

Q&A

In response to the current market turmoil

In view of the current volatility in the markets and concerns about the global financial sector, we would like to take this opportunity to reiterate John Hancock's position.

What is the relationship between Manulife and John Hancock?

Manulife Financial is the parent company of John Hancock.¹ Manulife is a leading global financial services group, based in Toronto, Canada, which serves millions of customers in 19 countries and territories worldwide.

Operating as Manulife Financial in Canada and Asia, and primarily through John Hancock in the United States, the Company offers customers a diverse range of financial protection products and wealth management services through its extensive network of employees, agents and distribution partners.

Can Manulife/John Hancock quantify its exposure to any of the financial institutions that have been in the news recently?

At the close of business on September 15, 2008, Manulife/John Hancock's combined investments in AIG, Lehman Brothers and Washington Mutual represent approximately one-half of one percent of our Cdn \$164 billion in assets. We continue to enjoy a strong balance sheet, and are well positioned to meet our client needs and contractual obligations. We have strong and diversified businesses worldwide that position us well to compete in these challenging market conditions. Manulife/John Hancock is continuing to closely monitor ongoing developments.

What are Manulife/John Hancock's financial ratings?

Manulife Financial's strength and claims-paying abilities are among the strongest in the insurance industry. These same ratings apply to John Hancock Life Insurance Company (U.S.A.), John Hancock Life Insurance Company, John Hancock Variable Life Insurance Company and John Hancock Life Insurance Company of New York who are the primary issuers of our life insurance policies in the United States. Because separate account assets are insulated against the creditors of the insurance company in the event of the Company's insolvency, the Company's credit and claims-paying ability ratings are not applicable to these separate account assets. Because the guaranteed interest rates, death benefits, and secondary guarantees are general obligations of the Company, the Company's credit and claims-paying ability ratings are applicable to these obligations. When evaluating the costs

1. The term "John Hancock" refers to John Hancock Life Insurance Company (U.S.A.), John Hancock Variable Life Insurance Company, John Hancock Life Insurance Company and John Hancock Life Insurance Company of New York.

and benefits of these guarantees relative to similar benefits offered by other insurance companies, prudent purchasers should compare the credit ratings of each insurance company.

| John Hancock Financial Ratings | | |
|---------------------------------------|---------------------------------|---|
| A.M. BEST | A++ (1st Category of 15) | Superior ability to meet ongoing obligations. |
| FITCH RATINGS | AA+ (2nd Category of 9) | Very strong capacity to meet policyholder and contract obligations. |
| STANDARD & POOR'S | AAA (1st Category of 8) | Extremely strong financial security characteristics. |
| MOODY'S | Aa1 (2nd Category of 9) | Excellent in financial strength. |

Financial ratings, which are current as of October 2008 and subject to change, apply to John Hancock Life Insurance Company (U.S.A.), John Hancock Variable Life Insurance Company, John Hancock Life Insurance Company and John Hancock Life Insurance Company of New York as a measure of each company's ability to honor the death benefit and life annuitization guarantees, but not specifically to their products, the performance of these products, the value of any investment in these products upon withdrawals, or to individual securities held in any portfolio. Financial ratings do not apply to the safety and performance of separate accounts.

Who protects life insurance product guarantees and underlying assets?

We provide guarantees that premiums or policy charges will not exceed maximum rates. We guarantee that the interest rate credited on policy values invested in our general account will not fall below minimums. On some products, we guarantee that the policy will not lapse even if the cash value becomes zero.

Our life insurance products' guarantees are supported by all assets in the general account. This is true for both variable and non-variable products. As obligations to our policyholders, payments under these guarantees rank before the claims of general creditors of the company. We issue policies through John Hancock Life Insurance Company (U.S.A.) and John Hancock Variable Life Insurance Company in all states except New York. In New York, we issue contracts through John Hancock Life Insurance Company of New York and John Hancock Life Insurance Company. Each company has its own general account, but all of these entities share the same financial and risk management disciplines, and the same high financial ratings as Manulife Financial.

Variable life insurance premiums allocated to variable investment options are held in one or more of our separate accounts. Separate account assets are insulated against the creditors of the insurance company in the event of the company's insolvency. Variable investment options are comprised of underlying investments much like mutual funds, invested in assets such as stocks and bonds. The value of variable investment options fluctuates based on those underlying investments, and may be more or less than their original value when redeemed.

Why does John Hancock remain confident about its ability to honor its contractual guarantees?

Manulife is one of two publicly traded life insurance companies whose rated life insurance subsidiaries hold Standard & Poor's Rating Services' highest "AAA" rating. Its risk management framework is described as "Excellent" in Standard & Poor's most recent enterprise risk management (ERM) Level II report. This framework guides our investment and business decisions. Manulife also placed first overall in The Globe and Mail's annual ranking of Corporate Governance in Canada.

Our longstanding, prudent investment approach – avoiding complexity, setting limits, diversifying, and applying a healthy dose of skepticism in all our credit decisions – has served us well in the current environment, as it has in the past. Our general accounts have minimal exposure to the highly risky and problematic financial instruments that have so affected other institutions. We also have minimal exposure to those institutions most gravely affected by the crisis.

If I own a John Hancock life insurance policy, should I be concerned about the security of my contractual guarantees?

We have consistently strived to deliver products that balance real customer value with prudent overall design. Consequently, John Hancock policyholders can take comfort that the guarantees underlying their policies remain strong.

Our financial strength is of the highest order, and our capability to deliver on our promises to policyholders is undiminished.

What are some examples of Manulife's/John Hancock's investment approach?

A wide variety of new and often complex investment vehicles have become available to large investment organizations in recent years. Many were based on the explosive growth in the market for mortgage-backed securities, and tied to the value of the underlying real estate. As housing prices began their current decline, many of these vehicles suffered dramatic price declines.

As a general rule our general account:

- Did not buy low quality securitizations of subprime residential mortgage-backed securities (RMBS)
- Did not buy Collateralized Debt Obligations (CDOs) of subprime loans
- Did not expose the company to monoline insurers who provided credit enhancement to third-party securities
- Did not write credit default swap (CDS) protection
- Did not buy common or preferred stock of either Fannie Mae or Freddie Mac

Furthermore, Manulife steadily decreased the percentage of its total corporate bond portfolio's exposure to lower-rated bonds (BBB and below) between 2004 and 2007, significantly reducing its exposure before the current deterioration occurred.

What other sources of general information may give me some useful insights in the current environment?

Individual investors can typically obtain a great deal of information directly from their financial advisor, or their brokerage firm's website. In addition, the following websites represent a useful, but not exhaustive list of industry information.

General information about securities markets and investor protection

www.sec.gov The United States Securities and Exchange Commission

www.finra.org The Financial Industry Regulatory Authority

General information about insurance industry

www.naic.org National Association of Insurance Commissioners

www.acli.com American Council of Life Insurers

Information about Manulife Financial and John Hancock

www.manulife.com

www.johnhancock.com

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