UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

37 BESEN PARKWAY, LLC, on behalf of itself and all others similarly situated, Plaintiff, vs. JOHN HANCOCK LIFE INSURANCE COMPANY (U.S.A.), Defendant.	Civil Action No. 15-cv-9924 **CLASS ACTION COMPLAINT** **JURY TRIAL DEMANDED**

Plaintiff 37 Besen Parkway, LLC ("plaintiff"), and on behalf of itself and all others similarly situated, for its Complaint against defendant John Hancock Life Insurance Company (U.S.A.) ("John Hancock"), states as follows:

NATURE OF THE ACTION

1. This is a class action brought on behalf of plaintiff and similarly situated owners of life insurance policies issued by John Hancock. Plaintiff seeks to represent two classes of injured John Hancock policyholders: (1) policyholders who have been forced to pay unlawful and excessive cost of insurance ("COI") charges by John Hancock, and (2) policyholders who have been charged unlawful and excessive premiums under an "Age 100 Waiver of Charges Rider."

A. Cost of Insurance Overcharges

2. The plaintiff, along with numerous other John Hancock policyholders, has been forced to pay inflated COI charges that are not allowed by the plain language of their insurance contracts. The subject John Hancock policies specify that monthly cost of insurance ("COI") rates "will be based on" expectations of future mortality experience – and nothing else. John Hancock also contractually promised to review those mortality-only based COI rates at least once every 5 policy years.

3. These policy provisions created a mutual and reciprocal commitment between John Hancock and all putative class members: policyholders agree to let John Hancock increase COI rates if expectations of future mortality experience get worse, and in return, John Hancock agrees to *decrease* COI rates on its customers when there is an improvement in mortality experience. John Hancock, however, has failed to live up to its end of the bargain.

4. Nationwide mortality rates have *declined* significantly over the past several decades. John Hancock's expectations of future mortality experience have likewise substantially changed in its favor. As a result, insureds are living longer than John Hancock originally anticipated when the policies at issue were first priced. That is one reason that John Hancock's parent company, reporting on behalf of John Hancock and others, has repeatedly stated in regulatory filings over the past 15 years that mortality experiences were substantially better than it expected. Despite this improved mortality experience, John Hancock has not lowered the COI rates it charges its customers.

5. The components – or, in the case of the John Hancock policies at issue here, the *sole* component – of what a COI rate can be "based on" is a critically important feature of universal life policies. The COI charge is typically the highest expense that a policyholder pays.

6. Universal and variable life policies combine death benefits with a savings or investment component, often known as the "account value." The COI charge is deducted outright from the policy owner's account value, so the policyholder forfeits the COI charge entirely to John Hancock. The COI charge represents John Hancock's risk – the chance that John Hancock will have to pay the death benefit (the policy's "face value") to the policy's owner when the insured dies. The payment of COI charges to cover John Hancock's risk is the policy's insurance component, and John Hancock contractually agreed to base its COI rate *only* on a mortality factor. The COI charge is deducted on a monthly basis, and it is calculated by multiplying the applicable "COI rate" by the net amount at risk that John Hancock stands to pay out when the insured dies (i.e., the difference between the face value and the account value).

7. The subject policies here each state that the COI rates John Hancock charges "will be based on our expectations of future mortality experience." Counsel to the insurance industry has referred to this provision as a "*Single* Consideration Policy Form" because the *only* factor that the carrier can and must consider when reviewing COI rates is "expectations of future mortality experience." This provision requires John Hancock to *decrease* COI rates if it experiences an improvement in expected mortality. In other words, if John Hancock expects fewer people to die at a given rate than originally anticipated, then it will expect to pay out fewer death benefits at a given rate. And if John Hancock pays out fewer death benefits over time, then John Hancock's cost of providing life insurance goes down, and the COI rate should correspondingly decrease. Had the situation been reversed, so that future mortality experience had been worse for John Hancock than originally anticipated, John Hancock would have been contractually entitled to increase its COI rates.

8. In the face of the substantially improved mortality experience that has benefited John Hancock, it is apparent that John Hancock has wrongly construed its policies as granting it a nonsensical "heads I win, tails you lose" power, reserving the right to *increase* COI rates if there were to be an unexpected pandemic that made mortality experience worse than anticipated, but not requiring it to *decrease* COI rates in the face of years and years of improved mortality experience—an improvement that has, in fact, already occurred. John Hancock has also wrongly based COI rates on other factors besides just its expectations of future mortality experience. This position obviously has no merit and breaches the terms of the insurance policies. As a result of this misconduct, plaintiff seeks monetary relief for the COI overcharges that John Hancock has wrongly imposed on its customers.

B. <u>Age 100 Rider Overcharges</u>

9. John Hancock has also charged plaintiff and other similarly situated policyholders unauthorized additional premiums under an Age 100 Waiver of Charges Rider ("Age 100 Rider") included in certain John Hancock life insurance policies.

10. Under the Age 100 Rider, John Hancock relinquishes its right to collect premium payments after the insured reaches age 100, in exchange for the right to collect additional amounts as premium payments for a defined period of time on policies with younger insureds. That is, the policy owner pays more when the insured is younger in order to pay less if and when the insured reaches age 100.

11. Plaintiff's policy explicitly sets the additional premiums that John Hancock could charge and the period of time in which these additional premiums would need to be paid under the Age 100 Rider.

12. According to the policy, John Hancock could charge these additional premiums on the policies with the Age 100 Rider during the years in which the underlying insureds were 32 years old or younger. The policy did not provide for or permit John Hancock to charge any additional premium for the Age 100 Rider for insureds that were 33 years old and older.

13. Notwithstanding the plain language of the policy, John Hancock charged plaintiff additional premiums for the Age 100 Rider even though the insureds were older than 32 years old. This action therefore seeks monetary relief for these impermissible additional premiums charged by John Hancock and paid by plaintiff and other similarly situated policyholders.

THE PARTIES

14. Plaintiff 37 Besen Parkway, LLC ("Besen") is a limited liability company organized and existing under the laws of New York, and its principal place of business is in Rockland County, New York. Plaintiff is the owner of a John Hancock joint universal life insurance policy number 54010426, insuring the lives of John and Jane Doe,[1] which was issued on or about June 1, 2000 by John Hancock Life Insurance Company and currently has a face value of $1.445 million (the "Doe Policy"). At issuance, John Doe was age 70 and Jane Doe was age 65. One of the insureds covered under the policy has already deceased. The Doe Policy remains in-force with John Hancock. The Doe Policy has not received any COI rate decrease since it was issued. The Doe Policy was issued on John Hancock Policy Form 96SURVUL, which on information and belief, was introduced in or around 1997.

15. Defendant John Hancock Life Insurance Company (U.S.A.) is a corporation organized and existing under the laws of Massachusetts, having its principal place of business in Boston, Massachusetts. An endorsement to the Doe Policy states that John Hancock's "statutory

[1] For privacy reasons, plaintiff has substituted "John and Jane Doe" for the names of the actual insureds.

home office" is in Bloomfield, Michigan. Upon information and belief, John Hancock Variable Life Insurance Company and John Hancock Life Insurance Company merged with and into John Hancock Life Insurance Company (U.S.A.) in 2009. The term "John Hancock" includes John Hancock Life Insurance Company (U.S.A.) and all its predecessors.

JURISDICTION AND VENUE

16. This Court has jurisdiction over plaintiff's claims pursuant to 28 U.S.C. § 1332(d) because this is a class action with diversity between at least one class member and one defendant and the aggregate amount of damages exceeds $5,000,000. Upon information and belief, less than two-thirds of the members of the proposed classes in the aggregate are citizens of the State of New York. This action therefore falls within the original jurisdiction of the federal courts pursuant to the Class Action Fairness Act, 28 U.S.C § 1332(d).

17. This Court has personal jurisdiction over John Hancock because John Hancock has confirmed that the owner of this policy is a New York entity and has collected premiums on this policy sent on behalf of the New York entity.

18. Venue is proper in this judicial district pursuant to 28 U.S.C. §§ 1391(b)-(c) because the events giving rise to plaintiff's causes of action occurred in this District, including John Hancock's COI rate overcharge and deduction of unauthorized additional premiums under the Age 100 Rider.

FACTUAL BACKGROUND

A. Cost of Insurance

19. The first set of policies at issue are individual universal life ("UL") policies (including variable universal life ("VUL")), and survivorship UL policies issued by John

Hancock that have the following language about how the rate used to calculate the COI charge – known as the "Applied Monthly Rates" – will be based and later reviewed:

> The Applied Monthly Rates will be based on our expectations of future mortality experience. They will be reviewed at least once every 5 Policy Years. Any change in Applied Monthly Rates will be made on a uniform basis for Insureds of the same sex, Issue Age, and Premium Class, including tobacco user status, and whose policies have been in force for the same length of time.

