



STATE OF NEW YORK INSURANCE DEPARTMENT  
REPORT ON EXAMINATION  
OF THE  
JOHN HANCOCK LIFE INSURANCE COMPANY OF NEW YORK

CONDITION:

DECEMBER 31, 2007

DATE OF REPORT:

OCTOBER 20, 2009

STATE OF NEW YORK INSURANCE DEPARTMENT  
REPORT ON EXAMINATION  
OF THE  
JOHN HANCOCK LIFE INSURANCE COMPANY OF NEW YORK  
AS OF  
DECEMBER 31, 2007

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EXAMINER:

JOCATENA HARGROVE

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STATE OF NEW YORK  
INSURANCE DEPARTMENT  
25 BEAVER STREET  
NEW YORK, NEW YORK 10004

David A. Paterson  
Governor

James J. Wrynn  
Superintendent

November 20, 2009

Honorable James J. Wrynn  
Superintendent of Insurance  
Albany, New York 12257

Sir:

In accordance with instructions contained in Appointment No. 22743, dated January 15, 2008 and annexed hereto, an examination has been made into the condition and affairs of John Hancock Life Insurance Company of New York, hereinafter referred to as "the Company," at its home office located at 100 Summit Lake Drive, Valhalla, New York 10595.

Wherever "Department" appears in this report, it refers to the State of New York Insurance Department.

The report indicating the results of this examination is respectfully submitted.

1. EXECUTIVE SUMMARY

The material findings and violations contained in this report are summarized below:

- The Company violated Sections 2112(a) and 2114(a)(1) of the New York Insurance Law by paying commissions to unappointed agents. (See item 6A of this report)
- The Company violated Section 3207(b) of New York Insurance Law by issuing policies, on the lives on minors, with face values in excess of the limits allowed. (See item 6B of this report)

## 2. SCOPE OF EXAMINATION

The prior examination was conducted as of December 31, 2004. This examination covers the period from January 1, 2005 through December 31, 2007. As necessary, the examiner reviewed transactions occurring subsequent to December 31, 2007 but prior to the date of this report (i.e., the completion date of the examination).

The examination comprised a verification of assets and liabilities as of December 31, 2007 to determine whether the Company's 2007 filed annual statement fairly presents its financial condition. The examiner reviewed the Company's income and disbursements necessary to accomplish such verification and utilized the National Association of Insurance Commissioners' Examiners Handbook or such other examination procedures, as deemed appropriate, in such review and in the review or audit of the following matters:

- Company history
- Management and control
- Corporate records
- Fidelity bond and other insurance
- Territory and plan of operation
- Market conduct activities
- Growth of Company
- Business in force by states
- Mortality and loss experience
- Reinsurance
- Accounts and records
- Financial statements

The examiner reviewed the corrective actions taken by the Company with respect to the violation contained in the prior report on examination. The results of the examiner's review are contained in item 7 of this report.

This report on examination is confined to financial statements and comments on those matters which involve departure from laws, regulations or rules, or which require explanation or description.

### 3. DESCRIPTION OF COMPANY

#### A. History

The Company was incorporated as a stock life insurance company under the laws of New York on February 10, 1992 under the name of First North American Life Assurance Company. It was licensed and commenced business on July 22, 1992. The Company changed its name to The Manufacturers Life Insurance Company of New York on October 2, 1997. On January 1, 2005 the Company's name was changed to John Hancock Life Insurance Company of New York.

