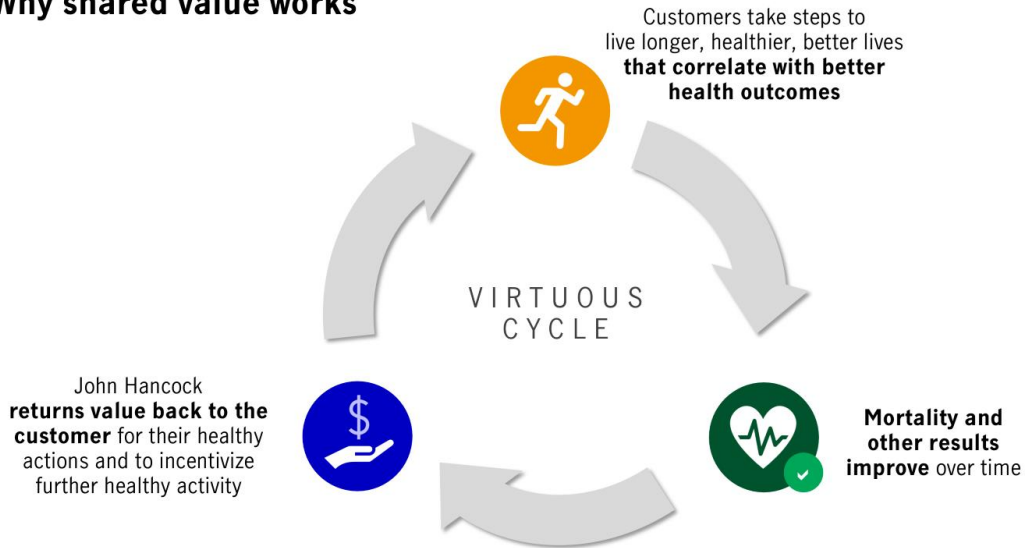
Recognizing our position to affect long-term health outcomes through small, meaningful changes, we undertook a transformation from passive claims payer to active risk manager.

## **What is John Hancock Vitality**

In 2015, we introduced John Hancock Vitality — a program rooted in behavioral science that offers our life insurance customers tools, resources, incentives, and rewards to help them improve their long-term health. Customers who choose to participate earn points for simple, everyday activities. These activities can include things like daily walks or other physical activity, buying fresh produce, preventive health visits, and getting a good night's sleep. Those points accumulate to determine status in the program, and each level correlates with a set of rewards which can include savings on life insurance premiums, discounts on fitness gear and apparel, and gift cards to popular retailers.



## Why shared value works



INTERNAL

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## How it works



INTERNAL

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In 2018, we made John Hancock Vitality standard on every life insurance policy we sell, although participation remains voluntary.



## **Our commitment to our customers**

Through the years, we've fostered a robust ecosystem of like-minded partners who share our mission and have joined our program by way of their technology, products, services, expertise, and education. Our customers can earn or enjoy discounts on a number of devices including Apple Watch, Oura Ring, and WHOOP, save money when shopping at Adidas.com and REI, and access incredible resources through the Friedman School of Food Science and Policy at Tufts University and Verily — just to cite a few examples.

As a tenet of our program and through this growing network of partners, we continuously add the latest tools and technology to help customers better understand their health, so they can make more informed choices. With these offerings, we are enabling and empowering individuals to take proactive control of their personal health journeys, potentially helping some detect health conditions early enough to make a difference in treatment and outcomes.

In 2022, we became the first life insurer to introduce a collaboration with **GRAIL**, offering customers discounted access to the Galleri® multi-cancer early detection test. With a single blood draw, Galleri screens for more than 50 types of cancer, including those for which there are no recommended screenings. We were also the first life insurer to partner with **Prenuvo**, offering our customers access to a full-body MRI scan that can look for more than 500 conditions including early-stage cancer. Last month, we launched a partnership with **Function Health**, offering customers deeper insight into their personal well-being through the company's bundled package of more than 100 lab tests.

By offering discounted — and in some instances complimentary — access to these innovative tools, we are building on other long-standing, foundational elements of our program that encourage customers to take part in recommended preventative care, including mammograms and other cancer screenings, annual physical exams, dental visits, and more. For many of these activities, they earn points and, subsequently, rewards. And while our customers certainly enjoy their good health and their rewards, the impact of these efforts is far greater than on the individual alone. When people are healthier, they are more productive in the workforce and less of a strain on the healthcare system.

## **Why now**

There has never been a more opportune time for this type of solution. The need has never been greater, the costs have never been higher, and science has never offered more.

