John Hancock

LIFE INSURANCE

John Hancock's
Accumulation UL
Technical Guide

Table of Contents

Product Overview

John Hancock's Accumulation UL combines comprehensive death benefit protection, with cash value accumulation potential that is among the most highly competitive in the industry. Accumulation UL offers strong cash value buildup opportunity, attractive retirement income, and high early surrender values — at all issue ages, and with all funding patterns. This product is an excellent solution for policy owners who need to transfer wealth; preserve assets; accumulate funds as a source of retirement income; or finance their life insurance premiums.

Product features and available riders[1] give Accumulation UL a competitive edge in the marketplace. Utilizing the product's built-in features and its optional riders can further reduce collateral requirements and lower the charge to business earnings; make the death benefit available to help pay Long-Term care expenses; help pay off premium financing loans at death; and even keep the policy from lapsing.

Accumulation UL is designed and priced based on the 2001 Commissioners Standard Ordinary (CSO) Mortality Table.

Applications

Individual Market

- Fund Supplemental Retirement Income or Asset Preservation Needs
- Transfer Wealth
- Estate Liquidity
- Death Benefit Protection

Business Market

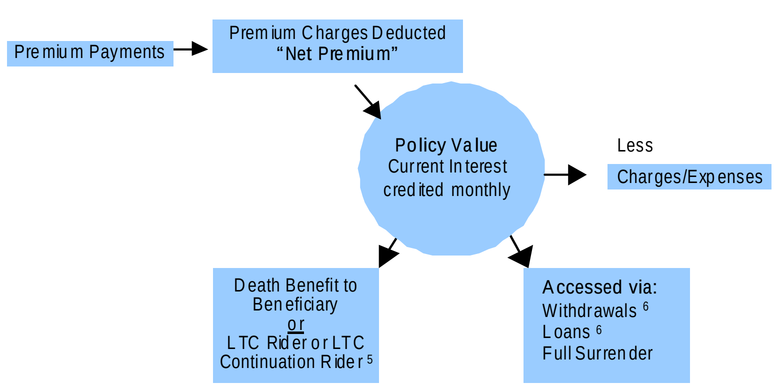
- Premium Financing
- Accounts Receivable Financing
- Business Continuation

Market Focus

Accumulation UL is designed for high-net-worth individuals, and is an excellent choice for many premium financing arrangements due to the high early cash surrender value potential. The product is also well suited for business owners who have limited liquidity, yet a need for death benefit protection with a strong cash value potential that can provide supplemental retirement income. Accumulation UL performs especially well in limited-pay, highly funded cash value accumulation situations.

How a Universal Life Policy Works

When the policy owner makes a premium payment to John Hancock, a premium charge is deducted. The result is a "net premium," which is then credited to the Policy Value. Current interest is credited to the Policy Value on a monthly basis. Monthly deductions are made from the Policy Value for insurance costs and administrative charges. Policy owners can access the Policy Value via withdrawals, loans and surrenders. The policy death benefit, less outstanding loans and interest, will be paid to the beneficiaries. *(A more detailed explanation of charges and expenses is contained in the "Policy Fees & Charges" section of this guide.)*



[1] Insurance policies and/or associated riders and features may not be available in all states. Some riders may have additional fees and expenses associated with them.

Policy Value

Interest Crediting Rate

Each month, John Hancock evaluates the current rate of interest used to credit the Policy Value. The credited interest rate is a portfolio rate, reflecting the average earnings of the Universal Life Portfolio; a portfolio composed of an assortment of high-quality assets. Using the portfolio approach is designed to lead to less frequent rate changes than one might find using a "new money" approach. The minimum guaranteed[2] annual interest rate on Accumulation UL is 3%. The current crediting rate will never be less than Accumulation UL's guaranteed interest rate.

Non-guaranteed Persistency Bonus:
Starting in policy year 11 and until the insured's attained age 100; the current interest rate may be increased by an additional 0.30%, and credited to un-loaned policy value. As the name suggests, this rate enhancement is not guaranteed.

New York Guaranteed Persistency Bonus (for New York policies only):
As long as the current credited interest rate exceeds the guaranteed interest rate, then the current interest rate will be increased by an additional 0.30%, and credited to the un-loaned Policy Value beginning in policy year 11 and until the insured's attained age 100.