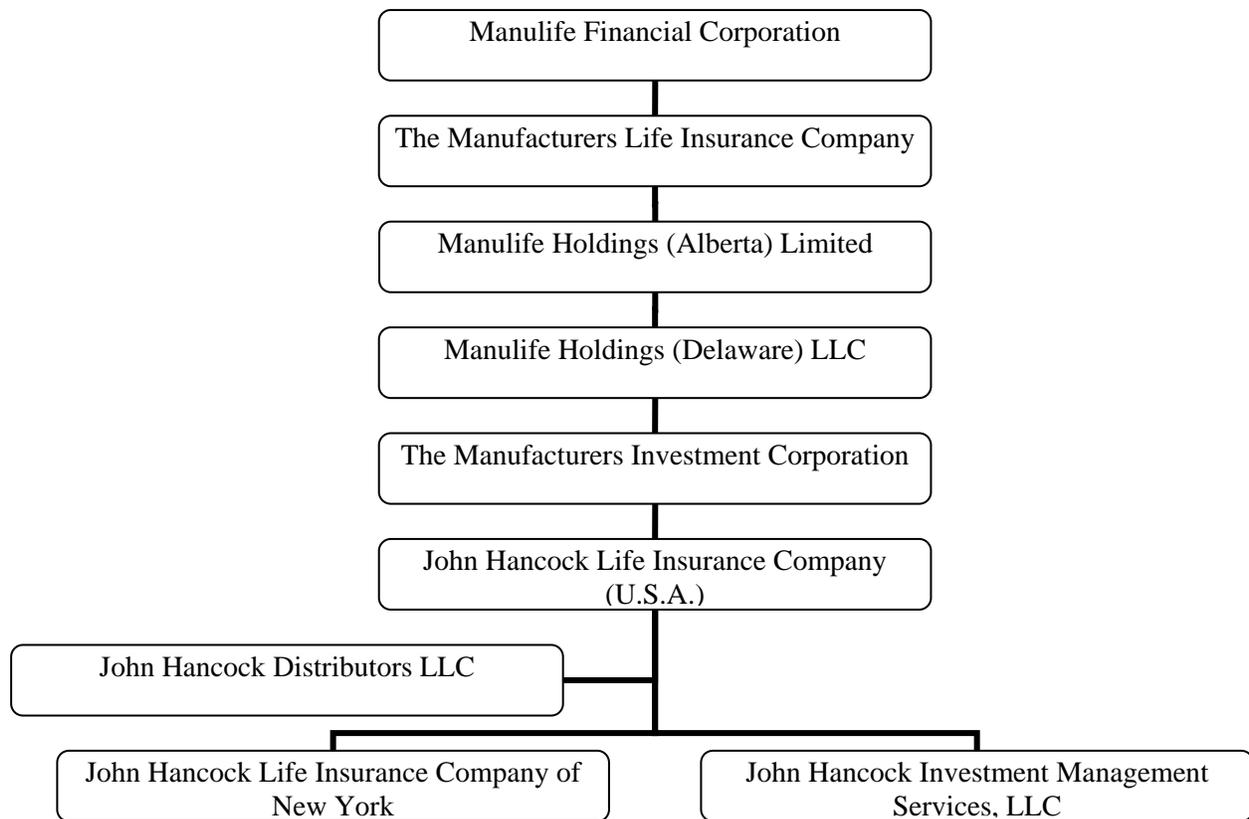
The Company's initial resources of \$7,500,000, consisting of common capital stock of \$2,000,000 and paid-in and contributed surplus of \$5,500,000, were provided through the sale of 2,000,000 shares of common stock (with a par value of \$1 each) for \$3.75 per share. On October 31, 1998, the Company received a contribution to paid-in surplus from its then parent, The Manufacturers Life Insurance Company of North America ("MNA"), in the form of a 10% equity interest in John Hancock Investment Management Services LLC ("JHIMS") formerly known as Manulife Securities Services ("MSS"). JHIMS is an affiliate of the Company and was the principal underwriter for the Company's variable contracts prior to January 1, 2002. On July 31, 2002, The Manufacturers Life Insurance Company (U.S.A.) ("Manulife USA"), the Company's parent, made a cash contribution of \$40,000,000 to the Company. On October 1, 2002, the Company issued one share of capital stock to Manulife USA in exchange for an additional 30% interest in JHIMS. The Company's current interest in JHIMS is 38%. The Company's capital and paid-in surplus as of December 31, 2007 were \$2,000,001 and \$113,305,623 respectively.

