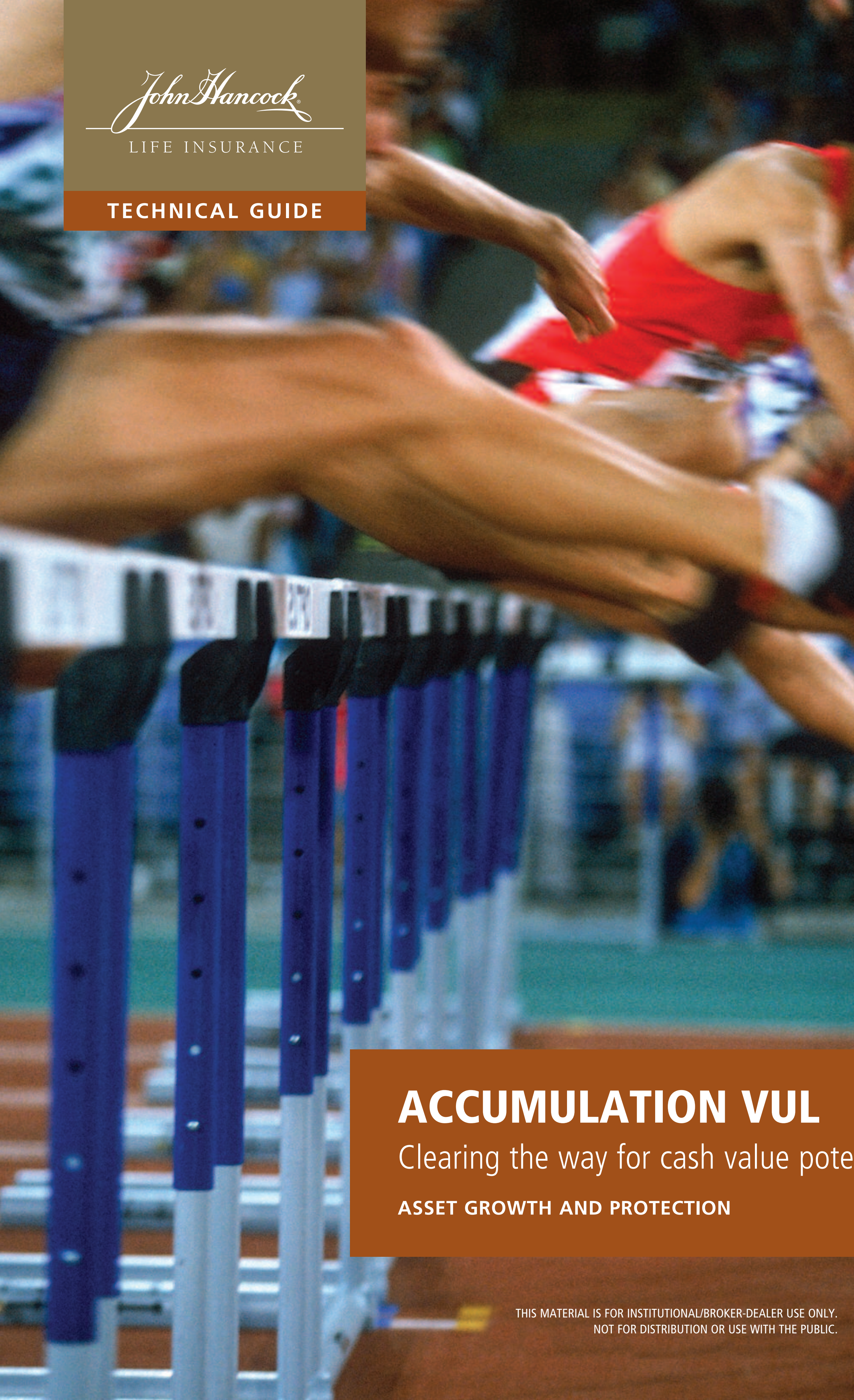
John Hancock
LIFE INSURANCE

TECHNICAL GUIDE



ACCUMULATION

ACCUMULATION VUL

Clearing the way for cash value potential

ASSET GROWTH AND PROTECTION

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Product Overview

Accumulation VUL is a flexible premium variable universal life insurance policy offering adjustable premium payments, versatile death benefit options, tax-deferred growth potential of policy account values, tax-advantaged loans and withdrawals and an income-tax-free death benefit.[1]

Accumulation VUL is designed to be extremely competitive in retirement cash values and income potential, especially for clients aged 30-60. Policy owners can accumulate significant cash values by investing in their choice of approximately 60 investment accounts, or they may opt for the simplicity and automatic diversification offered by the Lifestyle MVP Portfolios.[2] At retirement, policy owners can access their policy values on a tax-advantaged basis.