So-called “lifestyle diseases” — such as diabetes, heart disease, and respiratory disease — account for well over half of all deaths in the U.S., as well as the associated illness, disability, and healthcare costs.<sup>i</sup> These diseases are largely influenced by daily choices related to nutrition, physical activity, and smoking. In 2023, the overall healthcare spending on chronic diseases accounted for nearly 90% of the \$4.1 trillion spent on healthcare.<sup>ii</sup> These costs are only expected to rise. Projections indicate that by 2030, more than 80 million people in the U.S. will have at least three chronic diseases.<sup>iii</sup>



Cancer is the second-leading cause of death in the U.S. and currently is the leading cause in Americans under 85. In 2024, there were more than two million new cancer diagnoses and more than 611,000 cancer deaths<sup>iv</sup> — 80% of which were from cancers for which there are no routine screenings.<sup>v</sup> The U.S. could save \$26 billion in treatment costs alone from early cancer diagnoses<sup>vi</sup>, as costs associated with treating late-stage cancers are two to seven times higher than early-stage cancers.<sup>vii</sup>

At the same time these diseases are taking a toll on our communities and economy, there have been tremendous developments in personal health technology, innovative screening methods, and overall prevention. The Institute of Medicine estimates that missed prevention opportunities alone cost the U.S. \$55 billion every year.<sup>viii</sup>

### **Why our industry**

We know that people are living longer, but not necessarily healthier or better lives, which means we are facing a rapidly aging population with health conditions that simply are not keeping pace. The socioeconomic pressures arising from these circumstances will not only be felt by the government or healthcare industry alone, but by all of us across private and public sectors. Within distinct networks and areas of expertise, we believe every sector can and should help increase access to and awareness of advancing innovations in prevention and early detection. These efforts have the potential to yield cost savings and better health outcomes far beyond what any single company can accomplish.

For our part, the life insurance industry is in a unique position to help achieve these better health outcomes. While others with a vested interest in the health and longevity of Americans may have relationships that only span a few years, our relationships with our customers span decades. In some cases, customers are with us for the better part of a century. Through our advancements and learnings with Vitality, we've proven we are in a position to not only monetize this incentivized model, but influence positive, long-term health outcomes through small, meaningful changes.

### **What we've learned**

When it comes to this type of solution and impacting behavior change, we've learned that several contributing factors are very important.

First, an overwhelming percentage of Americans do care about their health and want to be healthier.<sup>ix</sup> Additionally, health is a leading concern for Americans planning for retirement. This is a sentiment we can collectively capitalize on to help galvanize a population in dire need of change. The key to achieving meaningful improvements is fostering realistic expectations grounded in reasonable, sustained change. Most of our customers don't run marathons, and that's not what we're asking them to do. We're asking them to maybe walk for a few minutes more this week compared to last week, focus on getting the recommended hours of sleep, or adhere to recommended screenings, etc.

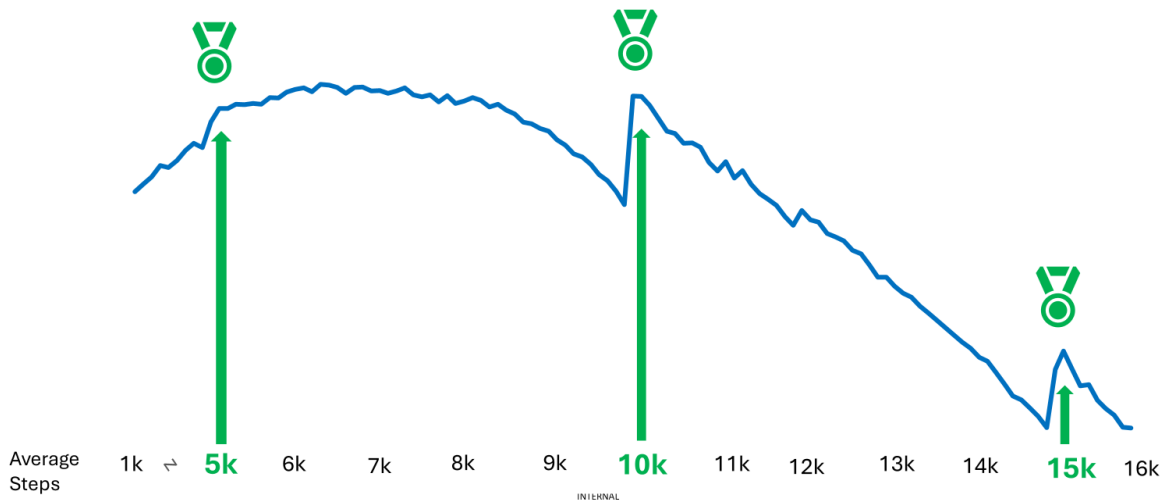
Second, education is important, but it's not enough on its own. Education strategically paired with incentives and rewards can be highly effective. The chart below is an excellent visual example of this. As part of the Vitality program, we reward different amounts of points for daily step counts



once you get over 5,000 steps, 10,000 steps, and 15,000 steps. It's the difference between 10, 20, or 30 points respectively. We see the biggest spikes in step counts at just over 5000, 10,000, and 15,000 steps, illustrating that people want those 10 extra points and take the extra steps to get them.