#### B. Holding Company

The Company was a wholly owned subsidiary of MNA, a Delaware life insurance company. MNA was in turn a wholly owned subsidiary of Manulife-Wood Logan Holding Company, Inc. ("MWLH"), a Delaware holding company. MWLH is a wholly owned subsidiary of Manulife USA, a Michigan life insurance company, which in turn is an indirect wholly owned subsidiary of Manufacturers Life Insurance Company ("MLI"), a Canadian life insurance company. MLI demutualized on September 23, 1999. Following the demutualization, Manulife USA became a wholly owned subsidiary of Manulife Financial Corporation ("MFC"), a stock

company incorporated on April 26, 1999. On January 1, 2002, a holding company restructuring took place whereby MNA and its parent, MWLH, merged with and into Manulife USA, and the Company became a wholly owned subsidiary of Manulife USA. On April 28, 2004, MFC merged with John Hancock Financial Services, Inc. Effective January 1, 2005, the Company's name was changed to John Hancock Life Insurance Company of New York ("JHNY") and Manulife USA was renamed John Hancock Life Insurance Company (USA).

An organization chart reflecting the relationship between the Company and significant entities in its holding company system as of December 31, 2007 follows:



The Company had three service agreements in effect with affiliates during the examination period.

<b>Type of Agreement and Dept. File No.</b>	<b>Effective Date</b>	<b>Provider(s) of Service(s)</b>	<b>Recipient of Service(s)</b>	<b>Specific Service(s) Covered</b>	<b>Income/ (Expense)* For Each Year of the Examination</b>
Administrative Services Agreement File No. 29199  Amendment No. 1 File No. 33807	1/1/2001  1/1/2005	John Hancock Life Insurance Company (U.S.A.) <sup>1</sup>	The Company <sup>2</sup>	<ul style="list-style-type: none"> <li>· Underwriting</li> <li>· Policy Owner Claims</li> <li>· Marketing</li> <li>· Accounting</li> <li>· Functional Support</li> <li>· Agent Licensing</li> </ul>	2005: \$(34,182,843) 2006: \$(37,661,843) 2007: \$(44,339,319)
Investment Services Agreement File No. 24571D  Amendment No. 1 File No. 27902	10/1/1997  8/31/2000	Manufacturers Life Insurance Company	The Company <sup>2</sup>	<ul style="list-style-type: none"> <li>· Asset Management Services for General Account</li> </ul>	2005: \$(379,629) 2006: \$(426,128) 2007: \$(599,353)
Underwriting and Distribution Agreement File No. 29805A  Amendment No. 1 File No. 33198	1/1/2002  12/6/2004	John Hancock Distributors LLC <sup>3</sup>	The Company <sup>2</sup>	<ul style="list-style-type: none"> <li>· Principal Underwriter</li> <li>· Exclusive Representative for Distributors</li> <li>· Review of Sales &amp; Marketing Materials, Filing with NASD</li> </ul>	2005: \$(1,243) 2006: \$(5,441) 2007: \$(7,560)

<sup>1</sup>Formerly, The Manufacturers Life Insurance Company (U.S.A.)

<sup>2</sup>Formerly, The Manufacturers Life Insurance Company of New York

<sup>3</sup>Formerly, Manulife Financial Services, LLC

Section 308(a) of the New York Insurance Law states, in part:

“The superintendent may also address to ... any authorized insurer or its officers any inquiry in relation to its transactions or condition or any matter connected therewith. Every corporation or person so addressed shall reply in writing to such inquiry promptly...”

Department Circular Letter No. 33 (1979) advises that:

“Any domestic insurer which currently does not participate in a consolidated tax return shall file a copy of its tax allocation agreement with this Department within 30 days of electing to do so.”

The Company participates in a tax sharing agreement whereby it files a consolidated tax return with its ultimate parent and affiliates. The Company was not a party to a tax sharing or tax allocation agreement in 2005. It did join in the consolidated tax return with Manulife Holdings Delaware (MHD) LLC, in 2006 and 2007. The existing tax sharing agreement was not altered to reflect the Company’s participation.

