

## If You Own a Universal Life Insurance Policy with John Hancock, You May Be Eligible for a Payment from a Class Action Settlement.

*A federal court authorized this notice. This is not a solicitation from a lawyer.*

A Settlement has been reached in a class action lawsuit that alleged that John Hancock Life Insurance Company (U.S.A.) (“John Hancock”) charged policyholders excessive (1) cost of insurance (“COI”) charges, and (2) costs under an “Age 100 Waiver of Charges Rider.” John Hancock maintains that it did nothing wrong and denies any wrongdoing or liability. The Court has not decided who is right.

As part of the Settlement, Settlement Class Members who do not exclude themselves from the Class will be eligible to receive payment from the \$91.25 million Settlement Fund and will automatically receive a payment if the Settlement is approved. There is no need to file a claim.

**Your legal rights are affected whether you act or don’t act. Read this notice carefully.**

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
<b>DO NOTHING</b>	Receive a payment under the Settlement. Give up certain rights to sue.
<b>ASK TO BE EXCLUDED</b>	Receive no benefit from the Settlement. This is the only option that allows you to retain your right to bring any other lawsuit against John Hancock about the claims in this case.
<b>OBJECT</b>	Write to the Court if you do not like the terms of the Settlement.
<b>GO TO A HEARING</b>	Ask to speak in Court about the fairness of the Settlement.

These rights and options—**and the deadlines to exercise them**—are explained in this Notice.

The Court in charge of this case still has to decide whether to finally approve the Settlement. Settlement checks will be automatically issued to Settlement Class Members if the Court approves the Settlement and after any appeals are resolved. **You do not need to take further action to receive payment if you are eligible under the Settlement.** Please be patient.

**Questions? Visit [www.JohnHancockCOIClassAction.com](http://www.JohnHancockCOIClassAction.com), or call 855-367-5404**

## BASIC INFORMATION

### 1. Why is there a notice?

A Court authorized this notice because you have a right to know about the proposed Settlement of this class action lawsuit, and about all of your options, before the Court decides whether to give Final Approval to the Settlement. This notice explains the lawsuit, the Settlement and your legal rights.

Judge Paul G. Gardephe of the United States District Court for the Southern District of New York is overseeing this case. The case is known as *37 Besen Parkway, LLC v. John Hancock Life Insurance Company (U.S.A.)*, Case No. 15-cv-9924, (the “Action”). The entity who sued is called the “Plaintiff.” The Defendant is John Hancock Life Insurance Company (USA).

### 2. What is this lawsuit about?

The lawsuit alleges that John Hancock policyholders paid excessive COI charges not allowed by the terms of the policies, because John Hancock was allegedly required to review its rates every five years and COI rates were allegedly based on factors other than its expectations of future mortality experience. The lawsuit also alleges that John Hancock charged unauthorized Age 100 Waiver of Charges Rider (“Age 100 Rider”) charges on certain John Hancock life insurance policies.

All of the lawsuit’s claims can be found in Plaintiff’s Class Action Complaint available at [www.JohnHancockCOIClassAction.com](http://www.JohnHancockCOIClassAction.com).

John Hancock denies the allegations asserted in the Action and claims that it has done nothing wrong. John Hancock’s defenses to the claims in the lawsuit can be found in their Answer available at the settlement website. Nevertheless, given the risks, uncertainties, burden and expense of continued litigation, John Hancock has agreed to settle.

### 3. Why is this a class action?

In a class action, one or more people called class representatives (in this case, Plaintiff 37 Besen Parkway LLC) sue on behalf of people who have similar claims. The people included in the class action are called the Settlement Class or Settlement Class members. One court resolves the issues for all Settlement Class members, except for those who timely exclude themselves from the Settlement Class.

### 4. Why is there a Settlement?

The Parties negotiated the Settlement at arms-length and with the assistance of an experienced mediator, the Honorable Theodore H. Katz (Ret.), and with a full understanding of the factual and legal issues that would affect the outcome of this lawsuit. During the course of the lawsuit, the Plaintiff, through its attorneys, thoroughly examined and investigated the facts and law relating to the issues in this case.