Applications

Individual Market

- Life Insurance Retirement Planning (LIRP)
- Education Funding
- Spousal Irrevocable Life Insurance Trusts (ILITs)[3]
- Estate Liquidity
- Death Benefit Protection

Business Market

- Key Person Plans
- Deferred Compensation
- Bonus Plans
- Qualified and Non-Qualified Retirement Plans

Market Focus

Accumulation VUL is designed for individual and business clients who want to accumulate significant cash values as a source of supplemental retirement income – especially those who are maximizing their contributions to qualified retirement plans and still face a possible retirement income shortfall. The policy's cash value potential and the availability of zero net cost loans make Accumulation VUL an attractive source of supplemental retirement income.

How a Variable Universal Life Policy Works

Variable Universal Life (VUL) is a permanent life insurance product which pays a death benefit as long as there is sufficient value in the policy and the policy has not lapsed. Your clients' premiums are invested in their choice of investment options, where all growth is tax-deferred. Of course, variable life insurance products are subject to investment risk, including loss of

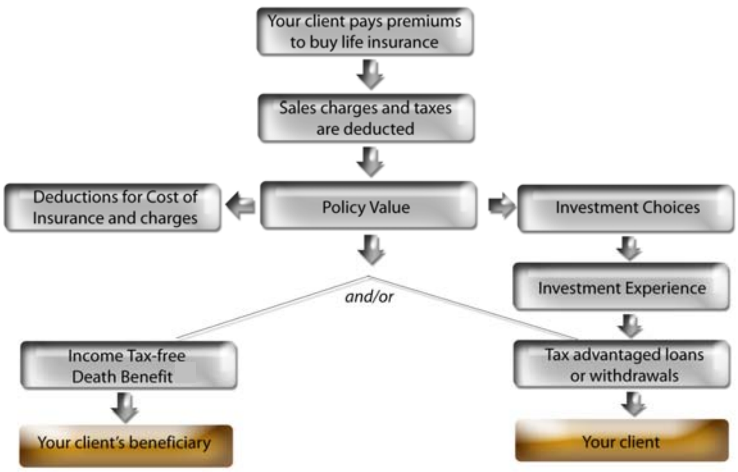
[1] Life insurance death benefit proceeds are generally excludable from the beneficiary's gross income for income tax purposes. There are a few exceptions such as when a life insurance policy has been transferred for valuable consideration. No legal, tax or accounting advice can be given by John Hancock, its agents, employees or registered representatives. Prospective purchasers should consult their professional tax advisor for details.

[2] Allocating net premiums to a Lifestyle MVP Portfolio is designed to help reduce the market volatility that one may experience through the allocation of premiums to only one or a small number of investment options. There are risks associated with any investment and it is possible to lose money by investing in the Lifestyle Portfolios.

[3] Irrevocable Life Insurance Trusts should be drafted by an attorney familiar with such matters in order to take into account income and estate tax laws (including the generation-skipping tax). Failure to do so could result in adverse tax treatments of proceeds.

principal. Past performance is not a guarantee of future results. Underperformance of the investment accounts, or paying less premiums than planned are two examples of how the policy may lapse.

The policy owner has access to the Policy's Value through policy loans and withdrawals. However, loans and withdrawals from a variable life insurance policy will also reduce the Policy Value and Death Benefit. Depending upon the performance of the investment accounts, the Policy Value available for loans and withdrawals may be worth more or less than the original amount invested in the policy. There may be penalties and fees associated with the use of loans and withdrawals.
(A more detailed explanation of charges and expenses is contained in the "Policy Fees & Charges" section of this guide.)



In-Force Illustrations

To ensure that your client's policy continues to meet their objectives, we suggest that in addition to reviewing annual statements, in-force illustrations are periodically requested. In force illustrations will provide an updated projection of the policy.