Flexible Death Benefit Options

Policy owners choose a level or an increasing death benefit at the time the policy is issued.

Option 1 — Level

The death benefit is equal to the total face amount plus the Return of Premium (ROP) benefit, if elected. As the Policy Value increases, the pure insurance protection (Net Amount at Risk) decreases. Cost of Insurance charges are assessed on the basis of the Net Amount at Risk.

If the Return of Premium (ROP) rider[1] is elected, the death benefit will increase according to the provision of the ROP rider. For additional information, please see the Return of Premium, in the Rider section.

Option 2 — Increasing Death Benefit

The death benefit equals the Total Face Amount plus the Policy Value each year (note that some riders are not available in combination with this option). The result is a death benefit pattern that varies based on the Policy Value. Policy owners should select the increasing death benefit option if they wish to have the Policy Value reflected in the death benefit; so that any increase in the Policy Value will increase the death benefit.

Death Benefit Option Changes

Policy owners may switch from Death Benefit Option 2 to Death Benefit Option 1 after the first policy year. This is a contractual change that must be requested in writing. A switch in options is effective on policy anniversary only. Death Benefit Option changes from Option 1 to Option 2 are not permitted.

- Changing from the Increasing Death Benefit Option (2) to the Level Death Benefit Option (1) is not considered a material change for Technical and Miscellaneous Revenue Act (TAMRA) purposes because the overall death benefit will not increase. No additional underwriting is required.

Definition of Life Insurance

There are two tests used to determine if a policy qualifies as life insurance for income tax purposes:

- The Guideline Premium Test (GPT), and
- The Cash Value Accumulation Test (CVAT).

One of these two definitions must be selected at issue. Once elected, the tax test cannot be changed. Ultimately, the choice of insurance tax tests must be made on a case-by-case basis.

---

[2] Guaranteed product features are dependent upon minimum premium requirements and the claims-paying ability of the issuer.

- For older insured’s and in highly funded situations, CVAT may be the preferred choice.
- For minimum-funded situations, the choice of tax tests will normally not be an issue; since the death benefit will usually remain level.
- For higher funded situations, particularly for younger insureds, the choice can have a significant impact on value. You will want to review illustrations utilizing both tests before making a decision.

Available Coverage

Base Face Amount (BFA)

All Accumulation UL policies include a Base Face Amount; which is the principle life insurance coverage provided by the policy.

Supplemental Face Amount (SFA)

The Supplemental Face Amount is an additional amount of insurance coverage that may be used to supplement the Basic Face Amount. SFA may be elected at issue, or added after the first policy year. Supplemental Face Amount coverage may be defined in one of three ways:

- As a level amount for the life of the policy;
- As an amount which increases by a specified percentage from year to year, over the life of the policy; or
- As an amount which increases by a specific dollar amount according to a schedule.

Supplemental Face Amount does not have a specific billable premium associated with it, and there are no surrender charges associated with this coverage. SFA uses unique Cost of Insurance rates.

Face Amount Limits

Minimum Face Amounts

Total Face Amount:	$100,000
Base Face Amount (BFA):	$100,000
Supplemental Face Amount (SFA):	No minimum

Maximum Face Amounts at Issue

Base Face Amount (BFA)

- There is no specific maximum for BFA; however the face amount is subject to underwriting and retention limits

Supplemental Face Amount (SFA)

- Up to four times the Base Face Amount is allowed
- Maximum coverage is subject to underwriting and retention limits

Face Increases

BFA Coverage

- Base Face Amount increases are not permitted

SFA Coverage

- Scheduled SFA increases are available up to attained age 90
- Subject to underwriting approval
- Total increases may not exceed four times the Total Face Amount at issue
- Increases in one policy year may not exceed 25% of the Total Face Amount at issue
- The minimum amount of SFA increase is $50,000

- Increasing SFA is not allowed with Term Conversions, Return of Premium, LTC rider, LTC Continuation rider or Waiver of Monthly Deductions riders

Face Decreases

- Allowed after first policy anniversary
- Minimum requested Face Amount decrease is $10,000
- Face Amount may not be decreased below Minimum Total Face Amount
- Pro rata surrender charges will apply during the Surrender Charge period
- Requests to reduce the face amount or stop previously scheduled increases will terminate all future scheduled increases.
- A requested decrease will also cause all future increases to the Return of Premium coverage to cease.
- A 10% Base Face Amount decrease is permitted without a Surrender Charge at the time of decrease.

