NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

FINANCIAL CONDITION REPORT ON EXAMINATION

OF THE

JOHN HANCOCK LIFE INSURANCE COMPANY OF NEW YORK

CONDITION:	DECEMBER 31, 2019
DATE OF REPORT:	JUNE 10, 2021

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EXAMINER:	JEFFREY GOOD, CFE

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May 13, 2021

Honorable Linda A. Lacewell
Superintendent of Financial Services
New York, New York 10004

Linda A. Lacewell:

In accordance with the instructions contained in Appointment No. 32189, dated January 27, 2021, 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" or "JHNY." The Company's home office is located at 100 Summit Lake Drive, 2nd Floor, Valhalla, NY 10595. Due to the COVID-19 pandemic, the examination was conducted remotely.

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

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

1. EXECUTIVE SUMMARY

The material recommendation, violation and comment contained in this report are summarized below.

- The examiner recommends that the Company continue to compute reserves using the assumptions and methodologies as agreed upon with the Department. (See item 6F of this report)
- The Company violated Section 4228(h) of the New York Insurance Law by failing to have a signed and dated demonstration prior to the date the statements of self-support were signed. This is a repeat violation. (See item 6G of this report)
- The full effect of COVID-19 on the U.S. and global insurance and reinsurance industry is still unknown at the time of releasing this report. The Department is expecting the COVID-19 outbreak to impact a wide range of insurance products resulting in coverage disputes, reduced liquidity of insurers, and other areas of operations of insurers. The Department and all insurance regulators, with the assistance of the NAIC, are monitoring the situation through a coordinated effort and will continue to assess the impacts of the pandemic on U.S. insurers. (See item 7 of this report.)

2. SCOPE OF EXAMINATION

The examination of the Company was a full scope examination as defined in the National Association of Insurance Commissioners' ("NAIC") *Financial Condition Examiners Handbook, 2020 Edition* (the "Handbook"). The examination covers the five-year period from January 1, 2015 to December 31, 2019. The examination was conducted observing the guidelines and procedures in the Handbook and, where deemed appropriate by the examiner, transactions occurring subsequent to December 31, 2019, but prior to the date of this report (i.e., the completion date of the examination) were also reviewed.

The examination was conducted on a risk focused basis in accordance with the provisions of the Handbook published by the NAIC. The Handbook guidance provides for the establishment of an examination plan based on the examiner's assessment of risk in the insurer's operations and utilizing that evaluation in formulating the nature and extent of the examination. The examiner planned and performed the examination to evaluate the current financial condition as well as identify prospective risks that may threaten the future solvency of the insurer. The examiner identified key processes, assessed the risks within those processes and evaluated the internal control systems and procedures used to mitigate those risks. The examination also included assessing the principles used and significant estimates made by management, evaluating the overall financial statement presentation, and determining management's compliance with New York statutes and Department guidelines, Statutory Accounting Principles as adopted by the Department, and annual statement instructions.

The examination was called by the Michigan Department of Insurance and Financial Services ("Michigan") in accordance with the Handbook guidelines, through the NAIC's Financial Exam Electronic Tracking System. Michigan served as the lead state with participation from the states of Massachusetts and New York. Since the lead and participating states are all accredited by the NAIC, all states deemed it appropriate to rely on each other's work.

Information about the Company's organizational structure, business approach and control environment were utilized to develop the examination approach. The Company's risks and management activities were evaluated incorporating the NAIC's nine branded risk categories.

These categories are as follows:

- Pricing/Underwriting
- Reserving
- Operational
- Strategic
- Credit
- Market
- Liquidity
- Legal
- Reputational

The Company was audited annually, for the years 2015 through 2019, by the accounting firm of Ernst and Young, LLP ("EY"). The Company received an unqualified opinion for all years. Certain audit workpapers of the accounting firm were reviewed and relied upon in conjunction with this examination. John Hancock Life Insurance Company (USA), the Company's parent has an internal audit department and a separate internal control department which was given the task of assessing the internal control structure and compliance with the Sarbanes-Oxley Act of 2002 ("SOX"). Where applicable, SOX workpapers and reports were reviewed, and portions were relied upon for this examination.

