REGULATORY SETTLEMENT AGREEMENT

This Regulatory Settlement Agreement ("**Agreement**") is entered into by and between those state insurance Departments whose signatures are shown on the signature page of this agreement (collectively referred to herein as the "**Departments**"), and John Hancock Life Insurance Company (U.S.A.), in its own right and as the successor in interest to John Hancock Life Insurance Company and John Hancock Variable Life Insurance Company pursuant to a duly approved merger effective December 31, 2009, and John Hancock Life & Health Insurance Company), (collectively ("**John Hancock**" or "**the Company**") (the Departments and Company are collectively referred to herein as the ("**Parties**") as of this 9th day of November, 2012.

RECITALS

WHEREAS, the Departments have regulatory jurisdiction over the business of insurance transacted in their respective states, including the authority to conduct market conduct examinations;

WHEREAS, the Departments, in each of their respective capacities, have undertaken a joint market conduct examination of the Company's settlement practices, procedures and policy administration relating to claims, including the Company's efforts to identify the owners and beneficiaries of unclaimed Proceeds (the "**Multi-State Examination**");

WHEREAS, as part of the Multi-State Examination, the Departments have reviewed numerous documents and information obtained during the course of the Multi-State Examination;

WHEREAS, the Departments have identified concerns regarding the adequacy of the Company's prior policies and procedures to ensure that, in the absence of a claim, life insurance and endowment policies, annuities, and other funds are timely paid out to Beneficiaries, and are timely reported or remitted in accordance with the "Unclaimed Property Laws" and the "Insurance Laws" (hereafter defined);

WHEREAS, the Departments have identified concerns regarding the Company's historical use of the "DMF" (hereafter defined) to terminate payment under annuity contracts in the "payout" phase to annuitants who have died, but not attempt to locate Beneficiaries to pay out the death benefit under annuity contracts or life policies issued by the Company;

WHEREAS, the Departments have identified concerns with the adequacy of the Company's policies and procedures to ensure that the financial benefits due under matured annuity contracts are paid to annuitants or reported and remitted in accordance with the Unclaimed Property Laws and the Insurance Laws;

WHEREAS, the Departments have identified concerns regarding the adequacy of the Company's policies and procedures to ensure that assets held in the Company's Retained Asset Accounts are paid to such account owners or Beneficiaries (hereafter defined) or reported and remitted in accordance with the Unclaimed Property Laws, when the account owner is listed as deceased on the DMF, or, alternatively, the account owner has not initiated a financial or administrative action with respect to the Retained Asset Account for an extended period of time;

WHEREAS, John Hancock represents that it has policies and procedures to ensure payment of valid claims to Beneficiaries or, in the event that the Company's search identifies no living Beneficiary, to report and remit unclaimed Proceeds to the appropriate states in accordance with state Unclaimed Property Laws;

WHEREAS in 2011 the Company entered into an agreement with the Florida Office of Insurance Regulation, the Florida Attorney General, the Florida Department of Financial Services, and an agreement with the controllers or officials with regulatory authority over Unclaimed Property Laws in 35 states and the District of Columbia, the latter of which has been joined by an additional six states, under which it agreed to further strengthen its procedures for identifying claims, locating beneficiaries, and when appropriate, reporting and remitting unclaimed proceeds to the appropriate states;

WHEREAS, the Company denies any wrongdoing or activities that violate any Insurance Laws in the state of each Department or any other applicable laws, but in view of the complex issues raised and the probability that long-term litigation and/or administrative proceedings would be required to resolve the disputes between the Parties hereto, the Company and the Departments desire to resolve differences between the Parties as to the interpretation and enforcement of Insurance Laws and all claims that the Departments have asserted or may assert with respect to the Company's claims settlement practices based upon the use, or lack of the use, of the DMF or any other source or record maintained by or located in the Company's records regarding the death of a Policyholder (hereafter defined).

NOW, THEREFORE, the Parties agree as follows:

1. **Defined Terms**. Solely for the purpose of this Agreement, those capitalized terms in this Agreement not otherwise defined in the text shall have the following meanings:

a. **"Accountholder"** means the owner of a "Retained Asset Account."

b. **"Annuity Contract"** means a fixed or variable annuity contract other than the following: a fixed or variable annuity contract issued to fund an employer-based retirement plan, where John Hancock has no obligation under the terms of the annuity contract to maintain information on specific participants, or where the payment of benefits, including death benefits, under the contract are only made based on the instructions provided to John Hancock by the trustee, employer, or the authorized representatives of the employer-based retirement plan.

c. "**Annuity Contract Owner**" means the owner of an Annuity Contract.

d. **"Beneficiary"** or **"Beneficiaries"** means the party or parties contingently entitled to receive death benefit Proceeds payable pursuant to a Policy, Annuity Contract or Retained Asset Account.

e. **"Death Master File"** or **"DMF"** means a version of the United States Social Security Administration's Death Master File or any other database or service that is at least as comprehensive as the United States Social Security Administration's Death Master File for determining that a person has reportedly died. The Death Master File must include at least one full version of the file and may include update files.

f. **"Date of Death"** means the date on which a Policyholder identified by the DMF or any other source or record maintained by or located in the Company's records has died.

g. **"Date of Death Notice"** (or "Notice of Death") means the date the Company first has notice of the Date of Death of a Policyholder. For purposes of this Agreement and subject to Schedule A hereto, notice shall include information provided in the DMF or an equivalent database containing the same information as the DMF, or any other source or record maintained by or located in the Company's records.