Product Features

Issue Ages and Risk Classes

Fully-Underwritten Risk Classes	Issue Ages
Super Preferred Non Smoker	20 – 80
Preferred Non Smoker	20 – 90
Standard Plus Non Smoker	20 – 90
Standard Non Smoker	0 – 90
Substandard Non Smoker	0 – 90
Preferred Smoker	20 – 90
Standard Smoker	20 – 90
Substandard Smoker	20 – 90

Flat Extras – Temporary and permanent Flat Extras are allowed on all fully-underwritten risk classes with the exception of Super Preferred. See the Underwriting Guide for complete details.

Quit Smoking Incentive

The Quit Smoking Incentive allows Preferred and Standard Smokers to automatically receive Standard Non Smoker current policy charges for the first three policy years.

- If by the end of policy year three, the insured provides satisfactory evidence of having quit smoking for at least 12 months, then the policy is re-classified as Non Smoker, and future policy values will continue to reflect Standard Non Smoker account charges.
- If the insured fails to quit smoking, policy values for years 4+ will reflect the appropriate Smoker current policy charges.
- Policy owners are required to satisfy the smoker NLG requirements for the entire period the insured is classified as a smoker.

Requirements to reclassify a policy as Non Smoker by the end of policy year three:

- Policy Change Form
- Tobacco Use Questionnaire
- Microurinalysis

Coverage at Age 100 and Beyond[1]

The policy does not mature; provided that funding is sufficient, the policy will remain in force until the insured’s death.

At age 100:

- Policy and rider charges cease
- Premiums are not required or permitted
- ROP increases are no longer allowed
- Interest continues to accumulate on the policy value
- Loan repayments continue to be accepted on existing loans
- Interest continues to be charged on outstanding loans until a death claim is made (the policy may lapse if debt ever equals or exceeds the Policy Value)

At age 121:

- New loans and withdrawals are not permitted
- SFA coverage will terminate

Flexible Premium Payments

Policy owners may choose when to make premium payments and how much to pay (the maximum subject to underwriting and tax implications).

Minimum Initial Premium (MIP)

This is the premium amount required to issue the policy, including all riders in force for the first policy month.

- The MIP is equal to 1/12 of the Annual No Lapse Guarantee Premium.
- If the Cash Value Enhancement (CVE) is elected, the rider charge is added to the MIP calculation.
- The selection of SFA or ROP rider may increase the minimum initial premium.
- A greater amount of initial premium is also required if the policy is backdated.

Target Commissionable Premium (TCP)

This is the amount of premium that is fully commissionable. The target premium includes all commissionable riders and ratings. This premium will not necessarily keep the policy in force through age 120.

No Lapse Guarantee (NLG)

There is a limited lapse protection guarantee offered under this policy. Based on appropriate premium payments:

- The Base Face Amount has a 5 year death benefit guarantee.
- Any portion of the death benefit provided by the Supplemental Face Amount (SFA) or Return of Premium (ROP) riders has a 2 year guarantee period.

Planned Premium

The premium the policy owner plans to pay, subject to maximum premium limits. The Planned Premium may be changed at any time. The available premium modes are:

- Annual;
- Semi-annual;
- Quarterly; or
- Monthly (requires electronic fund transfer)

Maximum Premium

For Guideline Premium Test policies, the sum of the premiums paid may never exceed the greater of:

a) The single premium necessary to fund future benefits under the contract (DEFRA Guideline Single Premium), or

b) The sum of the maximum annual premiums to the end of the current policy year i.e. DEFRA Guideline Level Premium (GLP). This sum will end at attained age 100. The maximum premiums under this test will not increase for issue ages above 100. However, if the policy is still in-force at age 100, we do not allow for future premium payments to be made.