The examiner reviewed the corrective actions taken by the Company with respect to the financial condition recommendation and comment contained in the prior report on examination. The results of the examiner's review are contained in item 8 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, was licensed on July 22, 1992 and commenced business on July 22, 1992. Initial resources of $7,500,000, consisting of common (preferred) 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.

The Company was a wholly owned subsidiary of The Manufacturers Life Insurance Company of North America ("MNA"), a Delaware life insurance company. MNA was an indirect wholly owned subsidiary of Manulife USA, a Michigan life insurance company, which in turn was an indirect wholly owned subsidiary of The Manufacturers Life Insurance Company ("MLI"), a Canadian life insurance company. On January 1, 2002, a holding company restructuring took place whereby MNA and its parent merged with and into Manulife USA, and the Company became a wholly owned subsidiary of Manulife USA. On April 28, 2004, Manulife Financial Corporation ("MFC"), the parent company of MLI, merged with John Hancock Financial Services, Inc. On January 1, 2005, Manulife USA was renamed John Hancock Life Insurance Company (U.S.A.) ("JHUSA") and the Company adopted its current name.

As of December 31, 2019, the Company's capital stock and paid-in and contributed surplus were $2,000,003 and $913,305,622, respectively.

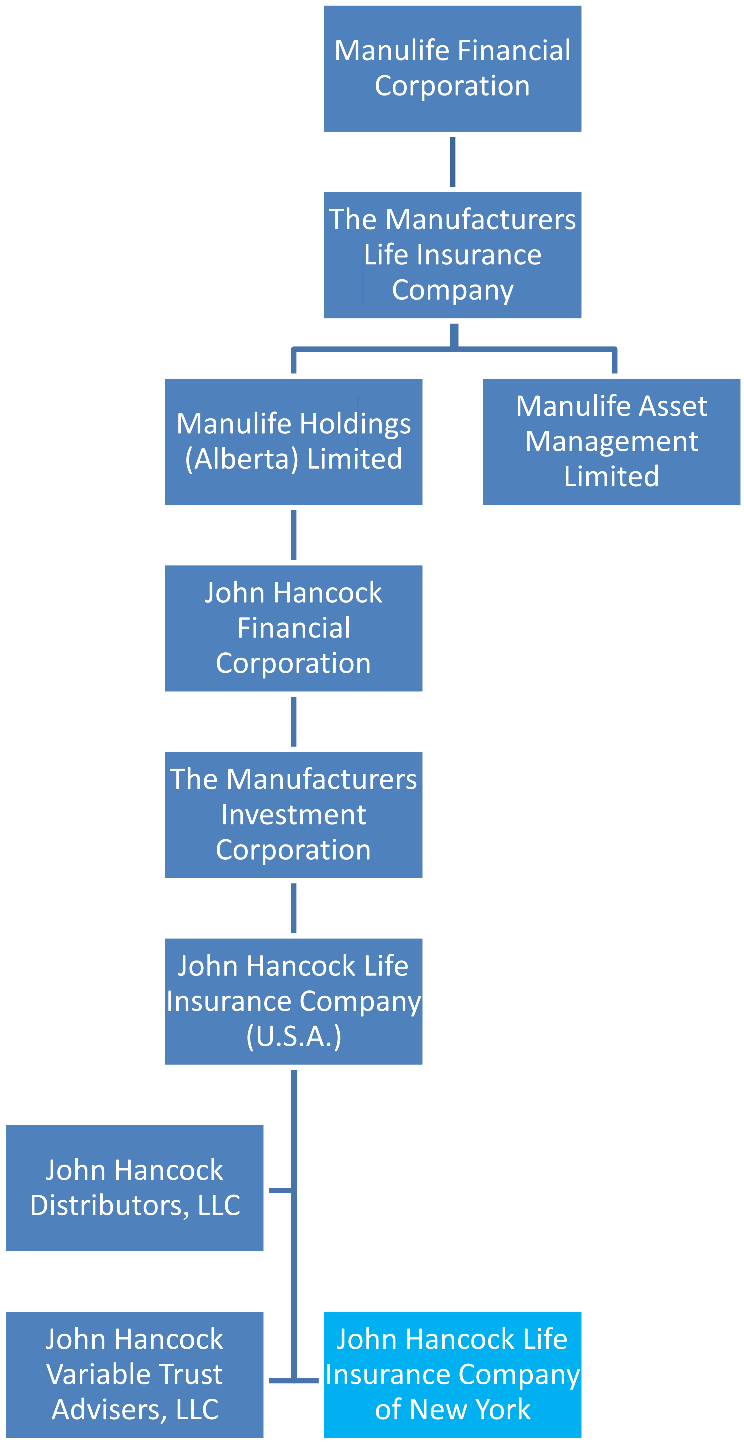
The Company declared and paid dividends to its parent company in 2019 and 2018 in the amount of $100,000,000 and $100,000,000, respectively.