The Company violated Section 308(a) of the New York Insurance Law by failing to give notification to the Superintendent within 30 days of participating in a Tax Sharing Agreement, as directed by Circular Letter No. 33 (1979).

### C. Management

The Company’s by-laws provide that the board of directors shall be comprised of not less than 13 and not more than 18 directors. Directors are elected for a period of one year at the annual meeting of the stockholders held in March of each year. As of December 31, 2007, the board of directors consisted of 13 members. Meetings of the board are held quarterly.

The 13 board members and their principal business affiliation, as of December 31, 2007, were as follows:

<u>Name and Residence</u>	<u>Principal Business Affiliation</u>	<u>Year First Elected</u>
Thomas Borshoff* Pittsford, NY	Self-employed Real Estate Owner/Manager	1999
Marc Costantini Boston, MA	Executive Vice President – Annuities John Hancock Life Insurance Company (U.S.A.)	2003

<u>Name and Residence</u>	<u>Principal Business Affiliation</u>	<u>Year First Elected</u>
Steven A. Finch Boston, MA	Executive Vice President – Life Insurance John Hancock Life Insurance Company (U.S.A.)	2006
Ruth Ann Fleming* Short Hills, NJ	Attorney (Retired)	1992
James D. Gallagher Boston, MA	Chairman of the Board and President John Hancock Life Insurance Company of New York Senior Vice President & Chief of Global Compliance Manulife Financial Corporation	1999
William P. Hicks III Boston, MA	Divisional Sales Vice President – Retirement Plan Services John Hancock Life Insurance Company (U.S.A.)	2006
Katherine MacMillan Toronto, Canada	Executive Vice President – Retirement Plan Services John Hancock Life Insurance Company (U.S.A.)	2006
Neil Merkl* Flushing, NY	Attorney (self-employed)	1995
Lynne Patterson Boston, MA	Senior Vice President and Chief Financial Officer John Hancock Life Insurance Company (U.S.A.)	2007
Bradford Race, Jr.* New York, NY	Attorney Dewey Ballantine LLP	2002
Diana Scott Boston, MA	Senior Vice President, GM College Savings John Hancock Life Insurance Company (U.S.A.)	2006
Bruce R. Speca Boston, MA	Senior Vice President – Investment Management Services John Hancock Life Insurance Company (U.S.A.)	2003
Robert L. Ullmann* Boston, MA	Attorney Nutter McClennen & Fish LLP	2006

\* Not affiliated with the Company or any other company in the holding company system

The examiner's review of the minutes of the meetings of the board of directors and its committees indicated that meetings were well attended and that each director attended a majority of meetings.

The following is a listing of the principal officers of the Company as of December 31, 2007:

<u>Name</u>	<u>Title</u>
James D. Gallagher	Chairman and President
Emanuel Alves*	Secretary and Chief Administrative Officer
James Boyle	Executive Vice President, US Insurance
Hugh McHaffie	Executive Vice President, US Wealth Management
Peter Levitt	Senior Vice President and Treasurer
Katherine MacMillan	Senior Vice President, Retirement Plan Services
Krishna Ramdial	Vice President, Treasury
Richard Harris	Appointed Actuary
Zahir Bhanji	Illustration Actuary
Naveed Irshad	Illustration Officer

\* Designated consumer services officer per Section 216.4(c) of Department Regulation No. 64

#### D. Territory and Plan of Operation

The Company is authorized to write life insurance, annuities and accident and health insurance as defined in paragraphs 1, 2 and 3 of Section 1113(a) of the New York Insurance Law.

The Company is licensed to transact business only in the state of New York. In 2007, 91% of life premiums and 98% of the annuity considerations were received from New York. The Company's premiums and annuity considerations were comprised of 12% life premiums and 88% annuity considerations. Policies are written on a non-participating basis.

The Company issues individual annuities, individual term and variable life insurance products, and group pension contracts. The amounts invested in the fixed portion of the contracts are allocated to the general account of the Company. The amounts invested in the variable portion of the contracts are allocated to the separate accounts of the Company.

The Company's agency operations are conducted on a general agency basis.

