

PROPOSAL FOR  
A NON-PARTICIPATING  
SINGLE PREMIUM GROUP ANNUITY CONTRACT

***CONTRACT HOLDER NAME***

***BID MONTH AND YEAR***

*John Hancock*

John Hancock Life Insurance Company, Boston, MA 02117  
JH Group Annuity  
01/01/04

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## FOREWORD

John Hancock Life Insurance Company (John Hancock) is pleased to present this proposal for your consideration of our Non-Participating Single Premium Group Annuity Contract with respect to ***NAME OF CONTRACT HOLDER***.

The purpose of the proposal is to establish a common understanding of the annuity benefits and services that John Hancock would provide.

The information contained in this proposal is reflective of the data contained herein and the investment opportunities available to the John Hancock as of this date. Due to the volatility of interest rates, and in order for our offer to be as competitive as possible, we reserve the right to change or withdraw our offer at any time prior to your acceptance in the manner provided in this proposal.

If the proposal is acceptable, please call one of the contacts listed below to confirm that the Single Sum Premium is still available. Once you decide to accept this proposal, we require a binding commitment. A specimen Confirmation Letter has been included in this proposal for your review.

**Mr. M. Joseph Freitas**  
**Senior Sales Executive**  
**Office (617) 572-1760**  
**FAX (617) 572-9273**

**Ms. Julie Parker**  
**Terminal Funding Specialist**  
**Office (617) 572-9525**  
**FAX (617) 572-9273**

We appreciate the opportunity to be of service and welcome any questions you may have.

**SUMMARY OF PROPOSAL  
FOR  
NAME OF CONTRACT HOLDER  
as of  
DATE BID RELEASED**

This proposal is based on our interpretation of the specifications and participant data as provided by *Broker / Consultant* via a (letter, electronic mail, memorandum facsimile transmission) dated \_\_\_\_\_ to Mr. M. Joseph Freitas, Senior Sales Executive, with the John Hancock Life Insurance Company. This proposal specifies the conditions and provisions of benefits payable to participants identified on the Schedules of Participants. Schedules of Participants are included and made a part of this proposal.

**Due to the volatility of interest rates, the Single Sum Premium is subject to change at any time prior to acceptance in the manner provided in this proposal.**

**This proposal does not cover any Deferred Participants. However, based upon our review and acceptance of the plan provisions, we will cover any participants who elect an annuity in lieu of a lump sum payment. The Single Sum Premium for such deferred participants will be determined by the John Hancock and calculated based on the current assumptions and procedures then in use by the John Hancock.**

Control Totals:	<u>Life Counts</u>	<u>Monthly Annuity</u>
<b>Total Retired Participants</b>	_____	\$
Liability Assumption Date:	_____	
Benefit Commencement Date:	_____	
Assumed Premium Receipt Date:	_____	
Single Sum Premium:	\$	___% Commissions
Included in Premium State Premium Tax:	\$	

**John Hancock Life Insurance Company Highlights:**

Financial Quality as of  
December 31, 2003

<b>A.M. Best</b>	<b>A++ (Superior)</b>
<b>Fitch</b>	<b>AA (Very Strong)</b>
<b>Moody's</b>	<b>Aa3 (Excellent)</b>
<b>Standard &amp; Poor's</b>	<b>AA (Very Strong)</b>

Commitment to Superior  
Customer Service

- \* Installation Conference Call**
- \* Customized Deductions**
- \* Electronic Fund Transfer**
- \* Toll Free Retiree Number**

SPECIMEN

**SINGLE PREMIUM GROUP ANNUITY CONTRACT PROPOSAL  
FOR**

***NAME OF CONTRACT HOLDER***

**I. GENERAL INFORMATION**

**1. Single Sum Premium**

The Single Sum Premium to be paid to John Hancock is based on the specifications as outlined in this proposal.

It is understood that any change in a participant's status prior to the Liability Assumption Date due to death, retirement or misstatements of data such as date of birth, sex, annuity amount or annuity option will require an adjustment to the Single Sum Premium as determined by the John Hancock. Such adjustments will be calculated based on the current assumptions and procedures then in use by John Hancock.

The Single Sum Premium assumes that, aside from those benefits and administrative services which have been specifically identified in this proposal, no other benefits will be payable or services provided under our contract.

John Hancock reserves the right to adjust this amount should the participant data or the plan specifications differ from those which have been quoted herein. Please see Section 7 below.