B. Holding Company

The Company is a wholly owned subsidiary of JHUSA, a life insurance company domiciled in the State of Michigan. JHUSA is a wholly owned subsidiary of The Manufacturers Investment Corporation ("MIC"). MIC is a wholly owned subsidiary of John Hancock Financial Corporation ("JHFC"), which is an indirect, wholly owned subsidiary of MLI. MLI, in turn, is a wholly owned subsidiary of MFC, a Canadian-based, publicly traded financial services holding company.

C. Organizational Chart

An organization chart reflecting the relationship between the Company and significant entities in its holding company system as of December 31, 2019 follows:



D. Service Agreements

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

Type of Agreement and Department File Number	Effective Date	Provider(s) of Service(s)	Recipient(s) of Service(s)	Specific Service(s) Covered	Income/ (Expense)* For Each Year of the Examination
Administrative Services Agreement - File No. 29199 Amendment No. 1 File No. 33807	1/1/2001 5/1/2005	JHUSA	The Company (formerly, The Manufacturers Life Insurance Company of New York)	Underwriting Policy Owner Claims Marketing Accounting Functional Support Agent Licensing	2015 $(53,322,196) 2016 $(54,063,381) 2017 $(53,203,581) 2018 $(49,767,326) 2019 $(50,810,114)
Investment Services Agreement File No. 24571D Amendment File No. 27902 Amendment File No. 42127	01/01/1997 08/31/2000 07/27/2009	JHUSA	The Company	Asset Management Services for General Account	2015 $(10,697,446) 2016 $(9,156,388) 2017 $(9,719,847) 2018 $(10,242,504) 2019 $(9,626,718)
Amended and Restated Underwriting and Distribution Agreement File No. 29805A Restated and Amended File No. 33198A	12/1/2002 12/01/2009	John Hancock Distributors, LLC	The Company	Principal Underwriter Exclusive Representative for Distributors Review of Sales & Marketing Materials Filing with NASD	2015 $(11,122) 2016 $ (7,613) 2017 $ (9,968) 2018 $ (10,226) 2019 $ (5,213)
Investment Advisory Agreement File No. 42201 Amended and Restated Investment Advisory Agreement File # 46068	12/28/2009 06/01/2012	Manulife Investment Management Limited (formerly, Manulife Asset Management Limited)	The Company	Investment Advisor	2015 $($633,859) 2016 $($580,106) 2017 $($691,589) 2018 $($342,576) 2019 $($352,168)

Type of Agreement and Department File Number	Effective Date	Provider(s) of Service(s)	Recipient(s) of Service(s)	Specific Service(s) Covered	Income/ (Expense)* For Each Year of the Examination
ALM Service Agreement File No. 42201	12/28/2009	JHUSA	The Company	ALM Services	2015 $(1,518,975) 2016 $ (863,043) 2017 $ (551,591) 2018 $ (696,911) 2019 $ (430,293)
Administrative Services Agreement File No. 47984 Amendment No. 1 File # 47984A	12/20/2013 8/29/2014	The Company	John Hancock Variable Trust Advisers, LLC (formerly, John Hancock Investment Management Services, LLC & John Hancock Advisors, LLC)	Administrative Services	2015 $16,956,246 2016 $15,618,292 2017 $15,830,902 2018 $15,376,664 2019 $14,507,081

The Company participates in a federal income tax allocation agreement with its parent and affiliates.