Note: Variable universal life insurance has fees and expenses associated with it in addition to life insurance-related charges, including surrender charges and investment management fees Variable universal life insurance is not suitable as a short-term savings vehicle. The primary purpose of variable universal life insurance is to provide lifetime protection against economic loss due to the death of the Lives Insured. Cash values invested in the underlying investment accounts are not guaranteed. There are risks associated with each investment option. The policy may lose value.

Flexible Death Benefit Options

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

Option 1 — Level

The death benefit is equal to the Total Face Amount. As the Policy Value increases, the pure insurance protection (Net Amount at Risk) decreases. The Cost of Insurance charges are assessed on the Net Amount at Risk, which is equal to the death benefit minus the Policy Value.

Option 2 — Increasing Death Benefit

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

Death Benefit Option Changes

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

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

Definition of Life Insurance

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

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

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

- For older insureds and in highly funded situations, CVAT may be the preferred choice.
- For minimum-funded situations, the choice of tax tests will normally not be an issue, since the death benefit will usually remain level. If, however, the client plans to reduce the death benefit in the future, they may wish to choose CVAT over GPT.
- For higher funded situations, particularly for younger insureds, the choice can have a significant impact on the policy.
- Generally, it is advisable to review illustrations utilizing both tests before making a decision.

Available Coverage

Base Face Amount (BFA)

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

Supplemental Face Amount (SFA)

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

- As a level amount for the life of the policy;

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

SFA increases are not permitted with the Long-Term Care (LTC), ROP or Disability Payment of Specified Premium (DPSP) riders. Increasing SFA (whether scheduled or unscheduled) affects the BFA no-lapse guarantee coverage.

Face Amount Limits

Minimum Face Amounts

Total Face Amount:	$50,000
Base Face Amount (BFA):	$50,000
Supplemental Face Amount (SFA):	No minimum

Maximum Face Amounts at Issue

Base Face Amount (BFA)

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

Supplemental Face Amount (SFA)

- Up to four times the Base Face Amount is allowed
- Available after the first policy year
- Maximum coverage is subject to underwriting and retention limits

Face Amount Increases

BFA Coverage

- Base Face Amount increases are not permitted

SFA Coverage

- Allowed after the first policy year
- Scheduled Supplemental Face Amount increases are available up to attained age 90
- Subject to underwriting approval
- Total increases may not exceed four times the Total Face Amount at issue
- Increases in one policy year may not exceed 25% of the Total Face Amount at issue
- The minimum amount of SFA increase is $50,000
- Increasing SFA is not allowed with Term Conversions, Disability Payment of Specified Premium or LTC rider

Face Amount Decreases (BFA or SFA)

- Allowed after first policy year
- Minimum requested Face Amount decrease is $50,000
- Face Amount may not be decreased below Minimum Total Face Amount
- Pro rata surrender charges will apply during the Surrender Charge period for any decrease to the BFA
- Requests to reduce the face amount or stop previously scheduled increases will terminate all future scheduled increases.
- A 10% Base Face Amount decrease (from BFA at issue) is permitted without a Surrender Charge at the time of decrease.

Product Features

Issue Ages and Risk Classes

Fully-Underwritten Risk Classes	Issue Ages
Super Preferred Non Smoker	20 – 80
Preferred Non Smoker	20 – 90
Standard Plus Non Smoker	20 – 90
Standard Non Smoker	3 months – 90
Substandard Non Smoker	0 – 90
Preferred Smoker	20 – 90
Standard Smoker	20 – 90
Substandard Smoker	20 – 90

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

Death Benefit Guarantees

The No-Lapse Guarantee (NLG) guarantees the policy owner's coverage against lapsing during the no-lapse guarantee period, regardless of the policy's current Net Cash Surrender Value. The NLG comes standard with every Accumulation VUL policy.

No-Lapse Guarantee
The NLG is automatically included with all policies. This guarantee assures that coverage will not lapse during the NLG period as long as the Cumulative Premium Test is met – even if the Net Cash Surrender value falls to zero. The length of the NLG protection varies depending on the type of coverage:

- Base Face Amount (BFA) – The NLG benefit guarantees the BFA coverage for the first 20 policy years.
- Supplemental Face Amount (SFA) – Any SFA coverage is guaranteed for the first5 policy years.
- Return of Premium (ROP) – Any ROP coverage is guaranteed for the first 2 policy years.
- ROP or Increasing SFA – If ROP or Increasing SFA coverage is elected (either scheduled or unscheduled), the Base Face Amount no-lapse guarantee period is also limited to the first 2 policy years, instead of the 20 years normally guaranteed.