**2. State Premium Tax**

This proposal *does / does not* include a State Premium Tax. However, if a participant's state of residence is California (.5%), Guam (4%), Texas (.04%), West Virginia (1%), or Puerto Rico (1%) as of the Liability Assumption Date, then a State Premium Tax will be determined.

**3. Commissions**

This proposal takes into consideration that there is no Commission payable hereunder (or a Commission equal to \_\_\_% and the amount is included in the Single Sum Premium.)

4. **Qualification**

This proposal is based on the fact that the plan is qualified under Internal Revenue Code Section 401(a).

5. **Approval of Purchase**

In the event the annuity purchase does not receive any required governmental approval (e.g. the PBGC), John Hancock reserves the right to return the premium submitted, plus interest, less benefit payments and expenses, less an adjustment, if any, calculated in accordance with John Hancock's transfer adjustment formula in effect at the time of the transfer of funds.

6. **Proof of Age**

The necessary data requirements are included in the **DATA REQUIREMENTS FOR INSTALLATION** section of this proposal. We assume that the Plan Sponsor has certified dates of birth. However, it is not uncommon for participants to notify us of corrected dates of birth for themselves and/or their spouse when John Hancock sends out certificates. If we are notified of corrected dates of birth, we will request a copy of the birth certificate prior to calculating a premium adjustment for such participant.

7. **Final Pricing**

Final pricing adjustments will be calculated based on the current assumptions and procedures then in use by John Hancock. The cost adjustments are on a cash basis. Since we will be making a price adjustment at some date after the sale of the annuity purchase, we want our price to reflect market conditions as of that date. We do this by using current assumptions that we offer for new sales on that date. However, we use the same profit margin adjustment and same mortality assumptions agreed to at the time of the sale. The actuarial assumptions will be disclosed after the proposed Contract Holder's commitment to the annuity purchase.

8. **Data Assumptions**

The data submitted on \_\_\_\_\_, did not include date of hire, date of termination or how many years of service a participant has accumulated, the sex of the surviving spouse. For the purpose of this proposal, we have assumed that all participants meet the eligibility requirements to retire prior to their Normal Retirement Date and that the spouse is the opposite sex of the participant.

**9. Death of the Participant**

The Social Security Administration supplies us with a file identifying deceased individuals by name and social security number. A comparison is made with our pricing data file to determine if any participant has died prior to the Liability Assumption Date as outlined in this proposal. If this match indicates a death of any participant, we will notify the client who will determine if there is a beneficiary involved. If there is no additional payee, a refund of premium will be made, as outlined in item 7 above. If there is a beneficiary, we will add the beneficiary's information to the pricing file and adjust the premium accordingly.

We will continue the Social Security match on a quarterly basis during the first year after the Effective Date of the Contract. Beyond the first year, the client will be responsible for notifying us of any further pre-Effective Date participant deaths in order for a refund of premium to be made to the Contract Holder. (For purposes of this section, Effective Date of the Contract is the date of the sale).

**II. RETIRED PARTICIPANTS**

**1. Retirement Benefit and Form of Annuity**

The amount of Retirement Benefit payable in accordance with the elected Form of Annuity is shown on the Schedule of Retired Participants.

**2. Benefit Commencement Date**

This proposal assumes that John Hancock will be responsible for benefit payments on the Benefit Commencement Date mutually agreed upon between the plan administrator and John Hancock.

In order for the John Hancock to pay individual annuity payments to participants commencing on \_\_\_\_\_, we will need the appropriate data identified in this proposal on or prior to \_\_\_\_\_, via a disk or hard copy.

Until we are able to pay participants directly, each month we will reimburse the current payor the total monthly annuities due via a bulk payment.

**3. Death Benefit After Retirement**

Survivor benefits are payable under the Form of Annuity in effect at the time of the participant's death.

4. **Forms of Annuity**

**50%, 66 2/3%, 75% or 100% Joint & Survivor**

The benefit is payable to the participant for life. Upon the participant's death, 50%, 66 2/3%, 75% or 100% continuance, as elected by the participant, will continue to be paid to the survivor for life.