7-Pay Premium:

The 7-pay premiums will be based on the 2001 CSO sex-distinct, Unismoke mortality, and 4% interest. The 7-pay test is initiated at issue and each time there is a material change (a change in the terms or benefits under the contract). Failure of the policy to pass the 7-pay test will result in the reclassification of the policy as a Modified Endowment Contract (MEC), rather than as a regular life insurance contract. In order to pass the 7-pay test, a policy's cumulative premium payments may not exceed the cumulative 7-pay maximum annual premium. The 7-pay premium is based on the lowest death benefit within seven years of issue using 2001 CSO mortality and 4% interest.

Policy Riders[1]

Cash Value Enhancement (CVE) Rider

This rider enhances the Cash Surrender Value for the first five policy years; if the policy is (fully) surrendered during this period. Conditions apply, including that the surrender can not be done with the intention of replacing the policy, or exchanging it (including 1035 exchanges).

Cost	There is a one-time charge of $500 payable at issue.
Compensation	This rider impacts compensation and extends the chargeback period.
Termination	The benefit terminates when the policy is terminated.

Note: This rider is only available at issue with Death Benefit Option 1.

Return of Premium (ROP) Rider

The Return of Premium (ROP) rider provides policy owners with an additional insurance amount equal to a percentage of premiums paid, up to 100%.

The amount of ROP coverage cannot exceed the maximum benefit amount, which is determined at policy issue and is stated on the Policy Information Page. The initial value of the ROP is equal to the ROP percentage times the initial premium paid. Any subsequent premiums will increase the coverage at the time of the payment by the ROP percentage times that premium, up to the maximum benefit amount. ROP remains in effect after age 100.

Cost	The Cost of Insurance for the Return of Premium rider is charged monthly as part of the Monthly Deduction under the policy, and ceases when Monthly Deductions cease under the policy.
Increases	• At the policy owner's request, the ROP rate may be increased up to 5% annually, subject to underwriting approval. • The benefit will cease to increase at the earlier of the written request by the policy owner, or when the Return of Premium rider equals the maximum benefit amount. ROP increases also cease at age 100; at which point the death benefit becomes level.
Decreases	• The policy owner can request a decrease in the Return of Premium Death Benefit coverage amount. • A requested decrease will also cause all future increases to the Return of Premium coverage to cease.
Termination	The benefit terminates at the same time as the policy. It cannot be terminated prior to the policy.

Note: This rider is only available at issue with Death Benefit Option 1. It may not be used in conjunction with Increasing SFA, Waiver of Monthly Deductions, LTC rider, or the LTC Continuation rider.

Change of Life Insured Rider

The Change of Life Insured Rider provides policy flexibility and protection for small business owners who are using insurance as a business succession-planning tool. If there are changes in the corporation, e.g. retirement or a resignation, coverage can be transferred from one key employee to another without surrender or reissue.

The following provisions apply:

Availability	Available to corporate-owned policies only.
Limitation	Life insured cannot be changed in the first two policy years.
When Exercised	• The original policy date is maintained. • Underwriting is required on the new life insured. • The Cost of Insurance rates, and any charges for supplementary benefits will be adjusted to reflect the new insured's age, gender, risk class and any additional ratings. • There is no change in cash value, but new COI's applicable to the new insured are applied going forward. • Surrender charges are not affected. • A new 7-pay period begins • Suicide and incontestability clauses restart.
Cost	There is a one-time charge of $250 when exercising this rider.

Overloan Protection Rider (OPR)[3]

OPR creates a paid-up policy in those situations where the policy has incurred excessive indebtedness. The rider freezes the policy, and stops any additional charges from being assessed; thereby preventing the policy from lapsing, and possibly preventing a taxable event for the policy owner. The Overloan Protection Rider is available to policy owners choosing either the Guideline Premium Test or the Cash Value Accumulation Test.