The length of BFA no-lapse guarantee period may be less for older ages. This applies as follows:

- Issue Ages 0-70 – the NLG period is the lesser of 20 years, or to age 75.
- Issue Ages 70+ – the NLG period is 5 years.

NLG Cumulative Premium Test
An NLG Cumulative Premium Test is performed when the policy's Net Cash Surrender Value (Gross Cash Surrender Value less any policy debt) equals zero during the NLG period. The Policy satisfies the Cumulative Premium Test if the sum of the premiums paid, less any policy debt and less withdrawals is equal to or greater than the sum of the monthly NLG premiums from policy issue. The NLG Premium is shown in the policy illustration and on the policy pages and policy owner annual statements.

Because the Cumulative Premium Test is only done when the Net Cash Surrender Value falls to zero, policy owners can vary their premium payments during the NLG period. If policy owners choose to skip, or decrease premium payments, and then later fail to meet the Cumulative Premium Test, they can always pay "catch-up" premiums (prior to the policy lapsing) to keep the coverage in force. There is no penalty or interest charged on catch-up premiums.

Death Benefit Option Change
The NLG does not terminate if the Death Benefit Option is changed; however the NLG premium requirement will be recalculated (affecting future NLG calculations only).

Quit Smoking Incentive

The Quit Smoking Incentive (QSI) allows all Standard and Preferred Smokers to receive Standard Non Smoker policy charges for the first three policy years. To maintain Non Smoker policy charges beyond year three, the insured must provide satisfactory evidence* that he/she has quit smoking for at least 12 consecutive months and their microurinalysis must be free of nicotine or metabolites.

Please note the following:
- Available for issue ages 20–70
- Not available for substandard ratings
- Term Conversions and internal replacements will require additional underwriting if the original policy (replaced or converted) was issued more than three years ago
- Policies upgraded to Standard Smoker via the HealthStyles program will require additional underwriting
- The earliest an insured can request a change to Non Smoker is on or after the first policy anniversary

*For more details on the underwriting evidence required, please refer to our smoking class change guidelines.

Coverage at Age 121 and Beyond

The policy does not mature; provided that funding is sufficient, the policy will remain in force until insured's death. At age 121:

- Policy and rider charges cease (except for the investment advisory fees)
- Premiums are not required or permitted
- Interest continues to accumulate on the Fixed Account, and investment performance is reflected in the Policy Value
- Loan repayments continue to be accepted on existing loans
- Interest continues to be charged on outstanding loans until a death claim is made (the policy may lapse if debt ever equals or exceeds the Policy Value)
- New loans and withdrawals are not permitted
- SFA coverage will terminate

Investment Options

Selection of Investment Options

Accumulation VUL offers extensive investment account options managed by some of the most impressive investment managers in the industry. There are approximately 60 underlying investment accounts available, including:

- Lifestyle MVP Portfolios
- Fixed Account
- Money Market Account

Dollar Cost Averaging (DCA)[4]

- When the policy owner elects this option, a fixed dollar amount is transferred each month from one Investment Account to one or more of the other Investment Accounts, or to the Fixed Account.
- Due to market volatility, in some months the unit price will be lower, and at other times higher.

[4] Dollar Cost Averaging (DCA) does not assure a profit or protect against loss in declining markets. Since the DCA involves continuous investments in securities regardless of fluctuating price levels of such securities, a purchaser must be willing to continue such purchases through periods of declining prices.

- Purchasing a fixed dollar amount over time in this manner can in some cases result in an average cost per unit that is lower.
- Monthly transfers continue until the policy owner directs us to terminate or until the account transferred from is depleted.

Asset Allocation Balancer[5]

- Keeps the portfolio from being heavily weighted in a particular sector by automatically rebalancing assets based on the original investment guidelines
- Clients may select to rebalance monthly, quarterly, semi-annually or annually

Transfer Restrictions

Investment Accounts	• Up to two transfers per policy month are permitted from any of the variable investment options. (A 100% transfer from any account to the Money Market is not counted toward this limit.) • We reserve the right to further restrict the frequency, and dollar amount of transfers.
Fixed Account	• The maximum amount transferable from the Fixed Account in a single policy year is the greater of $2,000, or 15% of the Fixed Account Value at the previous policy anniversary. • Transfers from the Fixed Account to the Money Market Account are not allowed. • First-year premiums on MEC policies are limited to a maximum of $3 million.