E. Reinsurance

As of December 31, 2007, the Company had reinsurance treaties in effect with 21 companies, of which 15 were authorized or accredited. The Company's life business is reinsured on a coinsurance and yearly renewable term basis. Reinsurance is provided on an automatic and facultative basis.

The maximum retention limit for individual life contracts is \$100,000. The total face amount of life insurance ceded as of December 31, 2007, was \$13,782,941,749, which represents 90% of the total face amount of life insurance in force. Reserve credit taken for reinsurance ceded to unauthorized companies, totaling \$267,251,945, was supported by letters of credit and funds withheld.

#### 4. SIGNIFICANT OPERATING RESULTS

Indicated below is significant information concerning the operations of the Company during the period under examination as extracted from its filed annual statements. Failure of items to add to the totals shown in any table in this report is due to rounding.

The following table indicates the Company's financial growth during the period under review:

	December 31, <u>2004</u>	December 31, <u>2007</u>	Increase (Decrease)
Admitted assets	<u>\$3,516,760,102</u>	<u>\$7,320,515,089</u>	<u>\$3,803,754,987</u>
Liabilities	<u>\$3,465,779,683</u>	<u>\$7,097,467,105</u>	<u>\$3,631,687,422</u>
Common capital stock	\$ 2,000,001	\$ 2,000,001	\$ 0
Gross paid in and contributed surplus	113,305,623	113,305,623	0
Variable payout mortality fluctuation reserve	100,000	100,000	0
Unassigned funds (surplus)	<u>(64,425,205)</u>	<u>107,642,360</u>	<u>172,067,565</u>
Total capital and surplus	<u>\$ 50,980,419</u>	<u>\$ 223,047,984</u>	<u>\$ 172,067,565</u>
Total liabilities, capital and surplus	<u>\$3,516,760,102</u>	<u>\$7,320,515,089</u>	<u>\$3,803,754,987</u>

The increase in assets and unassigned funds was primarily due to: robust universal life, variable universal life and annuity sales; a significant increase in net investment income resulting from increased dividends received from JHIMS in 2006; and a prior year tax correction reflected in the 2007 financial results. The growth in variable sales also contributed to the significant increase in liabilities as the separate account liability experienced an approximately \$3.5 billion increase during the examination period.

The majority (89%) of the Company's admitted assets, as of December 31, 2007, was derived from Separate Accounts.

The Company's invested assets as of December 31, 2007, exclusive of separate accounts, were mainly comprised of bonds (68.1%), policy loans (27.2%), and cash and short-term investments (4.7%).

The Company's entire bond portfolio, as of December 31, 2007, was comprised of investment grade obligations.

The following is the net gain (loss) from operations by line of business after federal income taxes but before realized capital gains (losses) reported for each of the years under examination in the Company's filed annual statements:

	<u>2005</u>	<u>2006</u>	<u>2007</u>
Ordinary:			
Life insurance	\$(31,783,363)	\$(14,022,067)	\$(28,253,990)
Individual annuities	44,998,999	74,608,103	93,112,817
Supplementary contracts	<u>(129,948)</u>	<u>(104,657)</u>	<u>55,424</u>
Total ordinary	<u>\$ 13,085,688</u>	<u>\$ 60,481,379</u>	<u>\$ 64,914,251</u>
Group:			
Annuities	<u>167,501</u>	<u>2,475,936</u>	<u>1,436,471</u>
Total group	<u>\$ 167,501</u>	<u>\$ 2,475,936</u>	<u>\$ 1,436,471</u>
Total	<u>\$ 13,253,189</u>	<u>\$ 62,957,315</u>	<u>\$ 66,350,722</u>

The losses experienced on the ordinary life insurance line resulted primarily from new business strain associated with strong sales. In 2006 the losses were mitigated somewhat due to the Company's participation in a reinsurance treaty, effective July 1, 2005, under which the Company ceded 90% of certain UL plans on a coinsurance funds withheld basis. Losses increased in 2007 due to a lower recovery, as this treaty was closed to new guaranteed products in 2007.

