

JOHN HANCOCK LIFE INSURANCE COMPANY

GROUP ANNUITY SERVICES

ADMINISTRATION PROPOSAL

Quality and Commitment

For over 60 years, the John Hancock has provided investment and administrative services to more than 4,500 pension customers. Our products and services are backed by a name that has been known and trusted by millions of people since 1862. The John Hancock's top financial quality ratings means exceptional financial security for our annuitants and peace of mind for the sponsors and administrators of their plans.

The John Hancock has been providing Group Single Premium Annuities since the early 1970's and established a dedicated unit for this product in 1983.

We are committed to our goal of superb service to plan sponsors, their administrators and plan participants. As a full service provider, we manage the entire benefit payment process, relieving the plan administrator of that burden and the plan sponsor of the benefit liability. Our Group Annuities Division utilizes the latest technology and seeks creative solutions for each customer's needs. We recognize and encourage communication. We believe we provide the best annuity payment services in the industry.

Services

The list of group annuity payment services the John Hancock can provide is extensive. Services include:

- On-site visits by an Installation Team
- A toll-free telephone number for participant service
- Electronic direct deposit for annuity payments
- Customized payment deductions {e.g. health plan contributions}
- State, federal and foreign tax withholding and reporting
- Administration of Qualified Domestic Relations Orders

Installation Process

A successful installation of group annuity services is the product of many tasks performed concurrently. The process will begin immediately after John Hancock is selected as the annuity provider with the appointment of an Installation Team. Each team member will be experienced in plan administration and support systems and the Installation Team will provide customized attention and service.

Installation Meetings

Often as soon as a week after selection, John Hancock will hold an on-site installation meeting. At that time John Hancock staff will work with the plan sponsor and administrator to:

- Confirm benefit provisions
- Review sample notification letters
- Provide for seamless payment transition
- Review administration forms
- Provide for plan participant inquiries
- Establish target dates for data submission and pricing Adjustments
- Establish lines for future communication

Announcement Letters

John Hancock works closely with each client to tailor the overall announcement process to meet the plan sponsor and administrator's particular concerns. An announcement letter provides the plan participant with valuable information and will be designed to accomplish the following:

- Introduce John Hancock as the insurance carrier selected to provide future benefits
- Identify the date that this change will take place
- Assure the payees that their pension benefits are secure, and that they will receive the highest quality of the service

- Provide our toll free number and the name of their plan's John Hancock customer service representative.

Participant Services

Toll-Free Number

John Hancock's Group Annuities toll free number is currently staffed with 6 full time Customer Service Representatives and is in operation from 9 a.m. - 4 p.m. Eastern Time, 5 days a week (Monday through Friday). We have the systems capability to have up to 50 staff members servicing the line at any one time. Our staff handles over 68,000 phone calls each year.

Our toll-free service is also equipped with "Auto-Attendant" ®, an automated voice response system. Auto-Attendant operates 24 hours a day, 7 days a week, and provides standardized answers to frequently asked questions regarding such matters as address changes and benefit commencement.

Our Customer Service Area has a system which tracks and provides management daily statistics on the number of calls, abandoned calls and the average length of time a caller is kept on hold. Managers monitor call activity to assure that all calls are handled on a timely basis and to assess staffing needs. Experience has shown that certain periods require greater staffing than others and we make certain that experienced Customer Service Representatives are available for peak periods

Qualified Domestic Relations Orders

The John Hancock's benefit payment systems are designed to accommodate the handling of Qualified Domestic Relation Orders (QDROs). Each of these orders are handled in a timely and efficient fashion. All QDROs will be analyzed individually and properly administered.

Tax Withholding and Reporting

John Hancock has the resources to follow the complex rules governing tax withholding on benefit payments. With regard to U. S. federal taxes, participants can elect to have a flat dollar amount withheld or have the amount withheld calculated automatically. The John Hancock also has systems to pay and administer benefits for residents of foreign countries. John Hancock will prepare and forward to the payees the appropriate U.S. tax forms for benefits payments we have made in the previous calendar year.

Electronic Funds Transfer

All payees have the option of Electronic Funds Transfer (EFT) for monthly annuity payments; enabling funds to be credited directly into either a checking or savings account. With EFT, lost or stolen checks are no longer a concern. The money will be in the account, and easily accessed, on the first of each month. Currently, John Hancock also mails a statement notifying payees of their electronic direct deposit.

EFT election forms will be included with the initial payment for everyone currently receiving a paper check. However, for payees already using EFT, we do not solicit for new bank

information. Bank information from the prior payment service provider will be used to assure that deposits continue without interruption.