These policies include, but are not limited to, all policies issued on the policy form of the Doe Policy (i.e., Form 96SURVUL), all policies in the Doe Policy product line, and all policies issued on the following policy forms (and/or policy plans): Form 93-98 (Flexible Premium Variable Survivorship Life Insurance), Form 94-98 (Medallion – Flexible Premium Variable Life Insurance), MAJ498 (Majestic Variable Estate Protection), 96SURVUL (UL Estate Protection), 156-SURV-96, 96LTUL (Medallion Gold), 01MVL (Medallion Variable Universal Life Edge), 99VEP (Variable Estate Protection II), and Majestic UL. These policies are referred to as "COI Class Policies." A copy of the Doe Policy, redacted of personal information, is attached hereto as Exhibit A.

20. The relevant terms of all COI Class Policies are substantively identical to those set forth in the Doe Policy. The policies at issue are all form policies, and insureds are not permitted to negotiate different terms. The COI Class Policies are all contracts of adhesion.

21. This Applied Monthly Rate provision obligates John Hancock to review its COI rates at least once every five policy years, and provides that the *only* factor that the carrier can and must consider when reviewing COI rates are "expectations of future mortality experience." Nothing else. Because the COI rates on the COI Class Policies must be based solely on expectations of future mortality experience, COI rates must be adjusted whether those mortality experiences are improving or declining. By contrast, John Hancock has issued plenty of other

insurance policies that expressly provide it with the right to base its COI rates on factors other than solely mortality when that is its intention.[2]

22. The size of the COI charge matters to universal life policyholders for at least two important reasons: (a) the COI charge is typically the highest expense that a policyholder pays; and (b) the COI charge is deducted from the account value (i.e., the savings component) of the policy, so the policyholder forfeits the COI charge entirely to John Hancock (this is in contrast to the balance of premium payments, which, after expenses are deducted, are deposited into the account value and invested on behalf of the policyholder or credited with interest by the insurance company).

23. John Hancock has forced policyholders to pay excess COI charges by failing to adjust COI rates in the face of improving mortality, and the COI charges are in excess of what John Hancock is contractually permitted to charge to cover its mortality risks.

B. Improving Mortality and John Hancock's Unlawful Failure to Base COI Rates Solely on Expectations of Future Mortality

24. John Hancock has not decreased its COI rates for COI Class Policies, despite the fact that mortality rates have improved steadily *each year* – i.e., mortality risks have only gotten *better* for John Hancock over time, as people are living much longer than anticipated when the products were priced and issued.

25. A mortality table is a chart showing the rate of death at a certain age. Rate of death can be measured as a percentage or in terms of the number of deaths per thousand. Separate tables are produced to reflect groups with different mortality. Mortality tables will

[2] *See, e.g.*, John Hancock Medallion Variable Universal Life Edge II, Policy Form 03MVLII ("The Applied Monthly Rates will be based on our expectations of future mortality, persistency, investment earnings, expense experience, capital/reserve requirements and/or tax assumptions and will never be greater than the Maximum Monthly Rates shown in Section 2."), *available at* http://www.sec.gov/Archives/edgar/data/317411/000119312510000119/dex9926d3.htm.

usually have separate tables for gender. Mortality tables for use with individual life insurance policies additionally distinguish mortality rates for tobacco-use status, underwriting status and duration since underwriting. Mortality tables are used by actuaries to calculate insurance rates, and are designed to reflect mortality rate experience.

26. Beginning at least as early as 1980, the National Association of Insurance Commissioners (NAIC) has issued a series of Commissioners Standard Ordinary ("CSO") mortality tables. These are industry standard mortality tables that are commonly used by insurers to calculate reserves and to set maximum permitted cost of insurance rates in universal life policies.

27. The 1980 table issued by the NAIC was called the 1980 Commissioners Standard Ordinary Smoker or Nonsmoker Mortality Table ("1980 CSO Mortality Table"). That table was the industry-standard table until 2001. In 2001, at the request of the NAIC, the Society of Actuaries (SOA) and the American Academy of Actuaries (Academy) produced a proposal for a new CSO mortality Table. The accompanying report from June 2001 explained that (a) the 1980 CSO Mortality Table was still the industry-standard table and (b) mortality rates had improved significantly each year since the 1980 table issued. The report stated:

> The current valuation standard, the 1980 CSO Table, is almost 20 years old and mortality improvements have been evident each year since it was adopted . . . . [C]urrent mortality levels . . . are considerably lower than the mortality levels underlying the 1980 CSO Table.[3]

28. The report further explained that "[f]or most of the commonly insured ages (from about age 25 to age 75), the proposed 2001 CSO Table mortality rates are in the range of 50% to 80% of the 1980 CSO Table." This means the tables are showing a substantial improvement in

[3] *See* Report of the American Academy of Actuaries' Commissioner's Standard Ordinary (CSO) Task Force, Presented to the National Association of Insurance Commissioners' Life and Health Actuarial Task Force (LHATF), June 2001, *available at* http://www.actuary.org/pdf/life/cso2_june01.pdf.

mortality in a 20 year time period. These mortality improvements represent a substantial benefit that John Hancock should have passed on to policyholders. The final proposed tables were adopted as the 2001 Commissioners Standard Ordinary Mortality Table ("2001 CSO Mortality Table"). The 2001 CSO Mortality Table reflected vastly improved mortality experience as compared to the 1980 CSO Mortality Table.

29. The Society of Actuaries is currently investigating an update of the CSO tables with a current target publication date of 2017. An investigative report on the update of the CSO tables by the society was published in March 2015 and showed further significant reductions in insurance company reserves compared to CSO 2001 due to mortality improvements since 2001.

30. The 2001 CSO Mortality Table was generated from the 1990-95 Basic Mortality Tables published by the Society of Actuaries. The Society of Actuaries performs surveys of large life insurance companies for the death rates actually observed in their policies and compares these to published mortality tables. Periodically the Society will publish an updated table to reflect the evolving industry experience. Major updates they have published over the last few decades include:

- 1975-1980 Basic Select And Ultimate Mortality Table
- 1985-90 Basic Select and Ultimate Mortality Tables
- 1990-95 Basic Select and Ultimate Mortality Tables
- 2001 Valuation Basic Mortality Table
- 2008 Valuation Basic Table
- 2015 Valuation Basic Table

31. The 1990-95 Basic Table reflected the death rates observed by 21 large life insurance companies (including John Hancock) with policy anniversaries between 1990 and 1995. This experience study is for data at, around, or immediately prior to the publication of the policy forms which are the subject of this complaint. The 2001, 2008 and 2015 Valuation Basic tables each show significant mortality improvements from the 1990-1995 Basic tables

demonstrating that since the introduction of the 2001 CSO Mortality Table, mortality experience has continued to improve substantially and consistently.

32. John Hancock has repeatedly acknowledged that, consistent with industry experience, its mortality experience has been better than it expected. For example, John Hancock's parent (Manulife Financial Corporation) made the following statement in its 2014 annual report, noting that recent mortality experience has been "favorable" when compared to its assumptions:

> Mortality relates to the occurrence of death. Mortality assumptions are based on our internal as well as industry past and emerging experience and are differentiated by sex, underwriting class, policy type and geographic market. We make assumptions about future mortality improvements using historical experience derived from population data. Reinsurance is used to offset some of our direct mortality exposure on in-force life insurance policies with the impact of the reinsurance directly reflected in our policy valuation.
>
> Actual mortality experience is monitored against these assumptions separately for each business. Where mortality rates are lower than assumed for life insurance, the result is favorable, and where mortality rates are higher than assumed for payout annuities, mortality results are favorable. ***Overall 2014 experience was favorable when compared with our assumptions***. Changes to future expected mortality assumptions in the policy liabilities in 2014 resulted in a decrease in net policy liabilities.

33. The same conclusion of "favorable" mortality experiences compared to carrier assumptions is also documented in annual reports from 2013 and before. In fact, between 2000 and 2013, there was only a single year – and that was in 2002 – in which Manulife reported that mortality experience was "consistent with the Company's assumptions." Manulife Financial Corporation reports on behalf of its subsidiaries, including John Hancock, and it "operat[es] under the John Hancock brand in the U.S."

34. Despite this consistent trend of improving rates of mortality, John Hancock has never decreased the COI rates on COI Class Policies.

35. Moreover, John Hancock's COI rates include factors other than mortality, in violation of the plain language of the contract. As a result, John Hancock overcharged policyholders even if expectations of future mortality experience had never improved. This improper calculation of COI rates further damaged policyholders.

C. <u>John Hancock's Unauthorized Age 100 Rider Overcharges</u>

36. The second set of policies at issue are certain universal life policies issued by John Hancock that include an Age 100 Waiver of Charges Rider ("Age 100 Rider") that lists an Age 100 Waiver Monthly Rate by age. These policies include, at a minimum, the Doe Policy and all policies issued on the Age 100 Waiver of Charges Rider form used on the Doe Policy. These policies are referred to as "Rider Class Policies."