The Plaintiff believes that the final outcome of the lawsuit, if it were to proceed through trial and appeals, is uncertain. A settlement avoids the costs and risks of further litigation and provides immediate relief to the Settlement Class Members. As a result of their evaluation of the facts and law, the Plaintiff and its attorneys have determined that this Settlement is fair, reasonable, and adequate. They have reached this conclusion due to the substantial benefits the Settlement provides to Settlement Class Members, the risks, uncertainties, and costs inherent in this Action, and the desirability of continuing this protracted litigation.

There has been no trial, and there has been no final determination on the merits of the Claims or defenses in this lawsuit, and there will be no trial or final determination on the merits of the Claims and defenses if the Court approves the Settlement. The Settlement does not suggest that John Hancock

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has or has not done anything wrong, or that the Plaintiff and the Settlement Class Members would or would not win if the lawsuit were to go to trial.

## WHO IS IN THE SETTLEMENT?

To see if you will be affected by the Settlement or if you can get a payment from it, you first have to determine if you are a Settlement Class member.

### 5. Who is included in the Settlement?

The Settlement Class includes the “COI Decrease Class” and the “Rider Overcharge Class.” The COI Decrease Class means current and former owners of John Hancock COI Decrease Class Policies, which are all universal and variable universal life insurance policies issued by John Hancock, or its predecessors, that state “The Applied Monthly Rates will be based on our expectations of future mortality experience.” Excluded from the COI Decrease Class Policies are: (i) policies that disclose factors on which “Applied Monthly Rates will be based” other than or in addition to “expectations of future mortality experience”; and (ii) John Hancock Flex V-2 Life Insurance Policies (Policy Form 94-85). The Rider Overcharge Class means current and former owners of John Hancock Rider Overcharge Class Policies. A list of all policy numbers included in each of these Classes is available on the case website, [www.JohnHancockCOIClassAction.com](http://www.JohnHancockCOIClassAction.com).

Excluded from each Class are: (i) all such persons and entities that submit a timely and valid written request to be excluded from the Settlement Class in accordance with Paragraph 11 below, (ii) Class Counsel and their employees, and (iii) the judge presiding over the Action and the staff and immediate family of such judicial official.

**If you received this Notice in the mail, then John Hancock’s records show you may be a Class Member.**

### 6. How can I confirm whether I am in the Settlement Class?

If you are not sure whether you are included in the Settlement Class, you can get free help at [www.JohnHancockCOIClassAction.com](http://www.JohnHancockCOIClassAction.com).

## THE SETTLEMENT’S BENEFITS

### 7. What does the Settlement provide? How much will my payment be?

John Hancock has agreed to fund a cash Settlement Fund in the amount of \$91,250,000. The Settlement Fund will be used to pay Settlement Administration Expenses, Plaintiff’s Service Award, Class Counsel’s Fees and Expenses, and all settlement relief to Settlement Class Members. The Settlement Fund, less Settlement Administration Expenses, Plaintiff’s Service Award, and Class Counsel’s Fees and Expenses is called the “Net Settlement Fund.” No portion of the Settlement Fund will revert to John Hancock.

If the Court approves the Settlement, Settlement checks will be mailed to the owners of Settlement Class Policies on a *pro rata* (or proportional) basis as follows: a minimum settlement payment of \$100 per policy plus a share of the remaining Net Settlement Fund, in proportion to the Settlement Class Members’ share of the overall COI and Age 100 Rider overcharges paid during the applicable statute of limitations through August 2016. Policies owned by class members issued before December 31, 1996 shall have alleged COI Overcharge discounted by half due to an alleged prior release in *Duhaime et al. v. John Hancock Mutual Life Insurance Company, et al.* (D. Mass. 1996).

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**You should consult your own tax advisors regarding the tax consequences of the proposed Settlement, including any benefits you may receive and any tax reporting obligations you may have as a result.**

#### **8. When will I receive my Settlement check?**

The Settlement checks will be issued to Settlement Class Members within 30 days after the Final Settlement Date. Settlement checks will be automatically mailed without any proof of claim or further action on the part of the Settlement Class Members.

#### **9. How do I participate in the Settlement? Do I need to make a claim?**

Settlement Class Members do not have to do anything to participate in the Settlement. No claims need to be filed. Upon approval of the Settlement, a check will be issued to every Settlement Class Member to the same address to which this Notice was sent.