h. **"Death Master File Match"** means a search of the Death Master File that results in a match of a unique biological individual under the criteria provided in the attached Schedule A.

i. **"Effective Date"** means the date this Agreement has been executed by the Company, and 20 Departments, including each of the Lead Departments.

j. **"Exception"** means an event described in subparagraphs i. – iii. below:

i. for death benefits under Life Insurance Policies, Annuity Contracts and Retained Asset Accounts: (a) the individual identified in the Date of Death Notice as the Insured, annuitant, or Annuity Contract Owner, is not dead or not the Insured, annuitant, or Annuity Contract Owner; (b) the Policy or Annuity Contract was not in force at the Date of Death; (c) there is no death benefit due and payable upon death (e.g., an exclusionary event, payment is contingent on cause/manner of death, contestability/suicide period has not expired, etc.); (d) the death benefit under an Annuity Contract is within the five (5) year deferral period under the Internal Revenue Code, and the Beneficiary has indicated an intent to defer; and/or (e) the full value of any benefits due and payable upon death has in fact been remitted to the Beneficiary or reported and remitted as Unclaimed Property to the affected state(s).

ii. for Annuities that have reached their Maturity Date: (a) there is no benefit due and payable on the Maturity Date and/or (b) the full value of any benefits due and payable upon the Maturity Date has in fact been remitted to the Beneficiary or reported and remitted as Unclaimed Property to the affected state(s);

iii. for Retained Asset Accounts: (a) the Accountholder has taken affirmative action in respect to the Retained Asset Account that is inconsistent with abandonment (automatic financial or administrative transactions, other than automated deposits or withdrawals prearranged by the account owner, and/or the non-receipt by the Company of returned mail shall not constitute "affirmative action" for this purpose, except to the extent where the affected state specifically recognizes that such activity is sufficient to prevent property from being presumed abandoned); or (b) the full value of the Retained Asset Account has in fact been remitted to the Beneficiary or reported and remitted as Unclaimed Property to the affected state(s);

k. **"Future Settlement Agreement"** means any settlement agreement entered into by any other insurer and the Departments concerning the subject matter of this Agreement.

l. **"Insurance Laws"** means the Insurance Code, Rules, and Regulations in effect in each Department's state.

m. **"Insured"** means an individual identified as the insured under a Policy.

n. **"John Hancock Records"** means Policyholder information maintained on John Hancock's Policyholder administrative systems concerning the Company's in-force Policies, Annuity Contracts, and Retained Asset Accounts, as well those Policies that lapsed and that are still within the applicable state dormancy period.

o. **"Lead Departments"** means the Departments of California, Michigan, Illinois, New Hampshire, North Dakota and Pennsylvania.

p. **"Maturity Date"** means the date in an Annuity Contract that annuity payments are scheduled to begin, unless the records of the Company indicate that the Maturity Date has been extended in accordance with the terms of the Annuity Contract, or the Annuity Contract Owner has taken action with respect to the Annuity Contract that is inconsistent with a desire to annuitize. For purposes hereof, "action in respect to the Annuity Contract that is inconsistent with a desire to annuitize" shall mean any communication by the Annuity Contract Owner or his/her authorized representative to the Company requesting an extension of the maturity date, a partial annuitization, a partial withdrawal of contract value (including required minimum distributions or systematic withdrawals, unless such distributions or withdrawals remain uncashed, and partial exchanges of the Annuity Contract for another Annuity Contract), termination or surrender of the Annuity Contract, payment of all death benefits due, or payment of additional purchase payments.

r. **"Policy"** means any individual life policy or endowment policy or group life insurance policy or certificate of life insurance for which John Hancock performs Recordkeeping services and that provides a death benefit payable by John Hancock. The term "Policy" shall not include group life insurance policies, or certificates issued thereunder, where John Hancock does not perform Recordkeeping functions.

s. **"Policyholder"** means an Insured, annuitant, Retained Asset Account Owner or Annuity Contract Owner whose death results in the payment of Proceeds.

t. **"Proceeds"** means the money payable under a Policy, Annuity Contract or Retained Asset Account of the Company.

u. **"Recordkeeping"** means information that may be contained in John Hancock Records that is necessary to process a claim, including without limitation, Insured's full name, address, date of birth, Social Security Number, coverage eligibility, premium payment status, and Beneficiary's information, including without limitation Beneficiary's name, address, Social Security Number and date of birth.

v. **"Retained Asset Account"** means any mechanism whereby the settlement of proceeds payable under a Policy or individual Annuity Contract including, but not limited to, the payment of cash surrender value, is accomplished by the insurer or an entity acting on behalf of the insurer establishing an account with check or draft writing privileges, where those proceeds are retained by the insurer, pursuant to a supplementary contract not involving annuity benefits.

w. **"Thorough Search"** means the Company's reasonable efforts to identify, locate and contact the Beneficiaries of a Policy, Retained Asset Account, or Annuity Contract after receiving a Date of Death Notice that indicates that the Policyholder has been reported as dead. A Thorough Search shall include the following:

(i) The Company shall use reasonable efforts to identify the Beneficiary and determine a current address for the Beneficiary based upon John Hancock Records including, but not limited to, internal databases, or if no such address for the Beneficiary exists in such records, then a current address for the Policyholder.