Transfer Fee

- The first 12 transfers per policy year are free of charge
- Subsequent transfers may be charged $25

Fixed Account Rate

- Current Rate: As declared
- Guaranteed Rate: 2.0%

Specified Monthly Deductions

Policy owners may select the investment option (or options) from which they would like the monthly policy charges deducted (instead of proportionately across all allocated investments). This gives policy owners the option to have deductions taken only from the least volatile investments.

Flexible Premium Payments

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

Minimum Initial Premium (MIP)

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

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

5. Allocating assets to only one or a small number of the investment options (other than the Lifestyle Portfolios) should not be considered a balanced investment program. In particular, allocating assets to a small number of options concentrated in particular business or market sectors will subject your contract to increased risk and volatility. Examples of business or market sectors where this risk may be particularly high include: a) technology-related businesses, including Internet-related businesses, b) small cap securities and c) foreign securities. We do not provide advice regarding appropriate investment allocations. Clients should contact their financial consultant for more details.

Maximum First-Year Premium

- First-year premiums on MEC policies are limited to a maximum of $3 million
- First year premiums on all policies are limited to a maximum of 20 times the Target Premium

Target Commissionable Premium (TCP)

This is the amount of premium that is fully commissionable. The target premium includes all commissionable riders and substandard ratings, but excludes flat extras. This premium will not necessarily keep the policy in force to age 121.

Planned Premium

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

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

Maximum Premium

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

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

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

7-Pay Premium:

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

Policy Riders

Return of Premium (ROP) Rider

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

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

Cost	• The Cost of Insurance for the Return of Premium rider is charged monthly as part of the Monthly Deduction under the policy, and ceases when Monthly Deductions cease under the policy.
Increases	• At the policy owner's request, the ROP rate may be increased up to 5% annually, subject to underwriting approval. • The benefit will cease to increase at the earlier of the written request by the

policy owner, or when the Return of Premium rider equals the maximum benefit amount. ROP increases also cease at age 100; at which point the death benefit becomes level.

Decreases	• The policy owner can request a decrease in the Return of Premium Death Benefit coverage amount. • A requested decrease will also cause all future increases to the Return of Premium coverage to cease.
Termination	• The benefit terminates at the same time as the policy. It cannot be terminated prior to the policy.

Note: This rider is only available at issue with Death Benefit Option 1. It may not be used in conjunction with DPSP, LTC or or with increasing SFA. ROP affects the BFA no-lapse guarantee period

Cash Value Enhancement (CVE) Rider

This rider enhances the Cash Surrender Value for the first five policy years; by waiving a portion of the surrender charge that otherwise would be deducted if the policy is (fully) surrendered during this period. Conditions apply, including that the surrender can not be done with the intention of exchanging the policy under IRS Section 1035.

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

Overloan Protection (OLP) Rider

The Overloan Protection (OLP) Rider creates a paid-up policy in those situations where the policy has incurred excessive indebtedness. The rider waives future monthly deductions so that the policy does not lapse, possibly preventing a taxable event.

Issue Ages	Available to issue ages 0 – 84.
Availability	This rider may be exercised upon policy owner request. There is no charge for the benefit, unless exercised (see exercise conditions below).
Exercise Conditions	In order for this rider to be exercised, Policy Debt must exceed the Total Face Amount, and there needs to be sufficient un-loaned Policy Value to cover the rider charge. Also, there are a number of additional requirements to exercise: • The policy can not be a Modified Endowment Contract (MEC) • The policy must have been in force for a minimum of 15 years. • The insured must have attained age 75 or older. • The current Death Benefit Option must be Option 1.
After Exercise[6]	No further premium payments will be accepted. Also: • The Disability Payment of Specified Premium, Long-Term Care rider and LTC Continuation rider will automatically terminate. • All un-loaned Policy Value will be transferred to the Fixed Account. • Loan interest on the outstanding indebtedness will continue to accrue. • No further loans or withdrawals will be allowed.

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

- Loan repayments can continue to be made.