37. The relevant terms of all Rider Class Policies are substantively identical to those set forth in the Doe Policy. The policies at issue are all form policies, and insureds are not permitted to negotiate different terms. The Rider Class Policies are all contracts of adhesion that are drafted solely by John Hancock.

38. The Age 100 Rider that is included in all Rider Class Policies specifies that "[p]remium payments under the policy will no longer be accepted after the policy anniversary the date the younger Insured attains, or would have attained, age 100."

39. The Age 100 Rider further provides: "This Rider is made a part of the policy to which it is attached, in consideration of: (a) the application, a copy of which is attached to and made a part of the policy, and (b) payment of any additional premium required by us for this Rider."

40. These additional premiums are calculated in accordance with a table of rates included in the policy. This table explains that the "monthly cost of Insurance Charge for [the

Age 100 Rider] on a Pr[o]cessing Date equals the applicable Age 100 Waiver Monthly Rate times the Net Amount at Risk effective on that Processing Date."

41. The same table sets forth the Age 100 Waiver Monthly Rate, which varies according to the age of the insured. The policy defines age as follows: "On a policy anniversary, 'age' means the age of the younger Insured based upon his or her birthday nearest such anniversary."

42. The policy specifically provides that these additional premiums will only be charged on policies in which the underlying insured is 32 years old or younger. The policy does not provide for or permit John Hancock to charge any Age 100 Waiver Monthly Rate on policies in which the underlying insured is above 32 years old.

43. At all relevant times, the insureds on the Doe Policies have been older than age 32 under the definition of age set forth in the Age 100 Rider.

44. Despite the fact that no Age 100 Waiver Monthly Rate is applicable to the insureds, John Hancock has repeatedly charged plaintiff an additional premium under the Age 100 Rider.

45. Because these are form contracts, other similarly situated owners of Rider Class Policies have paid additional premiums under the Age 100 Rider, despite the fact that the relevant insureds do not have an applicable Age 100 Waiver Monthly Rate.

46. Charging policyholders these additional premiums violates the plain language of the Rider Class Policies. These additional premiums come directly out of policyholders' account value, and go straight into John Hancock's pocket.

CLASS ACTION ALLEGATIONS

47. This action is brought by plaintiff individually and on behalf of two classes pursuant to Rules 23(b)(3) of the Federal Rules of Civil Procedure.

48. The first class – referred to herein as the "COI Decrease Class" – consists of:

> All owners of "universal life" insurance policies issued by John Hancock Life Insurance Company (U.S.A.), or its predecessors, that contain the following language: "The Applied Monthly Rates will be based on our expectations of future mortality experience. They will be reviewed at least once every 5 Policy Years. Any change in Applied Monthly Rates will be made on a uniform basis for Insureds of the same sex, Issue Age, and Premium Class, including tobacco user status, and whose policies have been in force for the same length of time." The Class does not include defendant John Hancock, its officers and directors, members of their immediate families, and the heirs, successors or assigns of any of the foregoing.

49. The second class – referred to herein as the "Rider Overcharge Class" – consists of:

> All owners of universal life insurance policies issued by John Hancock Life Insurance Company (U.S.A.), or its predecessors, that contain an Age 100 Waiver of Charges Rider that lists Age 100 Waiver Monthly Rates by age. The Class does not include defendant John Hancock, its officers and directors, members of their immediate families, and the heirs, successors or assigns of any of the foregoing.

50. The classes consist of hundreds of consumers of life insurance and are thus so numerous that joinder of all members is impracticable. The identities and addresses of class members can be readily ascertained from business records maintained by John Hancock.

51. The claims asserted by plaintiff are typical of the claims of the COI Decrease Class and Rider Overcharge Class.

52. The plaintiff will fairly and adequately protect the interests of the classes and does not have any interests antagonistic to those of the other members of the classes.

53. Plaintiff has retained attorneys who are knowledgeable and experienced in life insurance matters and COI matters, as well as class and complex litigation.

54. Plaintiff requests that the Court afford class members with notice and the right to opt-out of any classes certified in this action.

55. This action is appropriate as a class action pursuant to Rule 23(b)(3) of the Federal Rules of Civil Procedure because common questions of law and fact affecting the classes predominate over any individualized issues. Those common questions that predominate include:

(a) the construction and interpretation of the form insurance policies at issue in this litigation;

(b) whether John Hancock's actions in failing to decrease the cost of insurance charges imposed on the COI Decrease Class violated the terms of those form policies;

(c) whether John Hancock based its COI charges on factors other than expected mortality experience;

(d) whether John Hancock violated the terms of the form policies when it charged Rider Overcharge Class members additional premiums under the Age 100 Rider for insureds' older than the ages specified in the policies;

(e) whether John Hancock breached its contracts with plaintiff and members of the classes;

(f) whether John Hancock has experienced better mortality than it expected; and

(g) whether plaintiff and members of the classes are entitled to receive damages as a result of the unlawful conduct by defendants alleged herein and the methodology for calculating those damages.

56. A class action is superior to other available methods for the fair and efficient adjudication of this controversy for at least the following reasons:

(a) the complexity of issues involved in this action and the expense of litigating the claims, means that few, if any, class members could afford to seek legal redress individually for the wrongs that defendant committed against them, and absent class members have no substantial interest in individually controlling the prosecution of individual actions;

(b) when John Hancock's liability has been adjudicated, claims of all class members can be determined by the Court;

(c) this action will cause an orderly and expeditious administration of the class claims and foster economies of time, effort and expense, and ensure uniformity of decisions;

(d) without a class action, many class members would continue to suffer injury, and John Hancock's violations of law will continue without redress while defendant continues to reap and retain the substantial proceeds of their wrongful conduct; and

(e) this action does not present any undue difficulties that would impede its management by the Court as a class action.

FIRST CLAIM FOR RELIEF

Breach of Contract (on behalf of the COI Decrease Class)

57. Plaintiff realleges and incorporates herein the allegations of the paragraphs above of this complaint as if fully set forth herein. This claim is brought on behalf of plaintiff and the COI Decrease Class.

58. The subject policies are binding and enforceable contracts.

59. John Hancock breached the contract by deducting COI charges calculated from COI rates not based on expectations of future mortality experience. These overcharges include,

but are not limited to, the excess COI charges that John Hancock deducted by not reducing COI rates based on improved mortality.

60. John Hancock failure to decrease COI rates also violated the contracts' requirement that John Hancock review COI rates at least once every five policy years because any such review would have shown the need to decrease COI rates based on the improved mortality.

61. Plaintiff and the COI Decrease class have performed all of their obligations under the policies, except to the extent that their obligations have been excused by John Hancock's conduct as set forth herein.

62. As a direct and proximate cause of John Hancock's material breaches of the policies, plaintiff and the COI Decrease Class have been – and will continue to be – damaged as alleged herein in an amount to be proven at trial.

SECOND CLAIM FOR RELIEF

Breach of Contract (on behalf of the Rider Overcharge Class)

63. Plaintiff realleges and incorporates herein the allegations of the paragraphs 1 through 56 above of this complaint as if fully set forth herein. This claim is brought on behalf of plaintiff and the Rider Overcharge Class.

64. The subject policies are binding and enforceable contracts.

65. John Hancock breached the policies by improperly charging additional premiums under the Age 100 Rider for insureds who are not the age they are required to be for any such additional premium charges to be authorized, as defined by the policies

66. Plaintiff and the Rider Overcharge class have performed all of their obligations under the policies, except to the extent that their obligations have been excused by John Hancock's conduct as set forth herein.

67. As a direct and proximate cause of John Hancock's material breaches of the policies, plaintiff and the Rider Overcharge Class have been – and will continue to be – damaged as alleged herein in an amount to be proven at trial.

PRAYER FOR RELIEF

WHEREFORE, plaintiff and the classes pray for judgment as follows:

1. Declaring this action to be a class action properly maintained pursuant to Rule 23 of the Federal Rules of Civil Procedure;

2. Awarding plaintiff and the classes compensatory damages;

3. Awarding plaintiff and the classes pre-judgment and post-judgment interest, as well as attorney's fees and costs; and

4. Awarding plaintiff and the classes such other relief as this Court may deem just and proper under the circumstances.

DEMAND FOR JURY TRIAL

Pursuant to Rule 38 of the Federal Rules of Civil Procedure, plaintiff and the classes hereby demand a trial by jury as to all issues so triable.

