

**STATE OF VERMONT
DEPARTMENT OF BANKING, INSURANCE, SECURITIES
& HEALTH CARE ADMINISTRATION**

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In re: John Hancock Mutual Life Ins. Co.,)
John Hancock Life Ins. Co. &) DOCKET NO. 03-038-I
John Hancock Variable Life Ins. Co.)
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CONSENT ORDER

1. Pursuant to the authority contained in Vermont law, including but not limited to, 8 V.S.A. §§ 10-13, 3564-3566, 3573-3574, 4726 and 4804, the Commissioner of the Department of Banking, Insurance, Securities and Health Care Administration (the “Department”) is charged with administering and enforcing the insurance laws and regulations of the State of Vermont and its authorized to conduct periodic examinations of insurers and licensees to determine whether they are in compliance with said laws and regulations.

2. The John Hancock Life Insurance Company, formerly John Hancock Mutual Life Insurance Company, is a wholly owned subsidiary of John Hancock Financial Services, Inc. John Hancock Variable Life Insurance Company is a wholly owned subsidiary of John Hancock Life Insurance Company. This Consent Order shall refer to all three entities collectively as “the Company”.

3. By Order signed October 21, 2003 (the "Order"), the Commissioner adopted the November 4, 2002 Market Conduct Examination Report (the "Report") concerning the Company.

4. On or about November 20, 2003 the Company filed an appeal of the Commissioner's Order.

5. The Department and the Company have agreed to resolve this matter without further litigation.

6. The Department acknowledges the Company has cooperated fully in the examination and the Department's subsequent investigation.

7. In consideration of the mutual covenants contained herein, the Company and the Department agree the Order shall be amended as follows:

- a. The penalty ordered in Paragraphs 12 and 35 shall be reduced from \$10,000 to \$5,000.
- b. The penalty ordered in Paragraphs 17 and 41 shall be reduced from \$10,000 to \$5,000.
- c. The Company has indicated the number of group life policies issued to Vermont residents is smaller than anticipated by the Report. To that end, the audit described and ordered in Paragraphs 15 and 39 shall not be required. The Company shall verify in writing to the Department that it has paid interest consistent with 8 V.S.A. § 3665 on all life policies issued to Vermont residents and it will continue to do so in the future. Such verification shall be provided no later than August 2, 2004.

- d. The audit described and ordered in Paragraph 37 shall be on individual paid life claims only and shall not include claims made on group life policies.
- e. The Company has indicated the number of group life policies issued to Vermont residents is smaller than anticipated by the Report. To that end, the audit described and ordered in Paragraphs 20 and 45 shall not be required. The Company shall verify in writing to the Department that it has paid interest consistent with 8 V.S.A. § 3665 on all life policies issued to Vermont residents and it will continue to do so in the future. Such verification shall be provided to the Department no later August 2, 2004.
- f. The audit described in Paragraphs 21 and 46 shall not be required. The Department notes the Company claims to have paid all outstanding interest owing on claims noted in the Report.
- g. The third and fourth paragraph of Paragraph 28 of the Order (page 28) are amended to read as follows: “The undersigned reiterates that the examiners are not bound by the general scope of the examination period and may look into matters beyond that which was initially contemplated. However, upon review of additional information provided by the Company, the undersigned concludes no violation has occurred. The undersigned does not adopt this portion of the Report or the examiners’ recommendation.”
- h. Paragraphs 55 (page 35) is deleted.
- i. Paragraph 56 of the Order (page 35) is deleted.

- j. The Order requires the Company to take various actions by December 22, 2003 a date which has since passed. Actions which were to be completed by December 22, 2003 shall now be completed no later than July 30, 2004.
- k. Penalty payments shall be due within 10 business days of execution of this Consent Order.

8. Except as expressly addressed herein, all other provisions of the Order remain the same.

9. The Company agrees to pay interest on life insurance claims pursuant to 8 V.S.A. § 3665, as interpreted by the Order, on all claims paid on policies issued to Vermont residents.

10. Upon execution of this Consent Order the Company's appeal shall be considered dismissed and the Order, subject to the amendments detailed herein, shall become final and not subject to collateral attack.

It is so ORDERED, this _____ day of _____, 2004.

Vermont Department of Banking, Insurance
Securities and Health Care Administration

by: John P. Crowley
Commissioner

Respondents Consent

Respondent hereby consent to the contents and terms of this Consent Order and to all representations made herein. The person executing this Consent Order on

Respondents behalf is an officer of Respondent and has the power to bind it to the terms of this Consent Order. After careful consideration, Respondent executes this Consent Order knowingly and voluntarily.

Signature

Date

Print Name

Title