## 5. FINANCIAL STATEMENTS

The following statements show the assets, liabilities, capital and surplus as of December 31, 2007, as contained in the Company's 2007 filed annual statement, a condensed summary of operations and a reconciliation of the capital and surplus account for each of the years under review. The examiner's review of a sample of transactions did not reveal any differences which materially affected the Company's financial condition as presented in its financial statements contained in the December 31, 2007 filed annual statement.

### A. ASSETS, LIABILITIES, CAPITAL AND SURPLUS AS OF DECEMBER 31, 2007

#### Admitted Assets

Bonds	\$ 513,755,550
Cash, cash equivalents and short term investments	205,272,976
Contract loans	35,091,855
Investment income due and accrued	18,553,732
Premiums and considerations:	
Uncollected premiums and agents' balances in the course of collection	438,740
Deferred premiums, agents' balances and installments booked but deferred and not yet due	262,497
Reinsurance:	
Amounts recoverable from reinsurers	2,099,422
Current federal and foreign income tax recoverable and interest thereon	63,769
Net deferred tax asset	3,095,624
Receivables from parent, subsidiaries and affiliates	20,977,997
Miscellaneous accounts receivable	772,726
Fees Receivable	6,458,022
From Separate Accounts, Segregated Accounts and Protected Cell Accounts	<u>6,513,672,179</u>
 Total admitted assets	 <u>\$7,320,515,089</u>

Liabilities, Capital and Surplus

Aggregate reserve for life policies and contracts	\$ 509,392,136
Liability for deposit-type contracts	146,444
Contract claims - Life	1,896,785
Contract liabilities not included elsewhere:	
Surrender values on cancelled contracts	749,088
Other amounts payable on reinsurance	4,714,764
Interest maintenance reserve	1,220,784
Commissions to agents due or accrued	4,339,163
General expenses due or accrued	1,746,755
Transfers to Separate Accounts due or accrued	(128,211,034)
Taxes, licenses and fees due or accrued, excluding federal income taxes	1,846,877
Current federal and foreign income taxes	41,448,665
Amounts withheld or retained by company as agent or trustee	171,056
Remittances and items not allocated	25,457,863
Miscellaneous liabilities:	
Asset valuation reserve	639,855
Reinsurance in unauthorized companies	949,869
Funds held under reinsurance treaties with unauthorized reinsurers	98,704,298
Payable to parent, subsidiaries and affiliates	13,424,915
Payable for securities	5,156,643
From Separate Accounts statement	<u>6,513,672,179</u>
Total liabilities	<u>\$7,097,467,105</u>
Common capital stock	\$2,000,001
Gross paid in and contributed surplus	113,305,623
Variable payout mortality fluctuation reserve	100,000
Unassigned funds (surplus)	<u>107,642,360</u>
Surplus	<u>\$ 221,047,983</u>
Total capital and surplus	<u>\$ 223,047,984</u>
Total liabilities, capital and surplus	<u>\$7,320,515,089</u>

B. CONDENSED SUMMARY OF OPERATIONS

	<u>2005</u>	<u>2006</u>	<u>2007</u>
Premiums and considerations	\$1,186,635,295	\$1,294,618,574	\$1,499,728,715
Investment income	80,833,146	135,305,417	170,785,217
Commissions and reserve adjustments on reinsurance ceded	16,851,051	50,430,264	18,024,768
Miscellaneous income	<u>58,269,790</u>	<u>77,735,256</u>	<u>100,765,070</u>
 Total income	 <u>\$1,342,589,282</u>	 <u>\$1,558,089,511</u>	 <u>\$1,789,303,770</u>
 Benefit payments	 \$377,454,692	 \$ 476,559,020	 \$653,744,639
Increase in reserves	9,776,965	(6,792,144)	87,539,286
Commissions	79,588,924	107,670,950	130,340,601
General expenses and taxes	37,039,443	41,391,460	49,260,001
Net transfers to (from) Separate Accounts	820,250,779	839,598,368	767,594,797
Miscellaneous deductions	<u>241,123</u>	<u>1,534,654</u>	<u>4,064,253</u>
 Total deductions	 <u>\$1,324,351,926</u>	 <u>\$1,459,962,308</u>	 <u>\$1,692,543,577</u>
 Net gain (loss)	 \$18,237,356	 \$98,127,203	 \$96,760,193
Federal and foreign income taxes incurred	<u>4,984,166</u>	<u>35,169,888</u>	<u>30,409,471</u>
 Net gain (loss) from operations before net realized capital gains	 \$ 13,253,190	 \$ 62,957,315	 \$ 66,350,722
Net realized capital gains (losses)	<u>(22,794)</u>	<u>99,283</u>	<u>0</u>
 Net income	 <u>\$ 13,230,396</u>	 <u>\$ 63,056,598</u>	 <u>\$ 66,350,722</u>