(ii) The Company shall make at least two (2) attempts to contact the Beneficiary in writing at the address in (i) above; provided that, if such writing is returned as undeliverable, the Company will not be required to send any additional mailings to that address and will within thirty (30) days attempt to locate Beneficiaries using online search or locator tools, such as Lexis Nexis Accurint, or other comparable databases;

(iii) If the Company obtains an updated address using online search or locator tools as described in (ii) above, the Company shall make at least two (2) attempts in writing to contact the beneficiary at that address; provided that, if such writing is returned as undeliverable, the Company will not be required to send any additional mailings to that address;

(iv) In the event that no response is received to the writings sent pursuant to ii. and iii. above, or a writing sent pursuant to ii. and iii. above is returned as undeliverable, the Company shall attempt to contact the Beneficiary at least three (3) times at the most current telephone number for that Beneficiary contained in John Hancock Records for the particular Policyholder or obtained through the Company's

reasonable use of online search or locator tools provided that, if such number is determined to be incorrect or invalid, the Company will not be required to make any additional phone calls.

(v) In the event that no response has been received to the attempted contacts described above, the Company shall attempt to contact the Beneficiary at the most current available email address for that Beneficiary in the John Hancock Records for the particular Policyholder, if any;

(vi) The Company shall maintain documentation of all attempts described in (i)-(v) to contact the Beneficiary.

Notwithstanding the above, the Company's obligation to conduct a Thorough Search shall cease upon documented contact with a Beneficiary. In the event the Company fails to locate a Beneficiary, including through the efforts described above, the Company shall report and remit the Proceeds in accordance with applicable state Unclaimed Property Laws in those instances in which the Notice of Death is based upon information provided in the DMF or an equivalent database containing the same information as the DMF.

The Company may use any other methodology believed likely to locate a Beneficiary approved by a Signatory State or that can be demonstrated by the Company to provide equivalent or better results than the Thorough Search. If the value of a Policy, Annuity Contract or Retained Asset Account is *de minimus* (defined as $100 or less), the Company shall satisfy its obligations to conduct a Thorough Search by making at least one (1) attempt to contact the Beneficiary or Beneficiaries by mail at the address indicated in John Hancock Records, or if John Hancock Records do not identify a Beneficiary and address, may report and remit the funds to the affected state(s) as Unclaimed Property.

x. **"Unclaimed Property"** means property subject to the Unclaimed Property Laws.

y. **"Unclaimed Property Audit Agreement"** means (i) the Global Resolution Agreement between the Company, Verus Financial, LLC and the Unclaimed Property regulators which became effective on June 1, 2011, including, the letter agreement between John Hancock and Verus, dated October 17, 2012; and (ii) the agreement between Company and the Florida Department of Financial Services, which was entered on May 17, 2011.

z. **"Unclaimed Property Laws"** means the Laws, Rules and Regulations regulating unclaimed property in each of the Signatory States.

2. **Business Reforms**. In accordance with the implementation schedule described in Schedule B, John Hancock will compare John Hancock Records against the Death Master Update File every month and against the Complete Death Master File at least annually to identify Death Master File Matches for potential unclaimed death benefits. John Hancock shall have no responsibility for errors, omissions or delays in information contained in the Death Master File. Furthermore:

a. Subject to Schedule B, if the Company is not contacted by a Beneficiary within ninety (90) days of the Date of Death Notice, the Company shall promptly commence a Thorough Search, which shall be completed within one (1) year from the Date of Death Notice. At the conclusion of that one (1) year period, if (i) the Beneficiary cannot be located by a Thorough Search and (ii) the Company is unable to establish an Exception, and (iii) in those instances in which the Notice of Death is based upon information provided in the DMF or an equivalent database containing the same information as the DMF, it shall report and remit the death benefit proceeds as Unclaimed Property to the affected state(s) at the end of the applicable dormancy period in accordance with the applicable Unclaimed Property Laws.

b. For the sole purpose of this Agreement, the Company, within the time period in Schedule B, shall implement policies and procedures establishing a DMF listing as prima facie proof of death and requiring the Company to initiate its death claims process and conduct a Thorough Search for Beneficiaries in accordance with Section 1(w) of this Agreement. Nothing herein is intended nor shall be deemed to determine the requirements for establishing proof of death for any other purpose, or to confer any rights on any party other than the Company and the Signatory States.

c. In the event that a line of business conducts checks of its Policyholders against the DMF for Death Master File Matches at intervals more frequent than those provided for in this Agreement and such Death Master File Match results in action being taken with respect to a Policy, Annuity Contract, or Retained Asset Account, then that line of business shall share the relevant Policyholder information among applicable lines of business.

d. In the event that John Hancock locates the Beneficiary following a Thorough Search, John Hancock shall provide the appropriate claims forms or instructions, if required, to the Beneficiary to make a claim, including instructions as to the need to provide an official death certificate if consistent with law or the applicable Policy, Annuity Contract, or Retained Asset Account. John Hancock reserves the right to require satisfactory confirmation of death, including a death certificate, as due proof of death, before Proceeds are paid to a Beneficiary or a Beneficiary's legal representative if consistent with law or the applicable Policy, Annuity Contract, or Retained Asset Account. Nothing in this Agreement shall be construed to supersede John Hancock's obligation to maintain effective procedures and resources to deter and investigate fraudulent insurance acts as required by applicable law.