E. Management

The Company's by-laws provide that the board of directors shall be comprised of not less than seven 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, 2019, the board of directors consisted of 10 members. Meetings of the board are held quarterly.

The ten board members and their principal business affiliation, as of December 31, 2019, were as follows:

Name and Residence	Principal Business Affiliation	Year First Elected
Paul M. Connolly* Milton, MA	Retired Executive Federal Reserve Bank of Boston	2010
James D. Gallagher Toronto, ON, Canada	Senior Vice President, General Counsel and Chief Auditor Manulife Financial Corporation	1999
Marianne Harrison [1] Boston, MA	Chairman, President and Chief Executive Officer JHUSA, JHNY, JHLH	2017
Jeonghyon Stephanie Nam* New York, NY	Retired Attorney	2019
Ken Ross Lansing, MI	Vice President – Government Relations JHUSA, JHNY, and JHLH	2019
Rex E. Schlaybaugh, Jr.* Harbor Springs, MI	Retired Law Partner	2009
Brooks Tingle Boston, MA	Senior Vice President JHUSA, JHNY, and JHLH	2018
John G. Vrysen* Hopkinton, MA	Retired Executive	2009
Linda A. Watters* Goodyear, AZ	Retired Former Missouri Insurance Commissioner	2016
Henry H. Wong Boston, MA	Vice President - Head of U.S. Portfolio JHUSA, JHNY, and JHLH	2019

[1] Ms. Harrison serves as board chair
* 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, 2019:

Name	Title
Marianne Harrison	President and Chief Executive Officer
Martin Sheerin	Chief Financial Officer
Tracy Kane Lannigan	Secretary
Simonetta Vendittelli	Controller
Halina K. von dem Hagan	Treasurer
Brian Tucker	Chief Administrative Officer *
Richard Harris	Appointed Actuary

* Designated consumer services officer per Section 216.4(c) of 11 NYCRR 216 (Insurance Regulation 64)

4. TERRITORY AND PLAN OF OPERATIONS

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 2019, 80.5% of the life premiums, 77.6% of the annuity considerations, and 77.1% of the accident and health premiums were received from New York. Policies are written on a non-participating basis.

The following tables show the percentage of direct premiums received, by state, and by major lines of business for the year 2019:

Life Insurance Premiums	
New York	80.5%
Minnesota	5.7%
Delaware	2.3%
New Jersey	2.2%
Michigan	2.2%
Subtotal	92.9%
All others	7.1%
Total	100.0%

Annuity Considerations	
New York	77.6%
Florida	11.5%
Utah	3.7%
New Jersey	3.2%
North Carolina	1.5%
Sub Total	97.5%
All others	2.5%
Total	100.0%

A. Statutory and Special Deposits

As of December 31, 2019, the Company had $422,555 (par value) of United States Treasury Bonds on deposit with the State of New York, its domiciliary state, for the benefit of all policyholders, claimants, and creditors of the Company.

B. Direct Operations

The Company issues individual whole and term life insurance, universal, variable life insurance, and group pension contracts. The Company sells its variable annuity products in the employee retirement services market. In 2012, the Company suspended new sales of its fixed deferred and variable annuity products. In March 2013, the Company discontinued new sales of its remaining annuity products, including structured settlements and single premium immediate annuities.

The Company's agency operations are conducted on a general agency basis. Products are primarily distributed through licensed financial advisors. Variable life and annuity products are exclusively distributed by the Company's affiliate, John Hancock Distributors, LLC, pursuant to an underwriting and distribution agreement.

C. Reinsurance

As of December 31, 2019, the Company had reinsurance treaties in effect with 30 companies, of which 15 were authorized or accredited. The Company's life, accident and health business is reinsured on a coinsurance, modified coinsurance, and/or yearly renewable term basis. Reinsurance is provided on an automatic and facultative basis.

The maximum retention limit for individual life contracts is $30,000,000. The total face amount of life insurance ceded as of December 31, 2019, was $35,105,700,981 which represents 60% of the total face amount of life insurance in-force.

Reserve credit taken for reinsurance ceded to unauthorized companies and reinsurance recoverable from unauthorized companies, totaling $1,423,560,275 was supported by letters of credit and trust agreements and funds withheld.