Dated: December 21, 2015

s/ Seth Ard
Seth Ard
SUSMAN GODFREY L.L.P.
560 Lexington Avenue, 15th Floor
New York, NY 10022
Tel.: 212-336-8330
Fax: 212-336-8340
sard@susmangodfrey.com

Steven G. Sklaver (application for admission *pro hac vice* to be filed)
Frances Lewis
Glenn Bridgman (application for admission *pro hac vice* to be filed)
SUSMAN GODFREY L.L.P.
1901 Avenue of the Stars, Suite 950
Los Angeles, CA 90067-6029
Tel: 310-789-3100
Fax: 310-789-3150
ssklaver@susmangodfrey.com
flewis@susmangodfrey.com
gbridgman@susmangodfrey.com

Attorneys for Plaintiff and the proposed Classes

EXHIBIT A

John Hancock Life Insurance Company

John Hancock Place
Boston, Massachusetts 02117
1-800-521-1234

INSUREDS [redacted]

SUM INSURED AT ISSUE **$1,445,000**

POLICY NUMBER **54 010 426**

DATE OF ISSUE **JUNE 1, 2000**

PLAN **UL Estate Protection**

JOINT LIFE INSURANCE

The John Hancock Life Insurance Company ("The Company") agrees, subject to the conditions and provisions of this policy, to pay the Death Benefit to the Beneficiary upon the death of the Surviving Insured if such death occurs while the policy is in force, and to provide the other benefits, rights and privileges of the policy.

Payment will be made on receipt at our Home Office in Boston, Massachusetts, of due proof of the Surviving Insured's death. Also, due proof of the death of the first Insured to die must be given to us when such death occurs.

The Policy, which includes any Riders which are a part of the policy on delivery, is issued in consideration of the application and the payment of the Minimum Initial Premium as shown on Page 3.

The Policy Specifications and the conditions and provisions on this and the following pages are part of the policy.

10 Day Right of Examination – This policy may be returned by delivering or mailing it within 10 days after its receipt to the Company at Boston, Massachusetts, or to the agent or agency office through which it was delivered. Immediately on such delivery or mailing, the policy shall be deemed void from the beginning. Any premium paid on it will then be refunded.

Signed for the Company at Boston, Massachusetts.

President

Secretary

Survivorship Flexible Premium Adjustable Life Insurance

Death Benefit payable at death of Surviving Insured

Not eligible for dividends

Benefits, premiums and the Premium Class are shown in the Policy Specifications Section.

Policy Provisions

Alphabetical Guide

1. POLICY SPECIFICATIONS

Insured	[redacted]	[redacted]
Issue Age	70	65
Sex	M	F
Premium Class	Select	Select

Owner, Beneficiary As designated in the application subject to Section 15 of the policy.

Policy Number 54 010 426 **Plan** UL Estate Protection

Date of Issue June 1, 2000 **Sum Insured at Issue** $1,445,000

Death Benefit Option at Issue Option A

Tax Test Elected Guideline Premium Test

Other Benefits and Specifications

Minimum Sum Insured	$250,000
Primary No Lapse Guarantee Period*	The first 5 Policy Years
Secondary No Lapse Guarantee Period*	The first 35 Policy Years

Age 100 Waiver of Charges Rider * The date of issue and the issue ages of each Rider is the Date of Issue and the issue ages of the policy unless otherwise specified in the Rider.

PREMIUMS

Planned Premium*	$7,000.00 per year
Target Premium	$26,631.35 per year for all years
Monthly Primary No Lapse Guarantee Premium*	$1,701.48 per month
Monthly Secondary No Lapse Guarantee Premium*	$2,195.14 per month
Minimum Initial Premium	$20,417.76
Billing Interval	Semi-Annual

*** See Section 3, Definitions, and Section 8, Grace Period, for further details regarding the Primary No Lapse Guarantee Period.**

1. POLICY SPECIFICATIONS, continued

MAXIMUM POLICY CHARGES

Deductions from Premium Payments

Sales Charge:

Target Premium	8% for all Policy Years
Excess Premium	6% for all Policy Years

Monthly Deductions from Account Value

Maintenance Charge	$10.00 for all Policy Years
Issue Charge	$711.66 for the first 4 Policy Years
Cost of Insurance Charge	Determined in accordance with Section 9, and deducted for all Policy Years; Maximum Monthly Rates are shown in Section 2
Age 100 Waiver of Charges Rider	Charge deducted each month until younger insured reaches age 100; see Section 2 for charge schedule

Surrender Charge

$35,402.50 during the first Policy Year, decreasing by $2,723.27 each Policy Year to $0 for the 14th Policy Year and thereafter

Notice: The actual premiums paid will affect the Account Value and the duration of insurance coverage, and will affect the Death Benefit if the Account Value affects the Death Benefit. Even if the Planned Premiums shown on page 3 are paid as scheduled, they may not be sufficient to continue the policy in force until the death of the Surviving Insured. The policy will continue in force until the death of the Surviving Insured only if on each Processing Date actual premiums paid plus actual interest credited less any Surrender Charges, any Withdrawals, and any indebtedness is sufficient to provide for all Policy Charges when due, except as provided in Section 8, Grace Period.

2. TABLE OF RATES, continued

Insured [redacted]

Plan Universal Life Estate Protection

Policy Number **54 010 426**

Rider Date of Issue **June 1, 2000**

RIDER INFORMATION

TYPE	DESCRIPTION
Age 100 Waiver of Charges Rider	While this rider is in full force and effect, Policy Charges are waived, without reducing the Total Sum Insured, beginning on the policy anniversary nearest the date the younger Insured attains, or would have attained, age 100. Otherwise, if this rider is not in full force and effect, the Total Sum Insured will be reduced to zero on such date and the death benefit of the policy will thereafter be equal to the Account Value.

-THIS PAGE INTENTIONALLY LEFT BLANK-

2. TABLE OF RATES

A. Rate Table

Policy Year	Maximum Monthly Rates per $1,000 of Net Amount at Risk [1]	Required Additional Death Benefit Factor
1	0.0391	1.20
2	0.1314	1.19
3	0.2424	1.18
4	0.3769	1.17
5	0.5370	1.16
6	0.7263	1.15
7	0.9496	1.13
8	1.2145	1.11
9	1.5274	1.09
10	1.8952	1.07
11	2.3234	1.05
12	2.8148	1.05
13	3.3713	1.05
14	3.9943	1.05
15	4.6867	1.05
16	5.4557	1.05
17	6.3095	1.05
18	7.2609	1.05
19	8.3183	1.05
20	9.4722	1.05
21	10.7254	1.05
22	12.0648	1.05
23	13.5023	1.05
24	15.0328	1.05
25	16.7097	1.05
26	18.5735	1.05
27	20.7090	1.04
28	23.2167	1.03
29	26.0931	1.02
30	28.6277	1.01
31	31.6418	1.00
32	38.5048	1.00
33	52.2757	1.00
34	85.0536	1.00
35	165.3389	1.00

[1] Maximum Monthly Rates are based on the 1980 Commissioners Standard Ordinary Smoker or Nonsmoker Mortality Table, as the case may be.

-THIS PAGE INTENTIONALLY LEFT BLANK-

2. TABLE OF RATES, continued

D. Age 100 Waiver of Charges Rider

Policy Number: 54 010 426 **Issue Age:** 65

Table of Monthly Rates per thousand of Net Amount at Risk

Age [1]	Age 100 Waiver Monthly Rate [2]	Age [1]	Age 100 Waiver Monthly Rate [2]	Age [1]	Age 100 Waiver Monthly Rate [2]
1	0.0000	12	0.0533	23	0.0533
2	0.0000	13	0.0533	24	0.0533
3	0.0000	14	0.0533	25	0.0533
4	0.0000	15	0.0533	26	0.0533
5	0.0000	16	0.0533	27	0.0533
6	0.0533	17	0.0533	28	0.0533
7	0.0533	18	0.0533	29	0.0533
8	0.0533	19	0.0533	30	0.0533
9	0.0533	20	0.0533	31	0.0533
10	0.0533	21	0.0533	32	0.0533
11	0.0533	22	0.0533		

[1] On a policy anniversary, "age" means the age of the younger Insured based upon his or her birthday nearest such anniversary. That "age" will apply until the next anniversary.

[2] The monthly cost of Insurance Charge for this rider on a Precessing Date equals the applicable Age 100 Waiver Monthly Rate times the Net Amount at Risk effective on that Processing Date.

-THIS PAGE INTENTIONALLY LEFT BLANK-

3. DEFINITIONS

The term **"age"** means, on the Date of Issue and on a policy anniversary, the age of the Insured at his or her birthday nearest that date. That "age" will apply until the next anniversary.

The term **"Annual Processing Date"** means every 12th Processing Date starting with the Processing Date next after the Date of Issue.

The term **"application"** means the application for this policy attached to and made a part of this policy.

The term **"Excess Premium"** means that portion of the total Premiums received during any Policy Year that exceeds the Target Premium.

The term **"in force"** means that the insurance under the policy is being continued for the Death Benefit.

The term **"indebtedness"** means all existing loans on this policy plus interest which has either accrued or been added.

The term **"Payment"** means, unless otherwise stated, payment at our Home Office in Boston, Massachusetts.

The term **"Planned Premium"** means the amount that the Owner intends to pay, as indicated in Section 1.

The term **"Policy Year"** means (a) or (b) below whichever is applicable:

(a) The first Policy Year is the period beginning on the Date of Issue and ending on the day immediately preceding the first Annual Processing Date;

(b) Each subsequent Policy Year is the period beginning on an Annual Processing Date and ending on the day immediately preceding the next Annual Processing Date.