Issue Ages	Available to issue ages 0-84
MEC Restriction	Policy cannot be a Modified Endowment Contract.
Exercise Conditions	• The policy must be in-force at least 15 years. • The life insured must have attained at least age 75, and be younger than age 100. • Policies with an Increasing Death Benefit Option (2) must be changed to the Level Death Benefit Option (1). • There must be enough Policy Value remaining to cover the OPR rider charge. • Policy debt must be greater than the Total Face Amount (including BFA, SFA, and ROP), but less than 99.9% of the Policy Value after deducting the OPR charge.
Effect on Policy	• No further Monthly Deductions will be taken. • No further premium payments will be accepted. • Any supplementary rider requiring a Monthly Deduction will be terminated. • No changes can be made to the policy that involve an increase or decrease to coverage. • Loan interest on outstanding indebtedness will continue to accrue, and loan payments may continue to be made. • No new loans or withdrawals will be allowed.

[3] When the Overloan Protection rider causes the policy to be converted into a fixed policy, there is risk that the Internal Revenue Service could assert that the policy has been effectively terminated and that the outstanding loan balance should be treated as a distribution. Depending on the circumstances, all or part of such deemed distribution may be taxable as income. You should consult a tax adviser as to the risks associated with the Overloan Protection rider.

Cost	• There is no charge for this rider if it is never invoked. • The one-time charge is equal to a percentage of the Policy Value at the time the rider is exercised. The rate varies by attained age and the Definition of Life Insurance test.
Termination	The benefit terminates when the policy is terminated; the insured's attained age when Monthly Deductions cease; or if the rider is invoked, when requested in writing by the policy owner.

Waiver of Monthly Deductions (WMD) Rider

The Waiver of Monthly Deductions rider protects the insured in case of total disability, as defined in the rider contract. This rider waives all charges including Cost of Insurance charges, administration fees and rider charges (up to $5,000 per month maximum) while the insured remains disabled and until the Policy Anniversary nearest the insured's age 65, or until the policy is terminated – depending upon when the disability begins (see Benefit Duration below).

To qualify for this benefit, the disability must begin while the rider is in-force; before the policy anniversary nearest the insured's 65th birthday; and last continuously for at least six months. The benefit duration is shortened if the disability begins after attaining age 60.

Issue Ages	Available to issue ages 20 – 60.
Maximum	All monthly deductions are waived up to the maximum benefit is $5,000 per month.
Benefit Duration	• *For a disability that begins before the Policy Anniversary nearest the insured's 60th birthday* – Deductions are waived while the insured remains disabled until the policy is terminated. • *For a disability that begins on or after the Policy Anniversary nearest the insured's 60th birthday* – Deductions are waived while the insured remains disabled until the policy anniversary nearest the insured's 65th birthday, or the policy is terminated, whichever comes first.
Cost	The cost of this rider is an amount per $100 of Monthly Deductions potentially waived. The cost varies by insured's attained age, and ceases when the rider terminates by policy owner or at the insured's age 65.
Termination	The policy owner can terminate this rider at any time. The rider automatically terminates on the Policy Anniversary nearest the insured's 65th birthday, or when the policy is terminated.

Accelerated Benefit Rider

The Accelerated Benefit Rider provides a "living benefit" if the insured is certified to be terminally ill (documented life expectancy of one year or less). This rider provides up to 50% of the death benefit, with a maximum of $1,000,000. The benefit may be added at any time to a policy in good standing, regardless of current health, provided that the policy meets the following conditions:

Age Restrictions	There are no age restrictions to add or exercise this rider.
Other Conditions	• The policy must be owned by the insured. • There must be at least one year remaining in the benefit period. • The consent of an irrevocable beneficiary and/or an assignee (if any) is required. • The benefit must be claimed voluntarily and not to satisfy creditors or for government benefits.
Death Benefit Reduction	The death benefit is reduced by the rider benefit amount plus one year's interest.
Cost	There is no additional charge for this rider, and its addition to a policy does not affect the premiums due or any interest paid on the policy.

Long-Term Care (LTC) Rider[4]

The LTC rider provides funds to help pay for qualified long-term care expenses by accelerating the death benefit. Maximum monthly benefit based on 1%, 2%, or 4% of the policy death benefit elected at issue.

- Not available with ROP rider, increasing SFA or Death Benefit Option 2
- In New York, LTC rider is only available when the Accelerated Benefit rider has also been elected
- A separate charge is deducted if this optional rider is selected.
- If the LTC rider is selected, the maximum death benefit is the amount that would result in $50,000 of maximum monthly benefit per insured, but can never be greater than $5,000,000 of Face Amount at issue.