The total face amount of life insurance assumed as of December 31, 2019, was $15,038,736,437.

5. 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 (decline) during the period under review:

	December 31, 2014	December 31, 2019	Increase (Decrease)
Admitted assets	$17,475,488,818	$17,663,343,754	$187,854,936
Liabilities	$16,259,828,757	$16,239,535,699	$ (20,293,058)
Common capital stock	$ 2,000,003	$ 2,000,003	$ 0
Gross paid in and contributed surplus	913,305,621	913,305,622	1
Unassigned funds (surplus)	300,354,437	508,502,430	208,147,993
Total capital and surplus	$ 1,215,660,061	$ 1,423,808,055	$ 208,147,994
Total liabilities, capital and surplus	$17,475,488,818	$17,663,343,754	$187,854,936

The Company's invested assets as of December 31, 2019, exclusive of separate accounts, were mainly comprised of bonds (61.1%), other invested assets (12.2%), and mortgage loans (7.9%).

The majority of the Company's bond portfolio (98.9%), as of December 31, 2019, was comprised of investment grade obligations.

The following indicates, for each of the years listed below, the amount of life insurance issued and in force by type (in thousands of dollars):

	Individual Whole Life		Individual Term	
Year	Issued	In Force	Issued	In Force
2015	$1,309,967	$ 28,447,408	$1,274,092	$27,163,075
2016	$1,159,432	$ 30,061,224	$1,743,132	$25,564,429
2017	$2,380,829	$ 33,979,716	$2,548,336	$24,120,421
2018	$1,410,534	$ 35,200,788	$3,506,335	$25,803,171
2019	$1,645,305	$ 30,935,105	$1,657,411	$27,452,203

The Company misstated the in-force end of year amounts for individual whole life and individual term life, as well as new issues and terminations in its 2017 annual statement filing. The new issues were overstated by $1.2 billion for whole life and understated by $1.2 billion for term life. The year-end 2018 balances were fully reconciled, with adjustments to get from incorrect 2017 balances included in the misreported lines.

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

	2015	2016	2017	2018	2019
Ordinary:					
Life insurance	$(113,314,324)	$(4,371,773)	$(18,155,397)	$ 51,619,655	$(187,700,419)
Individual annuities	6,206,288	72,627,523	75,443,958	(17,900,669)	36,220,388
Supplementary contracts	2,754,831	2,413,169	2,503,955	(3,288,765)	0
Total ordinary	$(104,353,205)	$65,842,581	$ 54,784,606	$ 30,430,221	$ 0
Group:					
Annuities	10,421,049	39,618,040	8,569,813	17,8694,085	(52,469,798)
Total group	$ 10,421,049	$39,618,040	$ 8,569,813	$ 178,694,085	$ (52,469,798)
Accident and health:					
Other	(173,227)	(128,409)	(124,859)	(156,750)	(148,254)
Total accident and health	$ (173,227)	$ (128,409)	$ (124,859)	$ (156,750)	$ (148,254)
All other lines	$ 86,712,956	$35,827,631	$ 78,129,391	$155,223,482	$ 67,011,154
Total	$ (7,392,427)	$141,159,843	$141,358,952	$364,191,039	$(137,086,930)

The changes in the operating income in the ordinary life insurance line of business were as follows: the increase between 2015 and 2016 was primarily due to the non-repeat of certain reinsurance transactions. The increase between 2017 and 2018 was primarily due to a smaller increase in reserves year-over-year, resulting in fewer expenses hitting the income statement through the change in reserves. The decrease between 2018 and 2019 was primarily due to an increase in Asset Adequacy Tested ("AAT") Reserves, resulting in larger expenses in change in reserves on the income statement.

The increase in individual annuities from operations between 2015 and 2016 was primarily due to less surrenders on variable annuities. The decrease between 2017 and 2018 was primarily due to higher variable annuity guarantee reserves in 2018 versus lower reserves in 2017, and due to fund performance. The increase between 2018 and 2019 was primarily due to lower variable annuity guarantee reserves in 2019 versus higher reserves in 2018, and a new coinsurance agreement effective in 2019.