Cost There is a one-time charge for this rider, assessed only at the time of exercise. The amount of the charge is a rate times the Gross Policy Value when the rider is exercised. The OLP rate varies by the insured's attained age and by the Definition of Life Insurance elected.

Disability Payment of Specified Premium (DPSP) Rider

The Disability Payment of Specified Premium rider pays policy premiums in the event that the insured becomes totally disabled. The premium amount covered by this rider is elected at issue, but may be decreased by the policy owner afterward. Any increase requires underwriting approval. If the insured should become totally disabled, there is a six month elimination period; after which the rider benefit begins. The first benefit amount includes all premiums that would have been paid back to the beginning of the elimination period.

Issue Ages Available to issue ages 20 – 60.

Issue Restrictions
- This rider is not available with increasing SFA coverage or ROP.
- Also, it is not offered on policies with a rating in excess of 200%, or flat extra over $10.

Maximum Specified Premium
- Not to exceed the lesser of 1/12 of the Target Commissionable Premium, 1/12 the Annual Premium, or $3,500

Benefit Duration
- *For a disability that begins before the Policy Anniversary nearest the insured's 60th birthday* – The specified premium amount is paid while the insured remains disabled until the policy is terminated.
- *For a disability that begins on or after the Policy Anniversary nearest the insured's 60th birthday* – The specified premium amount is paid while the insured remains disabled until the policy anniversary nearest the insured's 65th birthday, or the policy is terminated, whichever comes first.

Cost The cost of this rider is an amount per $1000 of monthly specified premium. The cost varies by insured's issue age, gender, and smoking status. The charge ceases when the rider terminates.

Termination The policy owner can terminate this rider at any time. The rider automatically terminates on the policy anniversary nearest the insured's 65th birthday, or when the policy is terminated.

Accelerated Benefit Rider (ABR)

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

Age Restrictions There are no age restrictions to add or exercise this rider.

Other Conditions
- There must be at least one year remaining in the benefit period.
- The consent of an irrevocable beneficiary and/or an assignee (if any) is required.
- The benefit must be claimed voluntarily and not to satisfy creditors or for government benefits.

Death Benefit Reduction The death benefit is reduced by the rider benefit amount plus one year's interest and by any administrative expense charge

Cost There is no additional charge for this rider, and its addition to a policy does not affect the premiums due or any interest paid on the policy.

Long-Term Care (LTC) Rider[7]

Provides funds to help pay for qualified long-term care expenses by accelerating the death benefit. The Maximum Monthly Benefit Amount is based on 1%, 2% or 4% of the accelerated benefit amount elected at issue. The rider is available on level (Option 1) and increasing (Option 2) death benefit options.*

- Not available with increasing SFA or ROP rider
- The Long-Term Care pool can differ from the Death Benefit (LTC pool can never be greater)*
- In New York, the LTC rider is only available when the Accelerated Benefit rider has also been elected
- A separate charge is deducted if this optional rider is selected

7 The Long-Term Care (LTC) rider is an accelerated death benefit rider and may not be considered long-term care insurance in some states. There are additional costs associated with this rider. The Maximum Monthly Benefit Amount is $50,000. When the death benefit is accelerated for long-term care expenses it is reduced dollar for dollar, and the cash value is reduced proportionately. Please go to www.jhsalesnet.com to verify state availability. This rider has exclusions and limitations, reductions of benefits, and terms under which the rider may be continued in force or discontinued. Consult the state specific Outline of Coverage for additional details Note: If the LTC rider is selected, the maximum monthly benefit is $50,000 per insured.

*Not available in all states. **Note**: for additional information on this rider, please see the Long-Term Care Rider Technical Guide, which is available at www.jhsalesnet.com.

Policy Fees & Charges

Premium Charge

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

<u>Current & Guaranteed Rates</u>

- Policy year 1 — 8.0%
- Policy years 2-10 — 6.0%
- Policy years 11+ — 2.0%

Administrative Charge

This charge is a flat fee applied each month as part of the Monthly Deduction. The fee remains the same as long as the policy is in force. The current and guaranteed charge is the same.

- All policy years — $20 per month

Per $1,000 Base Face Amount Charge

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

- The charge applies in the first ten policy years.
- The current rates are equal to the guaranteed rates.
- The Per $1,000 rate varies by issue age, policy year, death benefit option, gender, and risk class.