The term **"Primary No Lapse Guarantee"** means the policy is guaranteed not to terminate during the Primary No Lapse Guarantee Period, provided all conditions of the policy are met. The Primary No Lapse Guarantee Period is measured from the date of issue of the policy, and is shown on page 3.

The term **"Processing Date"** means the first day of a policy month. A policy month shall begin on the day in each calendar month which corresponds to the day of the calendar month on which the Date of Issue occurred. If the Date of Issue is the 29th, 30th, or 31st day of a calendar month, then for any calendar month which has fewer days, the first day of the policy month will be the last day of such calendar month. The Date of Issue is not a Processing Date.

The term **"Secondary No Lapse Guarantee"** means the policy is guaranteed not to terminate during the Secondary No Lapse Guarantee Period, provided all conditions of the policy are met. The Secondary No Lapse Guarantee Period is measured from the date of issue of the policy, and is shown on page 3.

The term **"Surviving Insured"** means the Insured who is living upon the death of the other Insured. If both Insureds die simultaneously, then the term "Surviving Insured" shall mean the younger of the two Insureds.

The terms **"we"**, **"us"** and **"our"** refer only to the Company.

The term **"written notice"** means, unless otherwise stated, a written notice filed at our Home Office in Boston, Massachusetts.

The terms **"you"** and **"your"** refer only to the Owner(s) of this policy.

4. SUM INSURED

Sum Insured is equal to the Sum Insured at Issue as shown on page 3 until changed. A change will not be effected that would reduce the Sum Insured below the Minimum Sum Insured as shown on page 3 without our prior approval. Scheduled changes are elected on the application. An unscheduled change may be made: (i) on request; (ii) due to a change of Death Benefit Option; or (iii) due to a Withdrawal.

(i) Requested Change – A change may be requested by written notice at any time after the first Policy Year. We reserve the right to limit the number and maximum and minimum amounts of requested changes. A request to increase the Sum Insured will be subject to our approval. We will require evidence of insurability satisfactory to us as part of our approval. A minimum premium payment may also be required. Any increase will be subject to a new "Table of Rates" page, and will be effective on the date shown on that page. Also, the Additional Issue Charge shown on such page will be deducted from the Account Value on each applicable Processing Date beginning on that date. When a requested increase becomes effective, and if then required by our rules, a change in future Planned Premiums, Target premiums, and No Lapse Guarantee premiums will automatically be effected to comply with those rules. When a requested decrease becomes effective, and if then required by our rules, a Withdrawal and/or a change in future Planned Premiums will automatically be effected to comply with those rules. Any decrease will be effective on the next Processing Date after our approval.

(ii) Requested Change in Death Benefit Option – The Sum Insured will increase as provided in the "Death Benefit" provision.

(iii) Change due to a Withdrawal – The Sum Insured may decrease as provided in the "Surrenders and Withdrawals" provision.

The provisions of this policy are to be interpreted to ensure or maintain qualification as a life insurance contract for federal tax purposes, notwithstanding any other provisions to the contrary.

- The following applies if the Tax Test Elected for federal income tax purposes, as shown on page 3, is the Guideline Premium Test. If at any time the premiums paid under the Policy exceed the amount allowable for such tax qualification, such excess amount shall be removed from the Policy as of the date of its payment, together with interest thereon from such date, and any appropriate adjustment in the Death Benefit shall be made as of such date. Such excess amount and interest shall be refunded to the Owner no later than 60 days after the end of the applicable Policy Year. If such excess amount and interest is not refunded by then, the Sum Insured under the policy shall be increased retroactively by the lowest amount necessary to ensure or maintain such tax qualification.

- The following applies if the Tax Test Elected for federal income tax purposes, as shown on page 3, is the Cash Value Accumulation Test. If at any time the amount of the Required Additional Death Benefit, as determined in Section 5, Death Benefit, is insufficient for this policy to qualify as life insurance under federal tax law, the amount of Required Additional Death Benefit shall be increased further by the lowest amount necessary to ensure or maintain such tax qualification.

5. DEATH BENEFIT

The Death Benefit is payable when the Surviving Insured dies while the policy is in force. The Death Benefit will equal the death benefit of the policy minus any indebtedness on the date of death. We will also deduct any unpaid charges under Section 9. In addition, if the Surviving Insured dies during a grace period as described in Section 8, we will also deduct the amount of any unpaid shortfall described in that section.

The death benefit of the policy depends in part on which of the following Options is in effect. The Option at Issue is selected in the application for the policy.

Option A: The death benefit is the Sum Insured, plus any Required Additional Death Benefit as described below.

Option B: The death benefit is the Sum Insured plus the Account Value on the date of death of the Surviving Insured, plus any Required Additional Death Benefit as described below.

- **Required Additional Death Benefit**
  The death benefit of the policy will be increased if necessary to ensure that the policy will continue to qualify as life insurance under federal tax law. The amount of any such increase is the Required Additional Death Benefit.

  With respect to Option A, the Required Additional Death Benefit on any date will be equal to the amount, if any, by which the Total Required Death Benefit as of such date, as defined below, exceeds the Sum Insured.

  With respect to Option B, the Required Additional Death Benefit on any such date will be equal to the amount, if any, by which the Total Required Death Benefit as of such date, as defined below, exceeds the sum of the Sum Insured and the Account Value.

  The Total Required Death Benefit will equal (i) the Account Value multiplied by (ii) the applicable Required Additional Death Benefit factor shown in Section 2.

  A charge for any Required Additional Death Benefit in effect on any Processing Date will be deducted from the Account Value on such date. Such charge will be determined as described in the Cost of Insurance Charge subsection of Section 9.

- **Change of Death Benefit Option**

  You may change from Option B to Option A after issue, but you may not change from Option A to Option B. At the time a new Option takes effect after a change, the Death Benefit under the new Option will be the same as it was under the old Option. A change from Option B to Option A will therefore increase the Sum Insured by the Account Value at the time the new Option takes effect.

6. INCREASE IN CREDITED RATE

We will determine the rate or rates of interest to be credited to the Account Value. In no event will the minimum credited interest rate be less than 4%.

Beginning in Policy Year 11, if the credited rate of interest exceeds 4%, then such credited rate of interest will be increased by an amount equal to the lesser of (i) at least 50% of the difference between the credited rate and the guaranteed rate of 4%, and (ii) 1%.

The increase in credited rate is applied only to amounts of Account Value in excess of indebtedness.

7. PREMIUM PAYMENTS

Payments of premiums shall be made only to us at our Home Office.

Planned Premiums as of the Date of Issue are shown on page 3 and in the application. They are scheduled to be paid on the first day of their premium interval. You may request a change in the amount and frequency of future Planned Premiums, subject to any limitations then in effect. We may make changes in the amount of future Planned Premiums in accordance with the "Sum Insured", "Death Benefit", and "Surrenders and Withdrawals" provisions of the policy.

Subject to our minimum and maximum limits then in effect, additional premiums may be paid while the policy is in force.

When we receive a premium payment we will deduct a Sales Charge, not to exceed the maximum Sales Charge, as shown on page 3A. The remainder will constitute Net Premium.

We may refuse to credit all or part of a premium payment if the total of premiums paid then exceeds the total of all Planned Premiums scheduled to be paid from the Date of Issue as shown on the application. Any uncredited excess will be refunded or applied as otherwise agreed.

8. GRACE PERIOD

If on a Processing Date, prior to the deduction of monthly charges from the Account Value, such charges exceed the Account Value less: (i) any Surrender Charge that would then be due on surrender; and (ii) any indebtedness, this policy will be in default as of such Processing Date ("date of default") and will remain in force for a grace period of 61 days from the date of default. The amount by which such deductions exceed the Account Value less (i) any Surrender Charge that would then be due on surrender, and (ii) any indebtedness is the "shortfall." We will send notice of the minimum premium that we require to keep the policy in force beyond the end of the grace period. If such minimum premium is not received by the end of the grace period, the policy will terminate without value.

The minimum premium that we require will be equal to a payment which produces a Net Premium at least equal to: (i) the shortfall on the date of default plus (ii) all Expense Charges and Cost of Insurance Charges as described in Section 9 for the next two Processing Dates, where such charges are assumed to be equal to those calculated on the date of default.

However, if:

(a) the policy is in the Primary No Lapse Guarantee Period, and there have been no requested increases in Sum Insured or the addition of a rider after the Date of Issue of this policy, then this policy will not terminate in accordance with this "Grace Period" provision provided that during the Primary No Lapse Guarantee Period, on the Processing Date that would begin the Grace Period, the sum of: (i) premiums paid, less (ii) Withdrawals, less (iii) indebtedness equals or exceeds the minimum Monthly Primary No Lapse Guarantee Premium shown on page 3, times the number of completed policy months since the Date of Issue plus the current policy month;

(b) the policy is beyond the Primary No Lapse Guarantee Period, and in the Secondary No Lapse Guarantee Period, and there have been no requested increases in Sum Insured or the addition of a rider after the Date of Issue of this policy, then this policy will not terminate in accordance with this "Grace Period" provision provided that, during the Secondary No Lapse Guarantee Period, on the Processing Date that would begin the Grace Period, the sum of: (i) premiums paid, less (ii) Withdrawals, less (iii) indebtedness equals or exceeds the minimum Monthly Secondary No Lapse Guarantee Premium, as shown on page 3, times the number of completed policy months since the Date of Issue plus the current policy month.