## 2024 John Hancock Vitality Members Average Step Count

Spikes in average step count are observed at 5k ,10k, and 15k steps



Additionally, customers can both earn points for and save money on the healthy foods they buy at the grocery store. We know that these incentives influence the choices our customers make when they grocery shop and they make healthier selections.

These incremental, daily changes add up to sustained change. On average, our Vitality customers take twice as many steps each day compared to the average American and report better weight management. Also, about half of our customers with high blood pressure were able to bring their levels within a healthy range over the course of one year.

Lastly, technology and gamification are excellent tools for engagement. Our customers have the option to take part in our Apple Watch program. They're asked to pay \$25 (plus tax) up front, and the remaining cost of their device is paid in installments over the next 24 months. Each month, customers can reduce or even eliminate their payment through exercise. At the end of the two-year period, with routine exercise, it is possible to have only paid the initial \$25.

When it comes to physical activity more broadly, our customers report 30% higher activity levels since getting their watch. What's more, when our customers achieve a predetermined number of workouts or break a new points threshold in the program, they get to spin the Vitality Wheel – a virtual wheel of bonus points and prizes. The prizes are generally small, but our customers enjoy them immensely.



## **Beyond our business**

Our commitment to promoting longer, healthier, better lives extends beyond our customers into our industry and our communities.

To help inspire more of this sentiment of change and empowerment within our industry, John Hancock has initiated an annual *Longer.Healthier.Better.* symposium. These multi-day events convene world-leading experts across health care, government, science, technology, academia, human services, and more to share the insights and innovations driving longevity and better health. We invite many of our sales partners and industry leaders to these events in hopes that they take what they learn back to their families, businesses, and communities. Please watch a recap of the 2024 symposium [here](#).

As a company, we have taken on a more active role in supporting the pipeline of longevity and health innovation. Over the next five years, we are collaborating with the [MIT AgeLab](#), developing research, thought leadership, and workshops with the goal of driving actionable insights for the business community, policymakers, and individuals. We are also a proud and engaged sponsor of the [Food is Medicine Institute](#) at Tufts University, which is focused on developing programs to integrate food-based nutritional interventions into healthcare to treat or prevent disease and advance health equity.

As part of our commitment to expanding access to the technologies we make available to our customers, in November, we announced our sponsorship of complimentary Galleri multi-cancer early detection tests for special operations veterans through [Home Base](#) in collaboration with the [Massachusetts General Hospital \(MGH\) Cancer Early Detection and Diagnostics Clinic](#). Special operations service members are at increased risk of developing cancer because of the hazards they were exposed to during service.

## **Kelley's story**

As a company, we are confident in the success of this model. In addition to the data highlighted above, we have customers who have shared what our Vitality program means to them. Before we launched John Hancock Vitality, no customer had credited their life insurance policy with saving their life.

One of our recent customer testimonials is particularly poignant. Kelly K. lives in the Midwest and is a licensed life insurance producer. He happened to purchase a John Hancock life insurance policy for himself. Genuinely interested in the Vitality program, he signed up. When we launched our collaboration with GRAIL, our Vitality customer team sent Kelley an email letting him know he was eligible for the Galleri test. Kelley booked an appointment, had his blood drawn, and waited for the results. His first test came back with a positive cancer signal. Kelley completed all the suggested follow-up testing, but his doctor told him he was fine and to go back to living his life. Six months later, GRAIL contacted Kelley and encouraged him to take the test again. His test came back with another positive cancer signal. At GRAIL's instruction, Kelley advocated for follow-up testing and was very quickly diagnosed with breast cancer.



More than a year later, Kelley is thriving, living a full and happy life spent with his horses on his farm and his beloved grandchildren. Kelley will be the first to tell you that if he did not own a John Hancock life insurance policy, he may still be walking around with no idea about the cancer inside his body. You can watch Kelley's story [here](#).

## Conclusion

We must continue convening like-minded leaders from a cross-section of fields and industries, including the government, to tackle an issue requiring long-term, systemic change. Coming together intentionally across parties, sectors, and industries as leaders who share a mission for better health and longevity is crucial.

At John Hancock, we have seen first-hand the transformative power that an organization can have in empowering customers to make small but increasingly meaningful changes in their day-to-day lives. We share the Subcommittee's vision and look forward to working together in the common pursuit of helping Americans live longer, healthier, better lives.

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[ix] **Most Americans want to know the secrets to living and feeling younger | Ipsos**

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<sup>i</sup> <https://www.who.int/news-room/fact-sheets/detail/the-top-10-causes-of-death>





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<sup>ii</sup> National health expenditure data: historical. Center for Medicare & Medicaid Services. Updated December 13, 2023. Accessed February 6, 2024. <https://www.cms.gov/data-research/statistics-trends-and-reports/national-health-expenditure-data/historical>

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<sup>ix</sup> **Most Americans want to know the secrets to living and feeling younger | Ipsos**