Asset Based Risk Charge (ABRC)

The ABRC is a percentage of the policy's accumulated value invested in the separate accounts. It does not apply to any value in the fixed account or any loaned value. The charge is expressed below in both annual and monthly percentages; however the charge is deducted monthly (using the monthly percentage).

Current	**Annual Rate**	**Monthly Rate**
All Years	0.000%	0.000%
Guaranteed		
All Years	0.300%	0.025%

Asset Credit

Accumulation VUL offers an Asset Credit that is calculated identically to the Asset Based Risk Charge; however in this case it is a credit to the policy rather than a charge.

- The Asset Credit is added as a percentage of the policy's accumulated value invested in the separate accounts, and is unaffected by any value in the fixed account or any loaned value.
- The credit is expressed below in both annual and monthly percentages; however is credited monthly (using the monthly percentage).
- Except in New York, the Asset Credit is offered on a current basis only, therefore it is not mentioned in the policy contract (there is no guaranteed Asset Credit).

Current (all states) & New York Guaranteed	**Annual Rate**	**Monthly Rate**
Years 1-10	0.00%	0.00000%
Years 11+	0.15%	0.0125%

Cost of Insurance (COI) Charge

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

- Current BFA, SFA and ROP COI rates are equal to one another.
- Current Standard Non Smoker rates are used for the first three years for Preferred and Standard Smokers.
- The current COI rates vary based on issue age, gender, risk class, and underwriting class.
- The guaranteed rates do not exceed the 2001 CSO sex-distinct, Unismoke mortality table rates, and are listed in the policy contract.

Surrender Charge

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

- The Surrender Charge is calculated as a percent of first year premium paid up to one Base Policy Target premium.
- The Surrender Charge is only applied to the Base Face Amount. There is no charge applicable to the SFA or ROP.
- Besides full surrender, a Base Face Amount decrease, including a decrease, resulting from a partial withdrawal will also trigger a Surrender Charge on a pro-rata basis. However, in this case there is a 10% exemption; that is the first (cumulative) 10% decrease in BFA (after partial withdrawal) does not incur a Surrender Charge, at the time of the decrease.
- Surrender Charge rate varies by issue age and duration.
- The Surrender Charge period lasts for 10 years from issue.
- The charge may be level for one or more policy years (depending on issue age), then grades down monthly according to an amortization schedule, with a rate of 0% in policy years 11 and thereafter.

Accessing the Policy Value

There are two methods for accessing the Policy Value: Policy Loans and a Withdrawal of Policy Value.[8]

Policy Loans

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

Availability	Policy loans are available at any time after the policy is in-force.
Minimum Loan	$500
Maximum Loan	The maximum loan amount available is the Net Cash Surrender Value (the Cash Surrender Value adjusted for any outstanding loans), minus estimated loan interest and the Monthly Deductions due to the next Policy Anniversary; however the amount available is never less than 90% of the Net Cash Surrender Value.

Policy Loan Rates

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

		Interest Charged	Interest Credited	Loan Spread
Current	Years 1-10	3.25%	2.00%	1.25%
	Years 11+	2.00%	2.00%	0.00%
Guaranteed[9]	Years 1-10	3.25%	2.00%	1.25%
	Years 11+	2.25%	2.00%	0.25%

Tax Considerations

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

Withdrawal of Policy Value

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

Availability

Withdrawals are allowed once per policy month after the first policy year.

Minimum Withdrawal

$500

Maximum Withdrawal

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

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

[9] Except in New York, the loan interest credited is guaranteed to be no less than this rate, and the loan interest charged and loan spread are guaranteed to be no greater than these rates. The guaranteed maximum loan interest charged and loan spread for New York policies differs from that of other states. On a guaranteed basis, the loan interest charged is 3.50% in years 1–10 and2.25% in years 11+. The New York loan spread is 1.50% in years 1–10 and 0.25% in years 11+. The current loan rates and spreads are the same as non-New York policies.

Glossary of Terms

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

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

Cumulative Premium Test – This is a test used to determine whether the No-Lapse Guarantee is in effect. Its design is founded on simple addition and subtraction: provided the total premiums paid (minus total withdrawals, loans and loan interest) equal or exceed the total premiums required to satisfy the guarantee's Cumulative Premium Test, the policy will remain in forceduring the NLG period, even if the cash value falls to zero.

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

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

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

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

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

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

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