If the Surviving Insured dies during the Grace Period, we will deduct from the proceeds any unpaid charges and costs.

No Rider provisions will be in effect after the policy ceases to be in force.

9. ACCOUNT VALUE

On the later of the Date of Issue or the receipt of the first payment at our Home Office the Account Value will be equal to the Net Premium credited less an amount not to exceed the maximum Monthly Deductions from Account Value shown on page 3A. The first Cost of Insurance Charge is due on the Date of Issue. The Account Value is then determined daily by accumulating with interest the Account Value for the prior day increased by Net Premiums credited and decreased by Withdrawals and, on a Processing Date, the Expense Charges, and Cost of Insurance Charge.

Interest

We will determine the rate or rates of interest to be credited to the Account Value. In no event will the minimum credited interest rate be less than an effective annual guaranteed credited interest rate of 4%.

We will determine a separate rate of interest to be credited to: (i) amounts of Account Value up to and including indebtedness; and (ii) amounts of Account Value in excess of indebtedness. The rate of interest credited to (i) will be the current Loan Interest Rate for this policy less 1.00% for the first 20 Policy Years and .50% thereafter.

Expense Charges

We will deduct from the Account Value on each applicable Processing Date, an amount not to exceed the maximum Issue Charge shown on Page 3A. We will deduct from the Account Value on each Processing Date an amount not to exceed the maximum Maintenance Charge shown on page 3A.

Cost of Insurance Charge

The Cost of Insurance Charge on the Date of Issue or on any Processing Date is the charge: (i) for the Net Amount at Risk; (ii) for any applicable riders which are part of the policy; and (iii) for all ratings, if applicable. The charge for the Net Amount at Risk is an amount equal to the applicable Applied Monthly Rate divided by 1,000 multiplied by the Net Amount at Risk on the Date of Issue or such Processing Date as the case may be. Each Cost of Insurance Charge is deducted in advance of the insurance coverage to which it applies.

The Net Amount at Risk is the amount determined by subtracting (a) from the greater of (b) or (c) where:

(a) is the Account Value at the end of the immediately preceding day less all charges due on the Date of Issue or Processing Date;

(b) (i) is the Sum Insured divided by 1.0032737 for death benefit option A; or

(ii) is the Sum Insured divided by 1.0032737 plus the amount defined in (a) above for death benefit option B; and

(c) is the amount defined in (a) above, multiplied by the applicable Required Additional Death Benefit Factor as shown in Section 2.

The Applied Monthly Rates are the actual rates used to calculate the Cost of Insurance Charge. We will determine the Applied Monthly Rates to be used for this policy. They will not exceed the applicable Maximum Monthly Rates shown in the applicable Table of Rates in Section 2. The Applied Monthly Rates will be based on our expectations of future mortality experience. They will be reviewed at least once every 5 Policy Years. Any change in Applied Monthly Rates will be made on a uniform basis for Insureds of the same sex, Issue Age, and Premium Class, including tobacco user status, and whose policies have been in force for the same length of time.

10. LOANS

You may borrow money from us on receipt at our Home Office of a completed form satisfactory to us assigning the policy as the only security for the loan.

Loans may be made if a Loan Value is available. We may defer loans as provided by law. We will not defer loans for more than 6 months. We will not defer loans that are applied to pay premiums on our policies. Loans may not be made if the policy is in a grace period.

The Loan Value while the policy is in force will be equal to (a) minus (b) minus (c) where:

(a) is the Account Value less any Surrender Charge;

(b) is twelve times the sum of all monthly charges deducted from the Account Value for the policy month in which the loan is obtained; and

(c) is (a) above minus (b) above multiplied by 1.00% in Policy Years 1 through 20 and 0.50% thereafter.

The amount of loan available will be the Loan Value less any existing indebtedness.

Loan interest at a rate described in the "Variable Loan Interest Rate" provision below will accrue daily beginning on the date of the loan. Loan interest will be added to the indebtedness daily and will bear interest at the same rate from the date added.

Indebtedness may be repaid in full or in part at any time before the Surviving Insured's death, and while the policy is in force.

Variable Loan Interest Rate

We will annually determine in the month preceding the policy anniversary the Loan Interest Rate for this policy. This Rate will apply to all indebtedness outstanding during the Policy Year next following the date of determination. The rate will not exceed the higher of (a) the "Published Monthly Average" for the calendar month which is two months before the month in which the date of determination occurs; and (b) 5% for Policy Years 1–20, and 4.5% thereafter.

The "Published Monthly Average" means Moody's Corporate Bond Yield Average – Monthly Average Corporates as published by Moody's Investors Service, Inc. or any successor thereto. If the "Published Monthly Average" is no longer published, we reserve the right to select a substitute that we deem appropriate, subject to applicable law, regulation, or other state requirement.

When a new rate is determined: (a) we may increase the previous rate if the increase would be at least 1/2%; and (b) we must reduce the previous rate if the decrease would be at least 1/2%. We will: (a) notify you of the initial Loan Interest Rate at the time a loan is made; and (b) notify you in advance of a policy anniversary of any increase in the Loan Interest Rate if there is outstanding indebtedness on the policy.

11. SURRENDERS AND WITHDRAWALS

We will determine and pay the Surrender Value of the policy on receipt of written notice and the policy before the Surviving Insured's death. On such receipt the policy will terminate without further value.

The Surrender Value will be equal to the Account Value less any indebtedness and less any Surrender Charge.

After the first Policy Year you may request a surrender of less than the Surrender Value. The total of the requested amount and of any charges made is called a Withdrawal. A charge of $20 will be made. Each Withdrawal must be at least $500. We will pay the requested amount on receipt of written notice and the policy before the Surviving Insured's death.

On such receipt we will deduct the amount of the Withdrawal from the Account Value and the Sum Insured in the following manner:

(a) if Death Benefit Option A is in effect, we will deduct an amount equal to a portion or all of the Withdrawal from the Account Value until the total Withdrawal has been deducted or, if sooner, when the Account Value multiplied by the Required Additional Death Benefit Factor becomes equal to the Sum Insured. After that point is reached, we will reduce the Account Value and the Sum Insured until the whole Withdrawal has been deducted from the Account Value and the Sum Insured.

(b) if Death Benefit Option B is in effect, we will deduct the amount of the Withdrawal from the Account Value and make no other adjustment.

The Withdrawal cannot exceed an amount equal to the Surrender Value less 3 times the amount of all Expense Charges and Cost of Insurance Charges as described in Section 9 for the next three Processing Dates. No Withdrawal can be made unless the resulting Sum Insured is at least equal to the Minimum Sum Insured shown on page 3. We reserve the right to limit the number of Withdrawals. If required by our rules in effect when the Withdrawal becomes payable, a reduction in future Planned Premiums will automatically be effected to comply with those rules.

We may defer the payment of any surrender but not for more than 6 months, or any shorter period as provided by law, from the date we receive written notice and the policy. Interest on the amount of the payment at the guaranteed rate of 4% will be credited for the period that the payment is deferred. No other interest will be credited to such amount.

To surrender your life insurance policy you must provide written notice to us. The notice must contain at least all of the following:

1) An unequivocal request to surrender.
2) The policy number to be surrendered.
3) The Insured's names on the policy to be surrendered.
4) The owner's signature and, if required by the policy or by a legally binding document of which we have actual notice, the signature of a collateral assignee, irrevocable beneficiary, or other person having an interest in the policy through the legally binding document.
5) Either the policy itself, or, in lieu of the policy, a statement that the policy itself has been lost or destroyed.

12. ANNUAL REPORT TO OWNER

We will send you a report at least once in each year which shows:

- The Death Benefit, Sum Insured and Account Value as of the date of the report;
- Premium payments received and charges made since the last report;
- Withdrawals since the last report; and
- Loan information.

13. BASIS OF COMPUTATIONS

Minimum surrender values, reserves and net single premiums referred to in the policy, if any, are computed on the basis of the Commissioners 1980 Standard Ordinary Smoker or Non-Smoker Mortality Table with percentage ratings, if applicable, and based on the sex and the underwriting class of each Insured on the Date of Issue. The computations are made using interest at the rate of 4% a year and using continuous functions.

The Account Value while the policy is in force is computed as described in Section 9. A detailed statement of the method of computation of values has been filed with insurance supervisory officials of the jurisdiction in which this policy has been delivered or issued for delivery. The values are not less than the minimum values under the law of that jurisdiction.

Any values, reserves and premiums applicable to any provision for an additional benefit shall be specified in the provision and have no effect in determining the values available under the provisions of this Section 13.