e. The Company shall implement policies and procedures for conducting a Thorough Search. The obligation to conduct a Thorough Search under the terms of this Agreement

shall not abrogate the obligation of the Company to complete any due diligence within the timeframe required by any applicable law.

f. To the extent permitted under applicable law, John Hancock may disclose the minimum necessary personal information about a Policyholder or Beneficiary to a person whom John Hancock reasonably believes may be able to assist John Hancock locate the Policyholder or Beneficiary or a person otherwise entitled to payment of the claims Proceeds, provided however, the Company shall not implement policies or practices that will or may diminish the privacy rights of or amounts of benefits due to Beneficiaries under the terms of its Policies, Annuity Contracts, or Retained Asset Accounts.

g. The Company shall conduct a Thorough Search for group life insurance policies, including group life insurance certificates issued thereunder, where a group life insurance claim is received for which the Company, from information in its administrative systems and/or the group policy claim form, is able to determine that a benefit is due and is able to determine the benefit amount, but the Beneficiary cannot be identified and/or located.

h. The Company shall establish policies and procedures to ensure that:

i. commencing no later than forty-five (45) days prior to the Maturity Date of an Annuity Contract for which the Company is unable to establish an Exception, at least two (2) letters are sent to an Annuity Contract Owner notifying the owner of the upcoming Maturity Date, stating that the Contract will be annuitized following the Maturity Date if no response is received, and identifying any alternatives to annuitization available under the Annuity Contract (e.g., extension of the Maturity Date; surrender of the Annuity Contract);

ii. the Company shall immediately commence a Thorough Search for the Annuity Contract Owner if the letters described in subparagraph i. are returned as undeliverable;

iii. an affirmative request by an Annuity Contract Owner, in accordance with the terms of the Contract, will be required by the Company before a Maturity Date is extended, and such request will be recorded in the Company's books and records;

iv. the Annuity Contract is annuitized as soon as practicable, but in no event more than forty-five (45) days following the Maturity Date, if the Company has a valid address for the Annuity Contract Owner and no response is received to the letters described in subparagraph i. hereof;

v. if a Thorough Search for the Annuity Contract Owner is unsuccessful, or if annuity payments for a contract that has been annuitized under paragraph (iv) above are not deposited within one (1) year, the proceeds will be reported and remitted as Unclaimed Property to the affected state(s) at the end of the applicable dormancy period in accordance with

the applicable Unclaimed Property Laws.

i. The Company shall ensure that all Retained Asset Accounts are monitored for inactivity and each Accountholder is notified that the failure of an Accountholder to make a withdrawal from the account or to respond to communications from the Company may cause the account to be declared dormant and subject to escheat based on the last documented contact with the Accountholder or the Accountholder's authorized representative, subject to Schedule B.

j. The value of the Retained Asset Account(s) shall be the value of the account as of the date the property is paid to the party determined to be the Beneficiary or reported and remitted to the affected state(s).

k. Subject to Schedule B, a Thorough Search for a Beneficiary of a Retained Asset Account or an Accountholder, as appropriate, shall commence following the earlier of (i) ninety (90) days following the Date of Death Notice, (ii) of three (3) or five (5) years, subject to the Unclaimed Property Laws of the affected state, after the date that the Accountholder last initiated a financial or administrative transaction or (iii) the earlier of three (3) or five (5) years, subject to the Unclaimed Property Laws of the affected state, after the last Accountholder-authenticated response to the Company that is documented on the Company's books and records. In the event that the Company is unable to locate a Beneficiary or Accountholder and is unable to establish an Exception within one (1) year after the commencement of the Thorough Search, it shall report and remit the proceeds of the Retained Asset Account as Unclaimed Property to the affected State(s) at the end of the applicable dormancy period in accordance with the Unclaimed Property Laws.

l. No later than Policy or Annuity Contract delivery or establishment of a Retained Asset Account, and upon any change of a Policyholder or Beneficiary, the Company shall request information sufficient to ensure that all benefits are paid to Beneficiaries upon the death of the Policyholder, including, at a minimum, the name, address, telephone number (not including telephone number of Beneficiary(s)), social security number, and date of birth of every Policyholder and Beneficiary of such Policy, Annuity Contract or Retained Asset Account, as applicable. Full compliance with this provision will be expected no earlier than December 2012.

3. Multi-State Examination Payment. Without admitting any liability whatsoever, the Company agrees to pay the Signatory States the sum of $ 13.3 million (the "Payment") for the examination, compliance and monitoring costs incurred by the Signatory States associated with the Multi-State Examination. This amount reflects a national settlement amount of $14.9 million, less a credit of $1.6 million for payments made by the Company to the State of Florida pursuant to the Company's settlement with the Florida Office of Insurance Regulation, the Florida Office of the Attorney General, and the Florida Department of Financial Services, dated May 17, 2011, concerning the subject matter of the Agreement. The $1.6 million credit represents the amount of that settlement deposited into the State of Florida Insurance Regulatory Trust Fund. The Lead Departments shall be responsible for allocating the Payment among the Signatory States. To be eligible to participate in the Payment allocation, a Signatory State must sign the

Agreement by December 31, 2012. The Company agrees to remit the Payment within ten (10) days after the later of the Effective Date or the receipt of the allocation from the Lead Departments , which will extinguish the Company's financial obligations incurred by the Signatory States arising out of the Multi-State Examination, except as set forth in paragraph 4(d), below. The Payment shall be in addition to the Company's obligation to reimburse the Lead Departments for reasonable third-party expenses, including expenses for consultants, incurred in connection with the Department's role in the Multi-State Examination.