**5, 10, 15, or 20 Year Certain and Continuous**

The benefit is payable to the participant for life. If the participant's death occurs during the certain period elected by the participant, the same benefit will continue to be paid to a designated beneficiary for the remainder of the 5, 10, 15 or 20 year period. The final payment to the designated beneficiary will be made during the last month of the certain period elected. The guaranteed minimum number of payments shall not exceed the number of months permitted under Internal Revenue Code Section 401(a)(9) and applicable IRS regulations.

**Life Only**

A benefit is payable to the participant for life and no benefits are payable to a spouse or beneficiary after the death of the participant.

## **SERVICES PROVIDED BY JOHN HANCOCK**

### **CONFERENCE CALL**

A John Hancock Representative with an experienced background in the administration of pension plans will be assigned the responsibility of successfully installing the contract. As part of our installation process the Representative will call the plan sponsor to:

- **Confirm benefit provisions**
- **Ensure smooth benefit payment transition**
- **Respond to plan sponsor's inquiries**
- **Establish lines for future communication**
- **Provide sample notification letters that recognize the relationship between the Plan Sponsor, the participants and the John Hancock**
- **Develop target dates for final data submission**
- **Review administrative forms, sample certificates, and annuity payment check forms**

John Hancock's special attention to these details promotes efficient ongoing administration.

### **PLAN SPONSOR SERVICES**

With John Hancock's experienced managerial, technical and legal support, you will receive comprehensive and personal attention, backed by our computer and document storage and retrieval systems. Our services also include:

- **Issuance of customized annuity certificates**
- **Completion of required state insurance department filings**
- **Delivery of the Group Annuity Contract**
- **Plan Sponsor's name on the annuity check**
- **Acceptance of employer certification of dates of birth**

## **PARTICIPANT SERVICES**

John Hancock employees are professionals in managing individual pension accounts and annuity payments and have an outstanding service record! All participants will be provided with the professional type of service they deserve...courteous, responsive and caring. These services include:

- **Prompt and accurate calculation and payment of retirement benefits**
- **Benefit quotations**
- **Address, name and beneficiary designation changes**
- **Toll free number for retirees including the capability to handle hearing impaired phone calls**
- **Direct Deposit / Electronic Fund Transfer**
- **Customized check deductions (i.e. medical, dental, life premiums ...)**
- **Federal and State tax withholding and reporting**
- **Stop payment and reissuance of lost checks within 48 hours**
- **Estate tax processing**
- **Processing of Qualified Domestic Relations Orders**
- **Issuance of Annuity Certificates upon execution of the contract**
- **The State Guaranty Association Act Notices will be delivered to the Participants who reside in states that require this disclosure information**

## **DATA REQUIREMENTS FOR INSTALLATION**

For the John Hancock to maintain records and calculate and pay benefits to your participants, we will require the following information:

- 1. Name (First and Last)**
- 2. Social Security Number**
- 3. Date of birth**
- 4. Sex**
- 5. Current mailing address**
- 6. Date of employment**
- 7. Date of termination**
- 8. Actual retirement date**
- 9. Form of Annuity**
- 10. Contingent Annuitant information**
  - **Name**
  - **Social Security Number**
  - **Date of birth**
  - **Sex**
  - **Relationship to payee**
- 11. Beneficiary name and relationship**
- 12. Deductions - Federal and State withholding**
- 13. Customized deductions (medical, dental, life premiums, etc.)**
- 14. Participant Bank information (if applicable)**
  - **Bank address**
  - **Account number**
  - **Bank routing number (ABA)**

Items 1 through 7 are necessary for both deferred and retired participants.

Items 8 through 14 are necessary only for retired participants.

In addition, we will require a listing of participants and payees who have a Qualified Domestic Relations Order or other court order or attachment against their pension since these situations require special handling.

## **PROCEDURES TO FOLLOW WHEN PLAN SPONSOR IS READY TO ACCEPT JOHN HANCOCK'S PROPOSAL**

When you are ready to accept our proposal, please call to confirm the Single Sum Premium. Following verbal acceptance, we require a Confirmation Letter. The Confirmation Letter is a written confirmation that the Plan Sponsor accepts the terms of John Hancock's proposal and further agrees to deposit the stated Single Sum Premium with John Hancock on the date specified.