#### **10. What am I giving up to stay in the Settlement Class?**

Unless you exclude yourself from the Settlement, you cannot sue or be part of any other lawsuit against John Hancock about the issues in this case, including any existing litigation, arbitration, or proceeding. Unless you exclude yourself, all of the decisions and judgments by the Court will bind you. If you do nothing at all, you will be releasing John Hancock from all of the claims described and identified in Section 3 of the Joint Stipulation and Settlement Agreement.

This release includes any and all claims asserted in the Action, that might have been asserted in the Action or that hereafter may be asserted arising out of or related to the facts, transactions, events, occurrences, acts, disclosures, statements, omissions, or failures to act concerning allegations that (a) Defendant breached the COI Decrease Class Policies by considering non-mortality factors, such as, for example, expenses (including without limitation, administrative, maintenance, and acquisition expenses, sales commissions, taxes, and fees) reinsurance costs, persistency, future investment income, or profit, in determining Applied Monthly Rates or failing to adjust or decrease Applied Monthly Rates or any other charge to reflect changing mortality expectations; or (b) Defendant breached the Rider Overcharge Class Policies by charging Age 100 Waiver Monthly Rates in excess of that permitted by the Rider Overcharge Class Policies. Released Claims do not include Excluded Claims. Released Claims expressly includes all Claims that were or could be asserted in the Action or based on Defendant's calculation and deduction of its Cost of Insurance Charge, Applied Monthly Rates, Age 100 Waiver of Charges Rider and other rates (i.e., Maintenance and Expense Charges and Age). Released Claims expressly include all claims that Defendant failed to decrease its Applied Monthly Rate or may have a future obligation to decrease the Applied Monthly Rate for any reason.

Released Claims do not include claims arising from any failure by Defendant to pay any future death benefits owed. Released Claims also do not include new claims against Defendant that could not have been asserted in the Action based solely upon a future increase in Defendant's Applied Monthly Rate scale should that occur after the date of the Agreement.

Settlement Class Members expressly waive any and all rights that they may have under any law that would limit the release to claims actually known or suspected to exist at the time of the Settlement, including the provisions of Section 1542 of the California Civil Code, which provides as follows: "GENERAL RELEASE-CLAIMS EXTINGUISHED. A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

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The Joint Stipulation and Settlement Agreement is available at [www.JohnHancockCOIClassAction.com](http://www.JohnHancockCOIClassAction.com). The Joint Stipulation and Settlement Agreement describes in detail the claims that you give up if you remain in the Settlement, so read it carefully. You can talk to the law firms representing the Class listed below in Question 14 for free, or you can, at your own expense, talk to your own lawyer if you have any questions about the released claims or what they mean.

## EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want benefits from the Settlement, and you want to keep the right to sue John Hancock on your own about the legal issues in this Action, then you must take steps to get out of the Settlement. This is called excluding yourself — or it is sometimes referred to as “opting-out” of the Settlement Class.

### 11. How do I get out of the Settlement and receive no benefits?

To exclude yourself, you must send a written request to be excluded from the Settlement in *37 Besen Parkway, LLC v. John Hancock Life Insurance Company (U.S.A.)*, Case No. 15-CV-9924 (PGG)(HBP), with your name and address, clearly stating that you want to be excluded from the Settlement Class. You must also identify your John Hancock insurance policy or policies to be excluded, and your exclusion request must be signed by you or by a person providing a valid power of attorney to act on your behalf. You must mail your exclusion request postmarked by **February 4, 2019**, to:

Besen Settlement Exclusions  
P.O. Box 3217  
Portland, OR 97208-3217

If you own multiple John Hancock policies that are included in the Class, you may request to exclude some policies from the Settlement while participating in the Settlement with respect to other policies.

### 12. If I do not exclude myself, can I sue John Hancock for the same thing later?

No. Unless you exclude yourself, you give up the right to sue John Hancock for the claims that the Settlement resolves. You must exclude yourself from this Settlement Class in order to try to pursue your own lawsuit.

### 13. If I exclude myself from the Settlement, can I still receive a payment?

No. You will not get a payment if you exclude yourself from the Settlement.

## THE LAWYERS REPRESENTING YOU

### 14. Do I have a lawyer in this case?

Yes. The Court appointed the following lawyers as Class Counsel:

Steven Sklaver, Glenn Bridgman, & Rohit Nath <b>SUSMAN GODFREY LLP</b> 1900 Avenue of the Stars, Suite 1400 Los Angeles, CA 90067 310-789-3100	Seth Ard <b>SUSMAN GODFREY LLP</b> 1301 Avenue of the Americas, 32 <sup>nd</sup> Floor New York, NY 10019 212-336-8330
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If you have questions, you may contact these lawyers. You will not be charged for contacting these lawyers. If you want to be represented by your own lawyer, however, you may hire one at your own expense.