4. **Regulatory Oversight**. Each of the Departments shall maintain independent regulatory oversight over the Company's compliance with the terms of this Agreement and in furtherance thereof, John Hancock agrees to the following:

a. For a period of thirty-six (36) months following the Effective Date, the Company shall provide to the Lead Departments quarterly reports on the implementation and execution of the requirements of this Agreement. Each report shall be delivered to each of the Lead Departments within forty five (45) days following the end of the applicable reporting period.

b. Thirty-Nine (39) months following the Effective Date the Lead Departments shall conduct a Multi-State Examination of Company's compliance with the requirements of this Agreement. The Lead Departments shall provide a report summarizing the results of that examination to Company and Signatory States. The examination shall be performed with the cost of the examination to be borne by Company in accordance with the Lead Departments respective laws.

c. The Company may petition a Department to terminate or modify this Agreement in that state. Such a petition may include, but not be limited to, the following grounds: (i) the Agreement's terms, in whole or in part, are inconsistent with the statutes, rules or regulations then in effect in that state; (ii) that a Future Settlement Agreement with a company possessing substantial market share is more favorable than the Agreement; or (iii) by three years from the Effective Date of this Agreement, future Settlement Agreements have not been entered into with companies possessing substantial market share. A Department will not unreasonably withhold its consent to the relief requested by the Company in its petition. Once made by the Company, the Multi-State Examination Payment, as allocated to each Department, is final and non-recoverable under any circumstances including the termination of this Agreement.

d. In addition to the payments set forth in Section 3, the reasonable costs and expenses of the Departments related to the monitoring of the Company's compliance with the Agreement, including the costs and expenses of conducting any reviews or examinations permitted by the Agreement, as well as participating in any meetings, presentations or discussions with the Company, shall be borne by the Company.

e. The monitoring of the Company for compliance with the terms of this Agreement constitutes an ongoing examination by each of the Departments pursuant to each of their

respective state laws. Consistent with applicable law, each Department shall accord confidential treatment to the work papers, recorded information, documents, copies of work papers, and documents produced by, obtained by or disclosed by the Company.

5. **Company Covenants**. The Company covenants and agrees with each of the Departments that it shall comply in all respects with the following terms and conditions:

a. Proceeds under a Policy shall be determined in accordance with the Policy terms.

b. Proceeds under Annuity Contracts shall be determined in accordance with the contract terms.

c. The value of a Retained Asset Account shall be the value of the account as of the date the Proceeds are paid to the Beneficiary.

d. John Hancock shall not charge Beneficiaries for any fees or costs associated with a search or verification conducted pursuant to this Agreement.

e. The Company shall comply with the Unclaimed Property Audit Agreement. Nothing in this Agreement shall abrogate the obligations of the Company under the Unclaimed Property Audit Agreement.

6. **Miscellaneous**.

a. This Agreement shall not confer any rights upon any persons or entities other than the parties to it and is not intended to be used for any other purpose. Nor shall the Agreement be deemed to create any intended or incidental third party beneficiaries, and the matters addressed herein shall remain within the sole and exclusive jurisdiction of the Departments.

b. This Agreement does not impair, restrict, suspend, or disqualify John Hancock from engaging in any lawful business in any jurisdiction based upon, or arising out of, the Multi-State Examination regarding any alleged act or omission of John Hancock.

c. The Parties agree that this Agreement contains the entire agreement between them with regard to the Company's claims settlement practices, procedures, and policy administration relating to the matching of Policyholders against the DMF or any similar database and that there are no other understandings or agreements, verbal or otherwise, between the Parties, except as set forth herein. There have been no representations not set forth herein that any Party has relied upon in entering into this Agreement.

d. Neither this Agreement, nor any act performed or document executed pursuant to or in furtherance of this Agreement, is now or may be deemed in the future to be an admission of or evidence of liability or any wrongdoing by the Company.

e. The Parties represent and warrant that the person executing this Agreement on behalf of each Party has the legal authority to bind the Party to the terms of this Agreement.

f. Each Department agrees to release the Company from all claims, demands, interest, penalties, actions or causes of action that each Department may have by reason of any matter, cause or thing whatsoever regarding or relating to the Multi-State Examination . Nothing in this Agreement shall preclude the Departments from conducting a Multi-State Examination to assess the Company's compliance with this Agreement. In addition to the payments set forth in Section 3, the cost of such an examination shall be borne by the Company in accordance with the Lead Departments' respective Insurance Law.

g. If the state of any Department adopts any Insurance Law addressing insurance companies' use of the Death Master File (or its equivalent) in connection with insurance companies' procedures concerning the payment of Proceeds to Beneficiaries, then John Hancock's compliance with the terms of such Insurance Law of that state after the Effective Date of this Agreement shall be deemed to comply with those terms of this Agreement (i) which relate solely to the use of the Death Master File, and (ii) for the purposes of compliance herewith for that state alone.

h. Notwithstanding anything herein to the contrary, in the event that John Hancock acquires a block(s) of business consisting of Annuity Contracts or Policies previously issued by another company, John Hancock will have a period of one (1) year from the date of each such acquisition to implement the requirements under this Agreement with respect to such Annuity Contracts or Policies.