C. CAPITAL AND SURPLUS ACCOUNT

	<u>2005</u>	<u>2006</u>	<u>2007</u>
Capital and surplus, December 31, prior year	\$ <u>50,980,419</u>	\$ <u>100,869,754</u>	\$ <u>166,325,440</u>
Net income	\$ 13,230,396	\$ 63,056,598	\$ 66,350,722
Change in net unrealized foreign exchange capital gain (loss)	(221,711)	(1,704)	(235,209)
Change in net deferred income tax	737,238	3,895,599	847,967
Change in non-admitted assets and related items	584,683	(2,735,509)	(862,484)
Change in liability for reinsurance in unauthorized companies	23,600,391	1,184,936	(554,168)
Change in asset valuation reserve	188,338	55,766	19,986
Surplus adjustments:			
Change in surplus as a result of reinsurance	11,770,000	0	(688,845)
Prior year tax adjustment	<u>0</u>	<u>0</u>	<u>(8,155,425)</u>
Net change in capital and surplus for the year	\$ <u>49,889,335</u>	\$ <u>65,455,686</u>	\$ <u>56,722,544</u>
Capital and surplus, December 31, current year	\$ <u>100,869,754</u>	\$ <u>166,325,440</u>	\$ <u>223,047,984</u>

## 6. MARKET CONDUCT ACTIVITIES

The examiner reviewed various elements of the Company's market conduct activities affecting policyholders, claimants, and beneficiaries to determine compliance with applicable statutes and regulations and the operating rules of the Company.

### A. Advertising and Sales Activities

The examiner reviewed a sample of the Company's advertising files and the sales activities of the agency force including trade practices, solicitation and the replacement of insurance policies.

Section 219.5(a) of Department Regulation No. 34-A states, in part:

"Each insurer shall maintain at its home office a complete file containing a specimen copy of every printed, published or prepared advertisement hereafter disseminated in this state, with a notation indicating the manner and extent of distribution and the form number of any policy advertised. In order to be complete, the file must contain all advertisements whether used by the company, its agents or solicitors or other persons. That portion of the advertising file which has been covered by a filed report on examination may be eliminated. "

The Company furnished a list of advertising files from which the examiner selected a sample. The Company did not maintain the advertising files on site and they had to request that the files be retrieved from a storage facility.

The Company violated Section 219.5(a) of Department Regulation No. 34-A by failing to maintain its advertising file at its home office.

Section 2112(a) of the New York Insurance Law states, in part:

"Every insurer . . . doing business in this state shall file a certificate of appointment in such form as the superintendent may prescribe in order to appoint insurance agents to represent such insurer . . . "

Section 2114(a)(1) of the New York Insurance Law states, in part:

"No insurer . . . doing business in this state shall pay any commission or other compensation to any person, firm or corporation, for any services in obtaining in

this state any new contract of life insurance . . . except to a licensed life insurance agent of such insurer . . .”

The examiner reviewed the licenses and appointments of a sample of 118 agents and noted that 15 of them wrote a total of 238 policies on behalf of the Company although the Company had not appointed them. Additionally, the Company paid commissions to these 15 agents.

The Company violated Sections 2112(a) and 2114(a)(1) of the New York Insurance Law by paying commissions to unappointed agents.