The increase in group annuities from operations between 2015 and 2016 was primarily due to the recapture of group payout annuities from a reinsurance treaty effective in 2016. The decrease between 2016 and 2017 was primarily due to the non-repeat of the 2016 treaty recapture of group payout annuities. The increase in group annuities between 2017 and 2018 was primarily driven by the release of AAT reserves during 2018. The decrease in group annuities in 2019 was primarily driven by the initial ceded group pay-out annuity premiums under a new coinsurance agreement and the non-repeat of the 2018 reserve release.

All decreases and increases in all other lines from operations between 2015 and 2019 were primarily due to changes in federal income tax expenses and to normal operations.

6. FINANCIAL STATEMENTS

The following statements show the assets, liabilities, capital and surplus as of December 31, 2019, as contained in the Company’s 2019 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, 2019 filed annual statement.

A. Independent Accountants

EY was retained by the Company to audit the Company’s combined statutory basis statements of financial position of the Company as of December 31 of each year in the examination period, and the related statutory-basis statements of operations, capital and surplus, and cash flows for the year then ended.

EY concluded that the statutory financial statements presented fairly, in all material respects, the financial position of the Company at the respective audit dates. Balances reported in these audited financial statements were reconciled to the corresponding years’ annual statements with no discrepancies noted.

B. Net Admitted Assets

Bonds	$ 4,786,887,757
Stocks:	
Preferred stocks	7,993,923
Common stocks	124,704,752
Mortgage loans on real estate:	
First liens	616,511,846
Real estate:	
Properties held for the production of income	241,210,428
Cash, cash equivalents and short-term investments	12,660,842
Contract loans	122,011,630
Derivatives	966,848,581
Other invested assets	955,304,931
Receivable for securities	409,358
Receivable for collateral derivatives	514,853
Investment income due and accrued	72,223,694
Premiums and considerations:	
Uncollected premiums and agents' balances in the course of collection	4,792,109
Reinsurance:	
Amounts recoverable from reinsurers	15,605,198
Funds held by or deposited with reinsured companies	837,010,642
Other amounts receivable under reinsurance contracts	24,141,073
Current federal and foreign income tax recoverable and interest thereon	3,549,645
Net deferred tax asset	79,267,239
Guaranty funds receivable or on deposit	1,889,677
Receivables from parent, subsidiaries and affiliates	522,813,481
Fee Income receivables	6,001,760
Miscellaneous accounts receivables	7,186,711
From separate accounts, segregated accounts and protected cell accounts	8,253,803,624
Total admitted assets	$17,663,343,754

C. Liabilities, Capital and Surplus

Aggregate reserve for life policies and contracts	$ 5,808,364,475
Aggregate reserve for accident and health contracts	41,398
Liability for deposit-type contracts	232,243,648
Contract claims:	
Life	47,696,794
Policyholders' dividends and coupons due and unpaid	636,193
Dividends apportioned for payment	11,094,378
Premiums and annuity considerations for life and accident and health contracts received in advance	152,702
Contract liabilities not included elsewhere:	
Surrender values on cancelled contracts	633,881
Other amounts payable on reinsurance	56,086,843
Interest maintenance reserve	353,199,106
Commissions to agents due or accrued	5,712,849
General expenses due or accrued	2,287,317
Transfers to separate accounts due or accrued	(21,202,709)
Taxes, licenses and fees due or accrued, excluding federal income taxes	16,845,727
Amounts withheld or retained by company as agent or trustee	66,236
Remittances and items not allocated	5,199,444
Miscellaneous liabilities:	
Asset valuation reserve	238,633,143
Reinsurance in unauthorized companies	9,514,425
Funds held under reinsurance treaties with unauthorized reinsurers	371,870,533
Payable to parent, subsidiaries, and affiliates	8,881,437
Derivatives	596,170,416
Payable for Securities	189,808,911
Payable for collateral on derivatives	51,794,928
Miscellaneous liabilities	20,089,639
Deferred gain on reinsurance	7,826
From Separate Accounts statement	51,794,924
Total liabilities	$16,239,535,699
Common capital stock	$ 2,000,003
Gross paid in and contributed surplus	913,305,622
Unassigned funds (surplus)	508,502,430
Surplus	1,421,808,052
Total capital and surplus	$ 1,423,808,055
Total liabilities, capital and surplus	$17,663,343,754