i. In the event that any portion of this Agreement is enjoined or held invalid under the laws of a Department's state, such enjoined or invalid portion shall be deemed to be severed only for the duration of the injunction, if applicable, and only with respect to that Department and its state, and all remaining provisions of this Agreement shall be given full force and effect and shall not in any way be affected thereby.

j. No later than five years following the Effective Date, the Lead Departments will complete the Multi-State Examination with a final review concerning the Company's compliance with the Agreement. If that review confirms that the Company has fulfilled its obligations under the Agreement, the Multi-State Examination will be closed. The Agreement will terminate eight years following the Effective Date (the "Termination Date"), contingent upon closure of the Multi-State Examination, and the Company's submission of its prospective policies and procedures for DMF matching and beneficiary outreach, to be used after the Agreement ends. This submission shall be made to the Lead Departments six calendar months prior to the Termination Date.

k. Nothing in this Agreement shall be construed as an admission of any party's position as to the preemptive effect of the Employee Retirement Income Security Act of 1974, as periodically amended, on state laws as applied to employment based plans.

l. This Agreement does not abrogate obligations undertaken by the Company under any agreement with unclaimed property officials.

m. This Agreement may be executed in counterparts.

7. **Enforcement.** The failure to comply with any provision of this Agreement shall constitute a breach of the Agreement and a violation of an Order of each Department, and shall subject the Company to such administrative and enforcement actions and penalties as each Department deems appropriate, consistent with each Department's respective state laws.

In Witnesses Whereof, the parties to this Regulatory Settlement Agreement have each caused their signatures to be set forth below on the date first set forth below.

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

By: James D. Gallagher

James D. Gallagher

Its: Executive Vice President, General Counsel & Chief Administrative Officer

JOHN HANCOCK LIFE & HEALTH INSURANCE COMPANY

By: James D. Gallagher

James D. Gallagher

Its: Executive Vice President, General Counsel & Chief Administrative Officer

DATED: NOVEMBER 9, 2012

CALIFORNIA DEPARTMENT OF INSURANCE

By: Dave Jones

DAVE JONES
COMMISSIONER

Date: 11-9-2012

NORTH DAKOTA INSURANCE DEPARTMENT

By:_____

ADAM HAMM
COMMISSIONER

Date:_____

ILLINOIS DEPARTMENT OF INSURANCE

By:_____

ANDREW BORON
DIRECTOR

Date:_____

PENNSYLVANIA INSURANCE DEPARTMENT

By:_____

MICHAEL F. CONSEDINE
COMMISSIONER

Date:_____

MICHIGAN OFFICE OF FINANCIAL AND INSURANCE REGULATION

By:_____

R. KEVIN CLINTON
COMMISSIONER

Date:_____

NEW HAMPSHIRE INSURANCE DEPARTMENT

By:_____

ROGER A. SEVIGNY
COMMISSIONER

Date:_____

CALIFORNIA DEPARTMENT OF INSURANCE

By:_____

DAVE JONES
COMMISSIONER

Date:_____

NORTH DAKOTA INSURANCE DEPARTMENT

By:_____

ADAM HAMM
COMMISSIONER

Date: 11-8-12

ILLINOIS DEPARTMENT OF INSURANCE

By:_____

ANDREW BORON
DIRECTOR

Date:_____

PENNSYLVANIA INSURANCE DEPARTMENT

By:_____

MICHAEL F. CONSEDINE
COMMISSIONER

Date:_____

MICHIGAN OFFICE OF FINANCIAL AND INSURANCE REGULATION

By:_____

R. KEVIN CLINTON
COMMISSIONER

Date:_____

NEW HAMPSHIRE INSURANCE DEPARTMENT

By:_____

ROGER A. SEVIGNY
COMMISSIONER

Date:_____

CALIFORNIA DEPARTMENT OF INSURANCE

By:_____

DAVE JONES
COMMISSIONER

Date:_____

NORTH DAKOTA INSURANCE DEPARTMENT

By:_____

ADAM HAMM
COMMISSIONER

Date:_____

ILLINOIS DEPARTMENT OF INSURANCE

By: A B

ANDREW BORON
DIRECTOR

Date: 11/7/12

PENNSYLVANIA INSURANCE DEPARTMENT

By:_____

MICHAEL F. CONSEDINE
COMMISSIONER

Date:_____

MICHIGAN OFFICE OF FINANCIAL AND INSURANCE REGULATION

By:_____

R. KEVIN CLINTON
COMMISSIONER

Date:_____

NEW HAMPSHIRE INSURANCE DEPARTMENT

By:_____

ROGER A. SEVIGNY
COMMISSIONER

Date:_____

CALIFORNIA DEPARTMENT OF INSURANCE

By:_____

DAVE JONES
COMMISSIONER

Date:_____

NORTH DAKOTA INSURANCE DEPARTMENT

By:_____

ADAM HAMM
COMMISSIONER

Date:_____

ILLINOIS DEPARTMENT OF INSURANCE

By:_____

ANDREW BORON
DIRECTOR

Date:_____

PENNSYLVANIA INSURANCE DEPARTMENT

By: Michael Consedine

MICHAEL F. CONSEDINE
COMMISSIONER

Date: Nov. 8, 2012

MICHIGAN OFFICE OF FINANCIAL AND INSURANCE REGULATION

By:_____

R. KEVIN CLINTON
COMMISSIONER

Date:_____

NEW HAMPSHIRE INSURANCE DEPARTMENT

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ILLINOIS DEPARTMENT OF INSURANCE