#### B. Underwriting and Policy Forms

The examiner reviewed a sample of new underwriting files, both issued and declined, and the applicable policy forms.

Section 3207(b) of New York Insurance Law states in part:

(b) An insurer may deliver or issue for delivery in this state a policy or policies of life insurance upon the life of a minor under the age of fourteen years and six months, provided that such policy or policies are effectuated by a person or persons having an insurable interest in the life of such minor or by a person or persons upon whom such minor is dependent for support and maintenance and provided further that an insurer shall not knowingly issue such a policy or policies for an amount which, together with the amount of life insurance under any other policy or policies then in force upon the life of such minor, is in excess of the limit of twenty-five thousand dollars or the limit of fifty per centum or the limit of twenty-five per centum in the case of a minor under the age of four years and six months of the amount of life insurance in force upon the life of the person effectuating the insurance at the date of issue of the policy on the life of such minor, whichever limit is the greater.

The examiner reviewed a sample of 19 juvenile policies, out of a total population of 105 juvenile policies, and noted that 4 of the policies were issued with the face amounts above the limits allowed by New York Insurance law.

The Company violated Section 3207(b) of New York Insurance Law by issuing policies, on the lives on minors, with face values in excess of the limits allowed.

C. Treatment of Policyholders

The examiner reviewed a sample of various types of claims, surrenders, changes and lapses. The examiner also reviewed the various controls involved, checked the accuracy of the computations and traced the accounting data to the books of account.

Based upon the sample reviewed, no significant findings were noted.

## 7. PRIOR REPORT SUMMARY AND CONCLUSIONS

Following is the violation contained in the prior report on examination and the subsequent action taken by the Company in response:

<u>Item</u>	<u>Description</u>
A	<p>The Company violated Section 1505(d)(3) of the New York Insurance Law by failing to comply with the provisions of its administrative services agreement.</p> <p>The examination review revealed that the Company is complying with the provisions of its administrative services agreement.</p>

## 8. SUMMARY AND CONCLUSIONS

Following are the violations contained in this report:

<u>Item</u>	<u>Description</u>	<u>Page No(s).</u>
A	The Company violated Section 308(a) of the New York Insurance Law by failing to give notification to the Superintendent within 30 days of participating in a Tax Sharing Agreement, as directed by Circular Letter No. 33 (1979).	7
B	The Company violated Section 219.5(a) of Department Regulation No. 34-A by failing to maintain its advertising file at its home office.	17
C	The Company violated Sections 2112(a) and 2114(a)(1) of the New York Insurance Law by paying commissions to unappointed agents.	18
D	The Company violated Section 3207(b) of New York Insurance Law by issuing policies, on the lives on minors, with face values in excess of the limits allowed.	18

Respectfully submitted,

Jo'Catena Hargrove  
Senior Insurance Examiner

STATE OF NEW YORK     )  
  )SS:  
COUNTY OF NEW YORK    )

Jo'Catena Hargrove, being duly sworn, deposes and says that the foregoing report, subscribed by her, is true to the best of her knowledge and belief.

\_\_\_\_\_  
Jo'Catena Hargrove

Subscribed and sworn to before me

this \_\_\_\_\_ day of \_\_\_\_\_

APPOINTMENT NO. 22743

**STATE OF NEW YORK**  
**INSURANCE DEPARTMENT**

I, ERIC R. DINALLO, Superintendent of Insurance of the State of New York,  
pursuant to the provisions of the Insurance Law, do hereby appoint:

**JO'CATENA HARGROVE**

as a proper person to examine into the affairs of the

**JOHN HANCOCK LIFE INSURANCE COMPANY OF NEW YORK**

and to make a report to me in writing of the condition of the said

**COMPANY**

with such other information as she shall deem requisite.

In Witness Whereof, I have hereunto subscribed by name  
and affixed the official Seal of the Department  
at the City of New York

this 15th day of January, 2008



ERIC R. DINALLO  
Superintendent of Insurance

*Eric R. Dinallo*  
Superintendent