14. REINSTATEMENT

Subject to meeting the following conditions, the policy may be reinstated within 3 years after the date termination occurs under the Grace Period provision provided (a) both Insureds are alive or one Insured is alive and the lapse occurred after the death of the other Insured; and (b) the surrender value has not been paid. The requirements for reinstatement are:

(1) Evidence of insurability satisfactory to us must be submitted;

(2) The balance of any unpaid Cost of Insurance Charge and any Expense Charges for the period before the policy terminated must be paid together with interest thereon at the Loan Interest Rate or such lesser rate as provided by law;

(3) A minimum premium sufficient to keep the policy in force for two months must be paid;

(4) The balance of any unpaid Issue Charges from the date the policy terminated to the date of reinstatement; and

(5) Any indebtedness must be paid or reinstated.

The Suicide and Incontestability provisions will apply from the effective date of reinstatement. If the policy has been in force for 2 years during the lifetime of each Insured, it will be contestable only as to statements made in the reinstatement application.

The effective date of a reinstated policy will be the monthly anniversary day on or next following the day we approve the application for reinstatement.

15. OWNER AND BENEFICIARY

The Owner and the Beneficiary will be as shown in the application unless you change them or they are changed by the terms of this provision. If no Owner is designated, the Insureds will jointly be the Owner. If the Insureds are jointly the Owner, then (unless otherwise provided in the application or by written notice) upon the death of either of them the Surviving Insured will be the sole Owner.

You shall have the sole and absolute power to exercise all rights and privileges without the consent of any other person unless you provide otherwise by written notice.

If there is no surviving Beneficiary upon the death of the Surviving Insured, then the following will apply:

If the Surviving Insured is the sole Owner, then the Surviving Insured's estate will be the beneficiary.

In all other cases, the Owner(s) remaining after the death of the Surviving Insured will be the Beneficiary. If there is more than one remaining Owner, they will share the proceeds in the same proportions in which their ownership interest is held.

When at least one Insured is alive, you may change the Owner and Beneficiary by written notice. You may also revoke any change of Owner prior to its effective date by written notice. No change or revocation will take effect unless we acknowledge receipt on the notice. If such acknowledgment occurs, then (i) a change of Beneficiary will take effect on the date the notice is signed, and (ii) a change or a revocation of Owner will take effect as of the date specified in the notice, or if no such date is specified, on the date the notice is signed. A change or revocation will take effect whether or not you or either Insured is alive on the date we acknowledge receipt. A change or revocation will be subject to the rights of any assignee of record with us and subject to any payment made or other action taken by us before we acknowledge receipt.

16. INTEREST ON PROCEEDS

We will pay interest on proceeds paid in one sum in the event of the Surviving Insured's death from the date of death to the date of payment. The rate will be the same as declared for Option 1 in Section 23, Settlement Provisions.

17. CLAIMS OF CREDITORS

The proceeds and any income payments under the policy will be exempt from the claims of creditors to the extent permitted by law.

18. ASSIGNMENT

Your interest in this policy may be assigned without the consent of any revocable Beneficiary. Your interest, any interest of the Insureds and of any revocable Beneficiary shall be subject to the terms of the assignment.

We will not be on notice of any assignment unless it is in writing, nor will we be on notice until a duplicate of the original assignment has been filed at our Home Office. We assume no responsibility for the validity or sufficiency of any assignment.

19. INCONTESTABILITY

This policy, except any provision for reinstatement or policy change requiring evidence of insurability, shall be incontestable after it has been in force during the lifetime of each Insured for two years from its Date of Issue, unless fraud is involved and except when premium payments are insufficient to keep the policy in force.

A reinstatement and any policy change requiring evidence of insurability shall be incontestable after it has been in force during the lifetime of each Insured for two years from its effective date, except when premium payments are insufficient to keep the policy in force.

Any premium payment which we accept under Section 7 subject to insurability shall be considered a policy change. Any increase in the Death Benefit resulting from such payment shall be governed by the immediately preceding paragraph.

20. MISSTATEMENTS

If the age or sex of either Insured has been misstated, we will adjust the benefits under the policy to those that would be applicable at the correct age or sex.

21. SUICIDE

If either of the Insureds commits suicide, while sane or insane, within 2 years from the Date of Issue, the policy will terminate on the date of such suicide and we will pay (in place of all other benefits, if any) an amount equal to the premiums paid less the amount of any indebtedness on the date of death and less any Withdrawals under Section 11. If either of the Insureds commits suicide, while sane or insane, after 2 years from the Date of Issue and within 2 years from the effective date of any increase in the Death Benefit resulting either from any payment of premium we are authorized to refuse under Section 7 or any unscheduled increase in Sum Insured under Section 4, the benefits payable under the policy will not include the amount of such increase but will include the amount of such premium.

If there is a Surviving Insured who was not classified as uninsurable on a single life basis when this policy was issued, and due proof of death of the other Insured is provided to us within 60 days after the date of the suicide, and such suicide occurs during the first two Policy Years, we will make a new policy available on the life of the Surviving Insured. The issue age, Date of Issue, and the Insured's underwriting classification under the new policy will be the same as when this policy was issued. The amount of coverage under the new policy will be the Sum Insured under this policy. The new policy will include any riders that were included in this policy, if such riders were available on a single life basis on the date of issue of this policy. We will set the premiums for the new policy in accordance with our regular rules in use on the Date of Issue. The new policy will not take effect unless all premiums due since the Date of Issue are paid to us within 31 days after we notify you of the availability of the new policy. If the person eligible to be insured under the new policy dies prior to the end of such 31 day period, we will pay the Sum Insured under the new policy less all premiums that would have been due under the new policy from its Date of Issue to the date of such person's death.

22. THE CONTRACT

The written application for the policy is attached at issue. The entire contract between the applicant and us consists of the policy and such application. However, additional written applications for policy changes or acceptance of excess payment under Section 7 may be submitted to us after issue and if accepted by us such additional applications become part of the policy. All statements made in any application shall, in the absence of fraud, be deemed representations and not warranties. We will use no statement made by or on behalf of the Insureds to defend a claim under the policy unless it is in a written application.

Policy Years, policy months, and policy anniversaries are measured from the Date of Issue.

Any reference in this policy to a date means a calendar day ending at midnight local time at our Home Office.

Changes in this policy may be made only by agreement between you and us.

Only the President, Vice President, the Secretary, or an Assistant Secretary of the Company has authority to waive or agree to change in any respect any of the conditions or provisions of the policy, or to extend credit or to make an agreement for us.

Any reference in this policy to a percentage interest rate shall mean such percentage on an annualized effective basis unless otherwise specified to the contrary.

23. SETTLEMENT PROVISIONS

Optional Methods of Settlement

In place of a single payment, an amount of $1,000 or more payable under the policy as a benefit, as a Withdrawal or as the Surrender Value, if any, may be left with us, under the terms of a supplementary agreement. The agreement will be issued when the proceeds are applied through the choice of any one of the options below, or any additional options we, in our sole discretion, may make available after issue. We shall at least annually declare the rate of interest or amount of payment for each option. Such declaration shall be effective until the date specified in the next declaration.

Option 1 – Interest Income at the declared rate but not less than 3.5% a year on proceeds held on deposit. The proceeds may be paid or withdrawn in whole or in part at any time as elected.

Option 2A – Income of a Specified Amount, with payments each year totaling at least 1/12th of the proceeds, until the proceeds plus interest is paid in full. We will credit interest on unpaid balances at the declared rate but not less than 3.5% a year.

Option 2B – Income for a Fixed Period with each payment as declared but not less than that shown in the Table for Option 2B.

Option 3 – Life Income with Payments for a Guaranteed Period, with each payment as declared but not less than that shown in the Table for Option 3. If the Payee dies within that period, we will pay the present value of the remaining payments. In determining present value, we will use the same interest rate used to determine the payments for this option.

Option 4 – Life Income without Refund at the death of the Payee of any part of the proceeds applied. The amount of each payment shall be as declared but not less than that shown in the Table for Option 4.

Option 5 – Life Income with Cash Refund at the death of the Payee of the amount, if any, equal to the proceeds applied less the sum of all income payments made. The amount of each payment shall be as declared but not less than that shown in the Table for Option 5.

You may choose an option by written notice to us: (a) while either Insured is alive; and (b) before the proceeds become payable. If you have made no effective choice, the Payee may make one by written notice within: (a) 6 months after the death of the Surviving Insured; or (b) 2 months after the date on which the proceeds, if any, are payable in any case except death.

No choice of an option may provide for payments of less than $50.00. The first payment will be payable as of the date the proceeds are applied, except that under Option 1 it will be payable at the end of the first payment interval.

The Payee under an option shall be either of the Insureds, if living, and otherwise the Beneficiary.

No option may be chosen without our consent if the proceeds are payable: (1) in any case, except death, before the policy has been in force on the same plan for at least 5 years; or (2) in any case to an executor, administrator, trustee, corporation, partnership, association, or assignee.