Note: for additional information on this rider, please see the *LTC rider Technical Guide*, which is available at www.jhsalesnet.com.

Long-Term Care (LTC) Continuation Rider[4]

The LTC Continuation rider is available in addition to the LTC rider. The LTC Continuation rider continues to help pay for qualified Long-Term care expenses after the Total Face Amount at issue has been fully-accelerated under the LTC rider. The total amount that can be continued under the LTC Continuation rider is equal to the initial Face Amount, as long as the insured is alive and in need of long-term care.

- A separate charge is deducted if this optional rider is selected. Once the base policy Total Face Amount is fully accelerated, charges cease.

If the LTC Continuation rider is selected, the maximum Total Face Amount at issue is $1,000,000. In addition, a residual death benefit is available equal to the lesser of $25,000 or 10% of the Total Face Amount in effect just prior to claim.

Note: for additional information on this rider, please see the *LTC Continuation rider Technical Guide*, which is available at www.jhsalesnet.com.

---

[4] The Long-Term Care (LTC) and Long-Term Care (LTC) Continuation riders are accelerated death benefits and may not be available in all states. Maximum face amount: $5 million with LTC rider; $1 million with LTC Continuation rider. The LTC riders are not considered long-term care insurance in some states. When the policy death benefit is accelerated for long-term care expenses, the death benefit is reduced dollar for dollar, and the cash value is reduced proportionately. There may be additional costs associated with this rider. The LTC Continuation rider is not available in some states, including New York. Please go to www.jhsalesnet.com for a complete and up-to-date list of state approvals. **For policies issued in New York only, this product is a life insurance policy that accelerates the death benefit for qualified long-term care services and is not a health insurance policy providing long-term care insurance subject to the minimum requirements of New York Law, does not qualify for the New York State Long-Term Care Partnership program and is not a Medicare supplement policy.**

Policy Fees & Charges

Premium Charge

The premium charge is a percentage of each premium paid, which is deducted from the premium at the time that it is received, before applying the payment to the Policy Value.

- The rate is 6% in all policy years (both current and guaranteed).

Administrative Charge

This charge is a flat fee applied each month as part of the Monthly Deduction. The fee varies depending upon how long the policy has been in force. The current and guaranteed charges are the same.

- Policy year 1 — $30 per month
- Policy years 2+ (until insured attains age 100) — $10 per month

Per $1,000 Base Face Amount Charge

The Per $1,000 Base Face Amount Charge is known as the *Face Amount Charge* in the policy contract and all client materials. This is a monthly charge per $1,000 of current BFA.

- The charge applies in the first ten policy years.
- The current rates are equal to the guaranteed rates, except for Smokers in years 1-3 (when the guaranteed rate is higher).
- The Per $1,000 rate varies by issue age, gender, risk class, and death benefit option.

Cost of Insurance (COI) Charge

The COI is a charge per $1,000 of Net Amount at Risk that is deducted monthly for the BFA, SFA, and ROP coverages.

- BFA, SFA, and ROP each have a different set of current COI rates; which may or may not vary from one another.
- Current Standard Non Smoker rates are used for the first three years for Preferred and Standard Smokers.
- The current COI rates vary based on issue age, gender, risk class, and policy duration.
- The guaranteed rates do not exceed the 2001 CSO Unismoke Ultimate Mortality Table rates, and are listed in the policy contract.

Surrender Charge

A Surrender Charge is deducted in the event of a full surrender, and is charged on a pro-rata basis for a withdrawal that results in a Base Face Amount decrease.

- The Surrender Charge is only applied to the Base Face Amount. There is no charge applicable to the SFA or ROP.
- Surrender Charge rate varies by issue age, gender, risk class, and death benefit option.
- The Surrender Charge period lasts for 10 years from issue.
- The charge grades down monthly according to an amortization schedule, with a rate of 0% in policy years 11 and thereafter.

Accessing the Policy Value

There are two methods for accessing the Policy Value: Policy Loans and a Withdrawal of Policy Value.[5]

Policy Loans

The net death benefit is reduced by the amount of the loan. If the policy should lapse while a loan is outstanding, the loan will be treated as a distribution from the policy, and there may be tax consequences as a result.