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ANDREW BORON
DIRECTOR

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PENNSYLVANIA INSURANCE DEPARTMENT

By:_____

MICHAEL F. CONSEDINE
COMMISSIONER

Date:_____

MICHIGAN OFFICE OF FINANCIAL AND INSURANCE REGULATION

By: R. Kevin Clinton

R. KEVIN CLINTON
COMMISSIONER

Date: 11/8/12

NEW HAMPSHIRE INSURANCE DEPARTMENT

By:_____

ROGER A. SEVIGNY
COMMISSIONER

Date:_____

CALIFORNIA DEPARTMENT OF INSURANCE

By:_____

DAVE JONES
COMMISSIONER

Date:_____

NORTH DAKOTA INSURANCE DEPARTMENT

By:_____

ADAM HAMM
COMMISSIONER

Date:_____

ILLINOIS DEPARTMENT OF INSURANCE

By:_____

ANDREW BORON
DIRECTOR

Date:_____

PENNSYLVANIA INSURANCE DEPARTMENT

By:_____

MICHAEL F. CONSEDINE
COMMISSIONER

Date:_____

MICHIGAN OFFICE OF FINANCIAL AND INSURANCE REGULATION

By:_____

R. KEVIN CLINTON
COMMISSIONER

Date:_____

NEW HAMPSHIRE INSURANCE DEPARTMENT

By:_____

ROGER A. SEVIGNY
COMMISSIONER

Date: 11-8-12

SCHEDULE A

RULES FOR IDENTIFYING DEATH MATCHES.

In comparing John Hancock Records against the DMF, the Company shall use the methodology below as the minimum standard for determining what constitutes a match. The Company shall use the same match rules for Annuity Contracts, Policies and Retained Asset Accounts.

Category 1: "Exact Social Security Number Match" occurs when the Social Security Number contained in the data found in the Company's records matches exactly to the Social Security Number contained in the DMF.

Category 2: "Non-Social Security Number Match" occurs in any of the following circumstances:

1. The Social Security Number contained in the data found in the Company's records matches in accordance with the Fuzzy Match Criteria listed below to the Social Security Number contained in the DMF, the First and Last Names match either exactly or in accordance with the Fuzzy Match Criteria listed below and the Date of Birth matches "exactly."

2. The Company's records do not include a Social Security Number or where the Social Security Number is incomplete (less than 7 digits) or otherwise invalid (i.e.111111111, 999999999, 123456789), and there is a First Name, Last Name, and Date of Birth combination in the data produced by the Company that is a match against the data contained in the DMF where the First and Last Names match either exactly or in accordance with the Fuzzy Match Criteria listed below and the Date of Birth matches "exactly."

3. If there is more than one potentially matched individual returned as a result of the process described in paragraphs 1 and 2, immediately above, then the Company shall run the Social Security Numbers obtained from the DMF for the potential matched individuals against Accurint for Insurance or an equivalent database. If a search of those databases shows that the Social Security Number is listed at the address in the Company's records for the Insured, then a non-Social Security Number Match will be considered to have been made only for individuals with a matching address.

Date of Birth "Exact Match"

For purposes of Category 2 above:

1. If the Company's systems do not contain a complete Date of Birth, then a Date of Birth will be deemed to match "exactly" where the data that is available on the Company's systems does not conflict with the data contained in the DMF. By way of example, if the Company's systems only contain a month and year of birth, an exact Date of Birth match will exist if the DMF record contains the same month and year of birth.

2. If the Company's systems only contain a year of birth or contain a complete date of birth that includes a month and day of 1/1 (i.e. January 1) followed by a year of birth, the Date of Birth will be deemed to match "exactly" where the year of birth in the data that is available on the Company's systems is within one (1) year of the year of birth listed in the DMF. By way of example, if the Company's systems contain 1/1/1934, an "exact" Date of Birth match will exist if the DMF record contains a year of birth of 1933, 1934 or 1935.

Fuzzy Match Criteria:

1. "First Name" fuzzy match includes one or more of the following:
    a. "First Name" "Nick Names:" "JIM" and "JAMES." the Company utilizes the pd Nickname database from Peacock Data, Inc. or an equivalent database, to identify matching First Names where a nickname is used on one or both sides of the match.

    b. "Initial" instead of full first name: "J FOX" and "JAMES FOX"

    c. "Metaphone" (a recognized and accepted phonetic name matching algorithm created by Lawrence Philips and originally published in 1990): "BUDDY" and "BUDDIE."

    d. Data entry mistakes with a maximum difference of one character with at least five characters in length: "HARRIETTA" and "HARRIETA"

    e. If First Name is provided together with Last Name in a "Full Name" format and "First Name" and "Last Name" can't be reliably distinguished from one another: "ROBERT JOSEPH," _ Both "JOSEPH ROBERT" and "ROBERT JOSEPH"

    f. Use of interchanged "First Name" and "Middle Name:" "ALBERT E GILBERT" and "EARL A GILBERT"

    g. Compound "First Name:" "SARAH JANE" and "SARAH," or "MARY ANN" and "MARY"

    h. Use of "MRS." + "HUSBAND'S First Name + Last Name:" "MRS DAVID KOOPER" and "BERTHA KOOPER" where the "Date of Birth" and "Social Security Number" match exactly and the Last Name matches exactly or in accordance with the Fuzzy Match Criteria listed herein.