Beneficiaries

John Hancock will record all beneficiary designations available from the plan sponsor/administrator at the time our group annuity services program is installed. We make beneficiary change and election forms readily available and our customer service representatives will guide participants in completing them. When needed, our customer service representatives will also be available to help your participant's beneficiaries.

Early Payment Release

Currently, checks to foreign addresses are released seven mailing days in advance of the check payment date; checks to addresses west of the Mississippi are mailed six mailing days in advance; checks to addresses east of the Mississippi are mailed three days in advance.

Checks awaiting release in the Corporate Mail Distribution Center can be voided if we are notified that they should not be issued [e.g. Due to the recipient's death or address change]. In addition, when notified of an address change during this time, we can update the system on-line to correct the address and reissue the check to the new address.

In the event we are notified that a check is lost or stolen, an immediate stop order is placed on that check and a new one can be issued within 48 hours.

John Hancock's Quality Assurance Programs

Filenet ® and Workflo ®

John Hancock utilizes Filenet, an optical disk-based storage and retrieval system for records management. The system converts paper documents into digitized images that are permanently stored on optical disks. Filenet is a state-of-the-art, high-capacity system with an indexing ability that allows for simultaneous access by more than one party. This multi-tasking advantage permits unrelated tasks to be performed concurrently and provides faster and safer document handling.

John Hancock also utilizes the Workflo system for the electronic routing of documents. All mail is scanned into Filenet within 24 hours of its arrival and is electronically routed to the appropriate business unit for processing. Workflo allows for more efficient document processing and immediate online access.

Participant Data Base and Payment of Annuity Checks Etc.

The Participant Data Base (PDB) and Payment of Annuity Checks Etc. (PACE) systems are John Hancock's proprietary programs for tracking and issuing benefits for all of its group pension customers. These two systems work in tandem to record and pay pension benefits for over 268,000 retirees, beneficiaries and disabled employees. They were developed internally and are currently supported by a staff of experienced programmers and system analysts who continually monitor and improve the systems. A more detailed description of PDB and PACE can be provided upon request.

Quality Control

John Hancock's Group Annuities Division has instituted numerous quality control procedures to assure the timely and accurate payment of plan benefits. Standards governing benefit processing are reviewed periodically in order to provide the most efficient possible customer service.

For example, we obtain a tape from the Social Security Administration identifying deceased individuals by name and social security number. Monthly matches against our payment file determine any listed payees who are dead.

On an annual basis we make a random mailing to retirees over the age of 90 requesting that they sign an 'Evidence of Survival' form.

The average processing time for an early retirement benefit quotation is 5 business days. However, to ensure the accuracy of quotations, if the benefit quotation is over \$2,000.00 per month, the figures are not only checked by a second analyst, but are also reviewed by the Benefit Supervisor or the Administration Manager. Similarly, the response time for handling death claims is 5 – 7 business days. However, all death claims in excess of \$5,000.00 will be checked by the Benefit Supervisor; death claims in excess of \$50,000.00 will also be checked by the Administration Manager.

Finally, on an annual basis, John Hancock's internal auditing department, as well as external firms (currently Ernst & Young), perform random audits on claims paid.

Disaster Recovery Capabilities

The John Hancock has established a comprehensive Corporate Business Resumption Plan, a portion of which was designed specifically for the Group Annuity Division. In the event of catastrophe, our records would be protected, and the plan would be implemented to reestablish telephone and computers links, and to speed the resumption of administrative services.

Employee Training

At John Hancock we place great importance on training and education. Both internal and external training programs are utilized to ensure that our employees stay on top of the latest administrative procedures. Our

department has a full time training administrator with extensive experience in customer relations.

Each benefit analyst is required to spend not less than a month training in a classroom environment on such subjects as benefit calculation, contract interpretation and withholding regulations. We also have specialized sessions such as "Telephone Techniques in Dealing With the Elderly Population." In addition, our entire customer service staff participates in the "Associate Customer Service Program" of the Life Office Management Association (LOMA). This program was developed by LOMA to meet the specific customer service education needs of insurance and financial services industry employees.

Contact Information

The Group Annuity Operations at the John Hancock is headed by Dave Eisan, Vice President. Mr. Eisan, a Certified Employee Benefit Specialist, has been responsible for the successful installation of over 250 single premium annuity contracts in recent years. His team of experienced employees will provide a smooth conversion from your current payment administration program.

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For more information on John Hancock's services for our group annuity products, please contact one of the following members of our installation team or sales team:

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Any financial analysis and recommendations are not intended to replace the need for independent tax, accounting, or legal review. Individuals are advised to seek the counsel of such licensed professionals.