Availability Policy loans are available at any time after the policy is in-force, and until age 121.

Minimum Loan $500

Maximum Loan The maximum loan amount available is the Net Cash Surrender Value (the Cash Surrender Value adjusted for any outstanding loans), minus estimated loan interest and the Monthly Deductions due to the next Policy Anniversary; however the amount available is never less than 90% of the Net Cash Surrender Value.

Loan Spread The loan spread is the difference between the loan rate charged and the interest rate credited to the policy's loan account. This is the net cost of borrowing against the Policy Value.

Current	Years 1-10	1.25%
	Years 11+	0.000%
Guaranteed[6] (maximum)	Years 1-10	1.25%
	Years 11+	0.25%

Tax Considerations Based on current tax laws, loans are not taxed as long as the policy is not a Modified Endowment Contract (MEC) and the policy stays in-force.

Withdrawal of Policy Value

The death benefit will decrease by the amount of the withdrawal or by a greater amount than the withdrawal if the policy is in corridor. If the withdrawal occurs during the policy Surrender Charge period, a proportionate amount of the Surrender Charge will be applied to the BFA decrease amount.

Availability Withdrawals are allowed once per policy month after the first policy anniversary.

Minimum Withdrawal $500

Maximum Withdrawal The remaining Net Cash Surrender Value after a withdrawal must be at least equal to 3 times the Monthly Deductions at the time of the withdrawal.

---

[5] Loans and withdrawals will reduce the death benefit, Cash Surrender Value, and may cause the policy to lapse. Lapse or surrender of a policy with a loan may cause the recognition of taxable income. Policies classified as modified endowment contracts may be subject to tax when a loan or withdrawal is made. A federal tax penalty of 10% may also apply if the loan or withdrawal is taken prior to age 59 ½. Cash value available for loans and withdrawals may be more or less than originally invested.

[6] The guaranteed maximum loan spread for New York policies differs from that of other states. On a guaranteed basis, the spread is 1.50% in years 1-10 and 0.25% in years 11+. The current rate is the same as non-New York policies.

Glossary of Terms

Cash Surrender Value – This is the Policy Value minus Surrender Charges.

Cost of Insurance (COI) Charge – This is the charge for the insurance protection element of a universal life policy. It is determined by multiplying the applicable Cost of Insurance rate by the Net Amount at Risk at the beginning of each policy month. The rate is based on the insured's original issue age, their gender, risk class, and current policy duration. The current Cost of Insurance rates reflect John Hancock's expectations for future mortality experience, based on current experience. The guaranteed Cost of Insurance rates are based on the 2001 CSO Unismoke Mortality Table.

Net Amount at Risk – This is the risk that an insurance company has at a point in time on a particular policy. It is the difference between the total insurance death benefit and the Policy Value. The Net Amount at Risk is used to calculate the Cost of Insurance charge assessed against the policy.

Net Cash Surrender Value – This is the full amount available on surrender of the policy. It equals the Cash Surrender Value, less any outstanding Policy Debt amount.

Planned Premium – The premium the policy owner(s) plans to pay, subject to maximum premium limitations. The policy owner may change the Planned Premium at any time.

Policy Debt – The aggregate amount of policy loans, including borrowed interest, less any loan repayments.

Policy Value – The value of accumulated premiums paid, plus interest, less premium load, withdrawals, Face Amount Charge, Administrative Charges, Cost of Insurance, and charges for any supplemental benefits or riders. It is used to determine the policy's Net Amount at Risk in calculating the Cost of Insurance charges.

Surrender Charge – This charge is designed to cover administrative, underwriting, policy issue, selling and distribution expenses associated with a policy. The Surrender Charge is deducted in the event of a full surrender, and assessed on a pro-rata basis for a BFA decrease. This charge reduces with time.

For financial professional use only. Not for use with the public.

Insurance policies and/or associated riders and features may not be available in all states. Some riders may have additional fees and expenses associated with them.

Insurance products are issued by: John Hancock Life Insurance Company (U.S.A.), Boston, MA 02116 (not licensed in New York) and John Hancock Life Insurance Company of New York, Valhalla, NY 10595.

John Hancock
the future is yours®

MLINY11050911791 01/10