

**STATE OF MINNESOTA
COMMISSIONER OF COMMERCE**

**In the Matter of the Certificate of Authority of
John Hancock Life Insurance Company (USA) (65838),
a corporation domiciled in Michigan and licensed to
do business in the State of Minnesota, and its affiliates:**

CONSENT ORDER

**John Hancock Life Insurance Company of New York (86375), and
John Hancock Life and Health Insurance Company (93610).**

**To: John Hancock Life Insurance Company (USA)
38500 Woodward Ave.
Bloomfield Hills, MI48304**

The Commissioner of Commerce Mike Rothman ("Commissioner") has advised John Hancock Life Insurance Company (USA) and its affiliates (collectively, "Respondent") that, based upon the Department's market conduct examination, including its examination of Respondent's retained asset account (referred to as the "Safe Access Account" or "SAA"), he is prepared to commence formal proceedings pursuant to Minn. Stat. §§ 45.027 and 60A.031 (2010), based on allegations that Respondent's automatic default option establishing a retained asset account may result in an unsuitable arrangement for a beneficiary depending on the totality of the circumstances, in violation of Minn. Stat. § 72A.20, subd. 34 (2010) (the "SAA Allegations").

Respondent acknowledges that it has been advised of its rights to a hearing in this matter, to present argument to the Commissioner, and to appeal from any adverse determination after a hearing, and Respondent hereby waives those rights. Respondent has been represented by legal counsel throughout these proceedings.

Respondent has agreed to informal disposition of these matters without a hearing as provided under Minn. Stat. §14.59 (2010) and Minn. R. 1400.5900 (2011). Respondent acknowledges that

the Commissioner's market conduct examination is continuing and that this Consent Order solely concerns the SAA Allegations. Respondent further agrees that this Consent Order does not limit the Commissioner's ability to take administrative or other action with respect to any alleged violations which are outside the scope of the above-listed allegations, as determined by the Commissioner.

The following Consent Order is in the public interest.

NOW, THEREFORE, IT IS HEREBY ORDERED, that, within sixty days of the date of this Consent Order, Respondent shall cease paying death benefits under its individual life insurance policies and annuities and group life insurance policies to beneficiaries residing in Minnesota, to beneficiaries under a policy issued in Minnesota, and to beneficiaries under a policy insuring a person residing in Minnesota at the time of death, by way of a retained asset account unless such payment method was affirmatively chosen by the insured or contract owner or is affirmatively elected by the beneficiary in writing.

FURTHER, IT IS HEREBY ORDERED, that Respondent shall provide the death benefit payment in full by check as its default option and, within sixty days of the date of this Consent Order, shall submit its claim form documents, which include the Minnesota Department of Commerce's required language, to the Commissioner for his approval before being used in Minnesota.

FURTHER, IT IS HEREBY ORDERED, that pursuant to Minn. Stat. § 45.027, subd. 6. (2010), Respondent shall pay to the state of Minnesota a civil penalty of \$200,000.

This Consent Order shall be effective upon the signature of the Commissioner:

Date: 8-15-12

MIKE ROTHMAN
Commissioner of Commerce
State of Minnesota

A handwritten signature in cursive script, reading "Mike Rothman", is written over a horizontal line.

85 Seventh Place East, Suite 500
St. Paul, Minnesota 55101

CONSENT TO ENTRY OF ORDER

The undersigned, acting on behalf of Respondent, states that the foregoing Consent Order has been read; the contents and effects are fully understood; nothing herein shall be construed as an admission of liability or wrongdoing on the part of Respondent; Respondent has authorized the undersigned to execute this Consent to Entry of Order on its behalf; and that Respondent has been advised of its right to a hearing; that Respondent has been represented by legal counsel; and that Respondent consents to entry of this Consent Order by the Commissioner of Commerce.

By: *Mitchell Karmen*
(Signature of Authorized Representative)

Its: *Vice President, Counsel + Chief Compliance Officer*
(Title of Authorized Representative)

STATE OF Massachusetts

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COUNTY OF Suffolk

This instrument was acknowledged before me on 8/3/12 (date) by Mitchell Karmen (name(s) of person(s)) as VP, Counsel + CCO (type of authority, e.g., officer, trustee, etc.) of

John Hancock Life (name of party on behalf of whom this instrument was executed).
INSURANCE COMPANY (USA)

Deborah Banks
(signature of notary officer)

My commission expires: _____