A Payee may, by written notice, name and change a Contingent Payee to receive any final amount that would otherwise be payable to the Payee's estate.

Table for Settlement Options 2B, 3, 4, and 5

(Monthly payments for each $1000 of proceeds applied)

OPTION 2B Income for a Fixed Period		Age of Payee on Birthday Nearest Date of First Payment	**OPTION 3** Life Income with Guaranteed Period		**OPTION 4** Life Income without Refund	**OPTION 5** Life Income with Cash Refund
Period of Years	Payment		10 Years	20 Years		
1	84.46	**40**	3.53	3.50	3.54	3.46
2	42.86	**41**	3.57	3.54	3.58	3.50
3	28.99	**42**	3.62	3.58	3.63	3.54
4	22.06	**43**	3.66	3.62	3.68	3.58
5	17.91	**44**	3.77	3.66	3.73	3.62
6	15.14	**45**	3.76	3.71	3.78	3.66
7	13.16	**46**	3.82	3.75	3.83	3.71
8	11.68	**47**	3.87	3.80	3.89	3.75
9	10.53	**48**	3.93	3.85	3.95	3.80
10	9.61	**49**	3.99	3.90	4.02	3.85
11	8.86	**50**	4.05	3.95	4.08	3.91
12	8.24	**51**	4.12	4.01	4.15	3.96
13	7.71	**52**	4.19	4.06	4.22	4.02
14	7.26	**53**	4.26	4.12	4.30	4.08
15	6.87	**54**	4.34	4.18	4.38	4.15
16	6.53	**55**	4.42	4.24	4.47	4.21
17	6.23	**56**	4.50	4.31	4.56	4.28
18	5.96	**57**	4.59	4.37	4.66	4.36
19	5.73	**58**	4.69	4.44	4.76	4.44
20	5.51	**59**	4.79	4.50	4.87	4.52
21	5.32	**60**	4.89	4.57	4.99	4.60
22	5.15	**61**	5.00	4.64	5.11	4.69
23	4.99	**62**	5.12	4.71	5.25	4.78
24	4.84	**63**	5.24	4.77	5.39	4.88
25	4.71	**64**	5.37	4.84	5.54	4.99
26	4.59	**65**	5.50	4.91	5.70	5.09
27	4.47	**66**	5.64	4.97	5.87	5.21
28	4.37	**67**	5.79	5.03	6.06	5.33
29	4.27	**68**	5.94	5.09	6.26	5.46
30	4.18	**69**	6.10	5.14	6.47	5.59
Annual, Semi-annual or quarterly payments under Option 2B are 11.839, 5.963 and 2.993 respectively times the monthly payments.		**70**	6.27	5.19	6.69	5.73
		71	6.44	5.24	6.94	5.88
		72	6.61	5.28	7.20	6.04
		73	6.79	5.32	7.48	6.20
		74	6.98	5.36	7.79	6.38
		75	7.16	5.38	8.11	6.56
		76	7.35	5.41	8.47	6.75
		77	7.54	5.43	8.84	6.96
		78	7.72	5.45	9.25	7.17
		79	7.91	5.46	9.69	7.39
		80	8.08	5.48	10.17	7.64
		81	8.25	5.49	10.68	7.88
		82	8.41	5.49	11.23	8.13
		83	8.56	5.50	11.82	8.43
		84	8.71	5.50	12.46	8.70
		85 & over	8.83	5.51	13.14	8.99

Options 3, 4 and 5 are available only at the ages as shown.

John Hancock Life Insurance Company

John Hancock Place
Boston, Massachusetts 02117
1-800-732-5543

POLICY ENDORSEMENT

1. The following Subsection is added to the policy:

Reduction of Sum Insured at Age 100

While the policy is in full force, on the policy anniversary nearest the date the younger Insured attains, or would have attained, age 100, we will automatically:

(a) set the Sum Insured equal to zero, and
(b) discontinue deduction of
- any Issue Charges
- either Maintenance Charges or Administrative Charges, as the case may be
- Cost of Insurance Charges
- Rating Charges
- Rider Charges

from the Account Value. As a result of such changes, and in accordance with the terms of the policy, the death benefit of the policy will thereafter be equal to the Account Value.

In no event will premium payments be accepted after the effective date of the reduction of Sum Insured.

2. In "**Death Benefit**", the following is added to the subsection, "Required Additional Death Benefit":

Beginning on the policy anniversary nearest the date the younger Insured attains, or would have attained, age 100, the Required Additional Death Benefit Factor is 1.00.

Signed for the Company at Boston, Massachusetts.

Secretary

John Hancock Mutual Life Insurance Company

John Hancock Place
Boston, Massachusetts 02117
1-800-521-1234

AGE 100 WAIVER OF CHARGES RIDER

We agree, subject to the terms and conditions of this Rider, the Policy, and any endorsements thereto, to waive any charges described below in the Beginning of Period of Waiver of Charges at Age 100 provision, if applicable, from the Account Value without reducing the Sum Insured.

Such waiver of charges will be effective as of the policy anniversary nearest the date the younger Insured attains, or would have attained, age 100.

This Rider is made a part of the policy to which it is attached, in consideration of: (a) the application, a copy of which is attached to and made a part of the policy, and (b) payment of any additional premium required by us for this Rider. The date of issue of this Rider is shown in Section 1 of the policy.

Premium payments under the policy will no longer be accepted after the policy anniversary the date the younger Insured attains, or would have attained, age 100. Beginning on the policy anniversary nearest the date the younger Insured attains, or would have attained, age 100, the Required Additional Death Benefit Factor is 1.00. Policy values will otherwise continue in accordance with the terms and conditions of the policy.

BEGINNING OF PERIOD OF WAIVER OF CHARGES AT AGE 100

Beginning on the policy anniversary nearest the date the younger Insured attains, or would have attained, age 100, any changes from the Account Value, as described in the policy:

- Issue Charges
- Maintenance Charges
- Cost of Insurance Charges
- Rating Charges
- Rider Charges

will be waived for all future Processing Dates, including those due on the policy anniversary nearest the date the youngest Insured attains, or would have attained, age 100 without reducing the Sum Insured, provided the policy is in full force.

TERMINATION

This Rider will terminate on the earliest of:
a. The exchange or termination of the policy; or
b. The day before the payment or application of the Surrender Value; or
c. The next Processing Date after receipt at our Home Office of a request to cancel by written notice and presentation of the policy for adjustment; or
d. The Surviving Insured's death.

Signed for the Company at Boston, Massachusetts.

Secretary

John Hancock Life Insurance Company

John Hancock Place
Boston, Massachusetts 02117
1-800-521-1234

ENDORSEMENT (To be made only by the Company at its Home Office in Boston, MA)

Under Section 8, GRACE PERIOD, subsection (b) is deleted and replaced with the following:

(b) the policy is beyond the Primary No Lapse Guarantee Period, and in the Secondary No Lapse Guarantee Period, and there have been no requested increases in Sum Insured or the addition of a rider after the Date of Issue of this policy, then this policy will not terminate in accordance with this "Grace Period" provision provided that, during the Secondary No Lapse Guarantee Period, on the Processing Date that would begin the Grace Period, the sum of: (i) premiums paid, less (ii) Withdrawals, both accumulated at an effective annual interest rate of 4%, less (iii) indebtedness equals or exceeds the Monthly Secondary No Lapse Guarantee Premium, shown on page 3, also accumulated at an effective annual interest rate of 4% for the number of completed policy months since the Date of Issue plus the current policy month. Such interest accumulation will be measured from the date the premium was credited or the Withdrawal was effective up to such Processing Date that would begin the Grace Period.

Signed for the Company at Boston, Massachusetts.

Secretary

John Hancock Life Insurance Company (U.S.A.)
601 Congress Street, Boston, MA 02210

ENDORSEMENT

As a result of the merger of John Hancock Life Insurance Company into John Hancock Life Insurance Company (U.S.A.), this Endorsement attaches to and forms part of Your Contract, Policy or Certificate, and amends it as follows:

- All references to the name John Hancock Life Insurance Company are changed to John Hancock Life Insurance Company (U.S.A.).
- Any references to Boston, Massachusetts as the statutory home office are changed to Bloomfield Hills, Michigan. The headquarters, however, remains in Boston, Massachusetts, and other administrative or service offices are also not changed.
- All the terms, provisions and conditions of Your Contract, Policy or Certificate remain unchanged except as described in this endorsement.
- The address to send premium payments, obtain claims forms, and file claims remains unchanged.

Signed for the Company on December 31, 2009:

JOHN HANCOCK LIFE INSURANCE COMPANY (U.S.A.)

By:

PRESIDENT

SECRETARY

Communications about this policy may be sent to the Company at John Hancock Place, Boston, Massachusetts 02117.

Survivorship Flexible Premium Adjustable Life Insurance
Death Benefit payable at death of Surviving Insured
Not eligible for dividends
Benefits, premiums and the Premium Class are shown in the Policy Specifications Section.