

OHIO DEPARTMENT OF INSURANCE

A

MARKET CONDUCT EXAMINATION

OF

**JOHN HANCOCK LIFE INSURANCE COMPANY
NAIC # 65099**

As Of

December 31, 2008





Honorable Mary Jo Hudson
Director
Ohio Department of Insurance
50 West Town Street Suite 300
Columbus, Ohio 43215

Director:

Pursuant to your instructions and in accordance with the powers vested under Title 39 of the Ohio Revised Code, a market conduct examination was conducted on the Ohio business of:

John Hancock Life Insurance Company
NAIC# 65099.

The examination was conducted at the Ohio Department of Insurance office in Columbus, Ohio. A report of the examination is enclosed.

Respectfully submitted,

Lynette Baker
Chief, Market Regulation Division

October 15, 2009
Date

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FOREWORD

This examination was conducted under authority provided by Ohio Revised Code (“R.C.”) 3901.011.

SCOPE OF EXAMINATION

A September 10, 2007, revision to R.C. 3923.443 (Bulletin 2008-2), instituted standards to prevent any agent from selling, soliciting, or negotiating Long Term Care (“LTC”) new business, after September 1, 2008, without having first completed an initial eight hour partnership training course. The statute also requires four hours of continuing education (“CE”) in LTC to be completed in every 24 month period commencing January of the year immediately following the year of issuance of the agent’s license.

On March 9, 2009, the Market Regulation Division, Ohio Department of Insurance (“Department”) opened an examination into the agent continuing education practices of John Hancock Life Insurance Company (“Company”) by sending the Company a call letter and initial request for information.

The examination was conducted at the Department’s office in Columbus, Ohio. The examination was restricted to the review of the Company’s procedures for tracking agents’ continuing education information, a review of LTC new business policies written during the exam period of September 1, 2008, through December 31, 2008, and the documentation provided to support that the agents writing LTC were meeting the statutory requirements.

The examination report is reported by test and was conducted with the standards and procedures established by the National Association of Insurance Commissioners and the state of Ohio’s applicable statutes and rules.

METHODOLOGY

The company was asked to provide a list of policies issued during the exam period. Once that information was received the company was then asked to provide individual agent documentation to confirm that the eight hours of training was received prior to selling any new LTC policies.

COMPLIANCE

The Company provided procedures for tracking agent continuing education requirements that can reasonably be expected to prevent any agent unfair practices.

AGENT CONTINUING EDUCATION

Standard: The Company’s documentation of the agent’s CE shows that the agent complied with statutes and rules.

Test: Did the Company’s documentation support that each agent met the continuing education requirements in compliance with R.C. 3923.443(A)(1),(C),(D),(E), and (F)?

Test Methodology:

- The examiners considered the following to be exceptions:
 1. Any documentation that did not support the 8 hours of continuing education.
 2. Any class or course that did not meet the Department's approved course list.

Findings:

Company Name	Number of Unique Agents	Number of Policies Written	Number of Exceptions	Error Rate	Reason for Exceptions
John Hancock	485	1167	29	6%	Company unable to provide CE documentation

The Company did not meet this standard requirement.

Examiner Recommendations:

The Company should revise its procedures to improve documentation of agent continuing education. The Company should report back to the Department, on or before November 6, 2009, your activities and changes in procedures that will assure future compliance with Ohio statutes and rules.

This concludes the report of the Market Conduct Examination of John Hancock Life Insurance Company. The examiners, Don Layson and Angela Dingus would like to acknowledge the assistance and cooperation provided by the management and the employees of the Company.



Don Layson
Examiner-in-Charge

October 15, 2009

Date

ATTACHMENT

John Hancock Life Insurance Company

Litigation and Employment Division
Law Sector

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William A. Gottlieb
Assistant Vice President and Senior Counsel



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OHIO DEPT. OF INSURANCE
MARKET CONDUCT DIVISION

October 1, 2009

Daniel J. Atkisson, CPCU, CIDM, CIE
Insurance Compliance Supervisor
Ohio Department of Insurance
50 West Town Street
Third Floor- Suite 300
Columbus, OH 43215

Re: Market Conduct Examination Report

Dear Mr. Atkisson:

I am writing on behalf of John Hancock Life Insurance Company (hereinafter referred to as "John Hancock" or the "Company") in response to the Ohio Department of Insurance's ("Department") draft Market Conduct Report of John Hancock Life Insurance Company ("Report") sent with your letter of September 28, 2009. The Company appreciates the opportunity previously afforded by the Department to respond to and comment on an earlier draft of the Report. The Company is content with the changes the Department has made to the Report and has no additional edits or comments at this time.

Respectfully, notwithstanding the foregoing, alleged violations or references in the Report which have not been specifically addressed here or previously are not necessarily accepted nor admitted to be accurate. Further, the Company reserves the right to supplement its response in the future as may be necessary. The Company specifically reserves all rights afforded to it by Ohio law.

Thank you for your consideration and cooperation on this matter.

Yours truly,

William A. Gottlieb
Assistant Vice President and Senior Counsel

WAG:Ice
cc: Richard Famiglietti
Glenn Daly