**Call either the Sales Executive or Underwriter to confirm the Single Sum Premium and to accept the proposal. Due to the volatility of interest rates, the Single Sum Premium can change at any time up to verbal acceptance.**

**Return a signed Confirmation Letter to one of the contacts after verbal acceptance.**

- **A copy of the Confirmation Letter is included in this section.**
- **The Underwriter will provide the Group Annuity Contract Number (GAC).**
- **The Confirmation Letter is to be signed by an individual who has authority to bind the Plan Sponsor or designated Contract Holder.**
- **You may fax the signed Confirmation Letter to us; however, we request the original to be mailed.**

**Send or wire the Single Sum Premium on the date as specified in the Single Premium Group Annuity Contract Proposal.**

- **The Wire Transfer Instructions are included in this section. The GAC Number is necessary for the wire transfer so that the premium is credited to the appropriate account.**

(Date)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Re: \_\_\_\_\_  
Group Annuity Contract Number \_\_\_\_\_ GAC

Dear \_\_\_\_\_:

John Hancock Life Insurance Company (John Hancock) is pleased to have been awarded the Single Premium Group Annuity Contract placement for the \_\_\_\_\_. This letter is written confirmation of the acceptance of John Hancock's offer that was verbally accepted on \_\_\_\_\_ by \_\_\_\_\_.

**A. Effective Date of Contract:** \_\_\_\_\_

**B. Liability Assumption Date:** \_\_\_\_\_

**C. Single Sum Premium: \$** \_\_\_\_\_

**\$** \_\_\_\_\_ **will be paid to the John Hancock on** \_\_\_\_\_.

**D. Commission: The Single Sum Premium includes a commission equal to** \_\_\_\_\_ **% to be paid by the John Hancock to** \_\_\_\_\_.

Our Contract was offered on the basis of the bid specifications and participant data provided by \_\_\_\_\_ via a letter dated \_\_\_\_\_ and the John Hancock's Single Premium Group Annuity Contract Proposal dated \_\_\_\_\_.

We will prepare a final Contract document to reflect the above terms and John Hancock's standard provisions for contracts of this class. Until such final Contract document is executed, the Contract will be administered in accordance with the terms of the above referenced Single Premium Group Annuity Contract Proposal.

The John Hancock commits funds for investment immediately upon verbal acceptance of our contracts. If the Single Sum Premium is not received, the John Hancock could incur substantial investment losses. The Contract Holder/ Employer agrees to reimburse the John Hancock for such investment losses, if any, determined in accordance with the usual procedures of the John Hancock. A statement of our current procedures to determine the amount of such losses will be furnished upon request.

Please have this letter signed by an authorized representative of the Plan and returned via facsimile 617-572-\_\_\_\_ by \_\_\_\_\_, with the original to follow by regular mail.

If you have any questions, please call me at 617-572-\_\_\_\_ or, in my absence, the Underwriter/Sales Executive, \_\_\_\_\_, at 617-572-\_\_\_\_\_.

Sincerely,

\_\_\_\_\_  
\_\_\_\_\_

(Employer/Trustee)

\_\_\_\_\_

Signature

\_\_\_\_\_

Title

\_\_\_\_\_

Date

\_\_\_\_\_

cc: \_\_\_\_\_

**JOHN HANCOCK  
WIRE TRANSFER OF FUNDS  
FOR  
GBSA CONTRACT HOLDERS**

The contract holder must initiate the wire transfer with its own bank one day prior to the date that the funds are to be available to John Hancock.

**PLEASE INSTRUCT YOUR BANK TO WIRE FUNDS TO:**

**ABA #011-000-390  
Fleet Boston  
Attention: Insurance Division  
100 Federal Street  
Boston, MA 02110  
(617) 434-8868**

Statement regarding transfer:

(\$ Single Sum Premium) to be credited to the account of John Hancock Life Insurance Company, Account #541-54621, Attn. T-25, for (Contract Holder's Name, GAC #).

**Note: The day before the funds are transferred, the Plan Sponsor or the transferring bank must call Accounting Client Services at (617) 572-8595 or 8599 to identify the amount of the wired contributions to be deposited in each investment fund.**

**FAILURE TO NOTIFY JOHN HANCOCK OF A WIRE BEING SENT, MAY RESULT IN THE FUNDS BEING UNIDENTIFIABLE AND THEREFORE NOT ABLE TO BE PROCESSED, CAUSING US TO RETURN THE WIRE TO THE SENDER.**

John Hancock cannot fully control the timing of wire transfers or the banking procedure from the time the Contract Holder's bank initiates the transfer until John Hancock's bank notifies us that the wired funds are available. Advance notice to John Hancock does, however, provide some degree of control.