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## 15. How will the lawyers be paid?

The Court will determine how much Class Counsel will be paid for fees and expenses. Class Counsel will seek an award for up to one-third of the Settlement Fund plus reimbursement of Class Counsel's expenses, to be paid from the Settlement Fund. You will not be responsible for direct payment of Class Counsel's fees and expenses.

Class Counsel will also request a service award payment to Plaintiff in an amount not to exceed \$40,000 for each representative of Plaintiff that testified in this action to compensate Plaintiff for efforts undertaken by it on behalf of the Settlement Class.

## OBJECTING TO THE SETTLEMENT

### 16. How do I tell the Court that I don't like the Settlement?

If you are a Settlement Class Member, you can object to any part of the Settlement. To do so, you file written objection in this case, *37 Besen Parkway, LLC v. John Hancock Life Insurance Company (U.S.A.)*, Case No. 15-CV-9924 (PGG)(HBP). You are required to include:

- Your full name, address, telephone number and email address, if any;
- Your Policy number or numbers;
- A written statement of all grounds for your objection accompanied by any legal support for your objection (if any);
- Copies of any papers, briefs, or other documents upon which your objection is based;
- A list of all persons who will be called to testify in support of your objection (if any);
- A statement of whether you intend to appear at the Fairness Hearing; and
- Your signature or the signature of your counsel, and a list of any objections by you or your attorney in any class action settlements submitted to any state or federal court in the United States in the previous five years.

You must file your objection with the Court and send it to all the addresses listed below, so that it is received no later than **February 4, 2019**.

<b>Class Counsel</b> Steven Sklaver SUSMAN GODFREY LLP 1900 Avenue of the Stars, Suite 1400 Los Angeles, CA 90067	<b>Chambers of Judge</b> <b>Paul G. Gardephe</b> United States District Court Southern District of New York 40 Foley Square, Room 2204 New York, NY 10007	<b>Defense Counsel</b> Motty Shulman BOIES SCHILLER FLEXNER LLP 333 Main Street Armonk, NY 10504
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### 17. What's the difference between objecting and asking to be excluded?

Objecting is telling the Court that you do not like something about the Settlement. You can object to the Settlement only if you do not exclude yourself from the Settlement. Excluding yourself from the Settlement is telling the Court that you don't want to be part of the Settlement. If you exclude yourself from the Settlement, you have no basis to object to the Settlement because it no longer affects you.

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## THE FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the Settlement and any request for fees and expenses. You may attend and you may ask to speak, but you don't have to.

### 18. When and where will the Court decide whether to approve the Settlement?

The Court will hold the Fairness Hearing at **10:00 a.m. on February 19, 2019**, at the United States District Court for the Southern District of New York, Courtroom 705, United States Courthouse, 40 Foley Square, New York, NY 10007-1312. The hearing may be moved to a different date or time without additional notice, so it is a good idea to check [www.JohnHancockCOIClassAction.com](http://www.JohnHancockCOIClassAction.com) for updates. At the hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them and listen to people who have asked to speak at the hearing. The Court may also decide how much to pay and reimburse Class Counsel. After the hearing, the Court will decide whether to approve the Settlement. We do not know how long the Court's decision will take.

### 19. Do I have to come to the hearing?

No. But you or your own lawyer are welcome to attend the Fairness Hearing at your expense. If you send a timely objection but do not attend the Fairness Hearing, the Court will still consider your objection.

### 20. May I speak at the hearing?

You may ask the Court for permission to speak at the Fairness Hearing. You must first timely file an objection that indicates your intention to speak at the hearing (see Question 16 above). Unless otherwise ordered by the Court, a Settlement Class Member who does not submit a timely objection with the proper notice will not be permitted to speak at the Fairness Hearing.

## GETTING MORE INFORMATION

### 21. How do I get more information?

This notice summarizes the proposed Settlement. More details can be found in the Joint Stipulation and Settlement Agreement. You can obtain a copy of the Joint Stipulation and Settlement Agreement by writing to Besen Settlement Administrator, P.O. Box 3217, Portland, OR 97208-3217.

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