2. A "Last Name" fuzzy match includes one or more of the following:

    a. "Anglicized" forms of last names: "MACDONALD" and "MCDONALD."

b. Compound last name: "SMITH" and "SMITH-JONES"
c. Blank spaces in last name: "VON HAUSEN" and "VONHAUSEN"

d. "Metaphone" (a recognized and accepted phonetic name matching algorithm created by Lawrence Philips and originally published in 1990): "GONZALEZ" and "GONZALES."
e. If First Name is provided together with Last Name in a "Full Name" format and "First Name" and "Last Name" cannot be reliably distinguished from one another: "ROBERT JOSEPH," Both "JOSEPH ROBERT" and "ROBERT. "

f. Use of apostrophe or other punctuation characters in "Last Name:" "O'NEAL" and "ONEAL"

g. Data entry mistakes with a maximum difference of one character for last name with at least eight characters in length: "MACHIAVELLI" and "MACHIAVELI"
h. Last Name Cut-off: A match will be considered to have been made where due to the length of the Last Name, some of the last letters were not saved in the database. Examples include: "Brezzinnows" and "Brezzinnowski" and "Tohightower"and "Tohightowers."
i. Married Female "Last Name" Variations: A fuzzy "Last Name" match will be considered to have been made even though the data does not match on the Last Name of a female, if the "Date of Birth" and "Social Security Number" matches exactly and the First Name matches exactly or in accordance with the Fuzzy Match Criteria listed herein.

3. "Social Security Number" fuzzy match includes one of the following:

a. Two Social Security Numbers with a maximum of two digits in difference, any number position: "123456789" and" 123466781"

b. Two consecutive numbers are transposed: "123456789" and" 123457689"

c. If a Social Security Number is less than nine digits in length (with a minimum of seven digits) and is entirely embedded within the other Social Security Number: "12345678" and "012345678."

Other Matches and Mismatches

Notwithstanding the fact that a policy is listed as a match in accordance with the foregoing rules, there will not be a reportable match if the Company is able to produce competent evidence to establish that the unique biological individual identified in the Company's data is not the same as a unique biological individual identified on the DMF or such individual is not dead.

SCHEDULE B

The Company's implementation of Business Reforms involving the frequency, and use of, the matching methodology described in Schedule A, shall proceed in the following manner:

(1) No later than twelve calendar months following the Effective Date, the Company shall confirm to the Lead Departments that it has completed the process required to effectuate the matching methodology contained in Schedule A (the "Confirmation Date"). During this twelve calendar month period, the Company will continue matching its Records against the DMF update file according to its existing procedures.

If a match is attained, John Hancock will continue to share the applicable Policyholder information among its various lines of business by conducting cross-checks of confirmed deaths against its various business lines on at least a monthly basis. Thereafter, John Hancock then conducts due diligence according to it existing procedures to locate the beneficiary or next of kin and initiates the claims process to confirm the Policyholder's death, including the obtainment of a death certificate. If a beneficiary is not located and the Company is unable to establish an Exception, John Hancock shall remit the death payment to the applicable state pursuant to Sections 2(a), 2(h)(v), and 2(k).

(2) Commencing on the Confirmation Date, the Company shall begin using Schedule A (Category 1)'s matching methodology to compare John Hancock Records against the DMF update file on a monthly basis; and using Schedule A (Categories 1 and 2) 's matching methodology to compare John Hancock Records against the DMF update file on a quarterly basis; and perform Thorough Searches on any matches obtained during this process. Once a match is confirmed, the Company will continue to share applicable Policyholder information among its various lines of business according to existing procedures of conducting monthly cross-checks of confirmed deaths against its various lines of business. Thereafter, John Hancock then conducts a Thorough Search to locate the beneficiary or next of kin and initiates the claims process to confirm the Policyholder's death, including the obtainment of a death certificate. If the beneficiary is not located and the Company is unable to establish an Exception, John Hancock shall remit the death payment to the applicable state pursuant to Sections 2 (a), 2(h)(v) and 2(k).

(3) Upon the Confirmation Date, the Company shall use Schedule A's matching methodology to compare John Hancock Records against the full DMF file on a yearly basis and perform Thorough Searches on any matches obtained during this process.

SCHEDULE C

PARTICIPATING REGULATOR ADOPTION
JOHN HANCOCK REGULATORY SETTLEMENT AGREEMENT

On behalf of _____, I, _____,
(State) (Chief Insurance Regulator)
hereby adopt, agree, and approve this Agreement.

BY: _____
(Signature)

STATE: _____

TITLE: _____

DATE: _____

Please provide the following information as to how your state's allocation of the Multi-State Examination Payment should be sent from John Hancock.

CONTACT NAME: _____

MAILING ADDRESS: _____

_____

PAYMENT MADE TO: _____

_____

Please return this form to:

Raquel Cano, Assistant to the General Counsel
Legal Division Office
California Department of Insurance
45 Fremont Street, 23rd Floor
San Francisco, California 94105
Phone: 415-538-4372
Fax: 415-904-5889
Email: Raquel.Cano@insurance.ca.gov