D. Condensed Summary of Operations

	2015	2016	2017	2018	2019
Premiums and considerations	$1,763,544,372	$1,539,365,094	$ 1,086,231,669	$1,062,228,225	$ 525,753,482
Investment income	349,305,415	331,681,202	339,711,472	348,067,728	331,377,323
Commissions and reserve Adjustments on reinsurance ceded	(41,647,554)	(217,974,880)	33,185,593	29,791,300	10,727,244
Miscellaneous income	139,200,133	143,075,726	145,352,699	140,117,832	134,812,686
Total income	$2,210,402,366	$1,796,147,142	$1,604,481,433	$1,580,205,085	$1,002,670,735
Benefit payments	$1,544,242,341	$1,522,658,383	$1,544,480,804	$1,574,628,895	$1,555,592,387
Increase in reserves	988,166,143	212,627,498	123,684,946	(64,183,407)	(70,164,170)
Commissions	164,132,565	82,851,622	85,049,788	85,595,085	83,926,725
General expenses and taxes	57,066,101	56,654,915	59,531,709	68,857,128	61,471,864
Increase in loading on deferred and uncollected premiums	702,536	(314,154)	(736,024)	0	0
Net transfers to (from) separate accounts	(469,275,442)	(347,339,398)	(360,765,017)	(390,639,971)	(389,106,894)
Miscellaneous deductions	(23,247,798)	22,935,980	(30,336,246)	(43,199,863)	(76,931,773)
Total deductions	$2,261,786,446	$1,550,074,846	$1,420,909,960	$1,231,057,867	$1,164,788,139
Net gain (loss) from operations	$ (51,384,080)	$ 246,072,296	$ 183,571,473	$ 349,147,218	$ (162,117,404)
Dividends	29,912,279	20,390,207	17,190,283	20,934,024	15,659,744
Federal and foreign income taxes Incurred	(73,903,932)	84,522,246	25,022,238	(35,977,845)	(40,690,218)
Net gain (loss) from operations before net realized capital gains	$(7,392,427)	$ 141,159,843	$141,358,952	364,191,039	(137,086,930)
Net realized capital gains (losses)	(10,798,724)	(60,940,336)	(56,626,816)	11,160,200	(59,529,660)
Net income	$ (18,191,151)	$ 80,219,507	$ 84,732,136	$ 375,351,239	$ (196,616,590)

The decrease in premiums and considerations in 2019, compared with 2018, was primarily due to the initial ceded pay-out annuity premiums related to reinsurance treaties effective in 2019.

The decrease in commissions and reserve adjustments on reinsurance ceded between 2015 and 2016 was primarily the result of the recapture of group payout annuities, reserve adjustments, commissions, and non-repeat reinsurance recaptures. The increase in commissions and reserve adjustments on reinsurance ceded in 2017, compared with 2016, was the result of non-repeat of group payout annuity recaptures, reserve adjustments ceded and commissions.

The changes in “increase in reserves” were as follows: the decrease in 2016, compared with 2015 was primarily due to the non-repeat of the prior year reinsurance recaptures. The decrease between 2016 and 2017 was due to lower in-force growth net of surrenders, partially offset by new business growth and a decrease in variable annuity guarantee reserves due to fund performance. The decrease in 2018, compared with 2017, was primarily due to a reserve release, lower in-force growth net of the reserve release, an increase in separate account guarantee reserve mainly due to negative fund performance and new life business.

The decrease in commissions and expense allowance on reinsurance assumed between 2015 and 2016 was primarily the result of a non-repeat treaty recapture and a decrease in variable life products first year direct commissions.

The increase in net transfers to and from separate accounts between 2015 and 2016 was primarily driven by an increase in annuities due to higher withdrawals offset by a change in expense allowance, the increase in retirement planning services due to an increase in net deposits over benefit payments, and a decrease in life due to lower premium collections offset by higher asset transfers.

The decrease in miscellaneous deductions from 2016 to 2017 was primarily driven by a decrease in net investment income due to the non-repeat of a ceded payout annuity recapture and by higher unrealized gains mainly on other invested assets due to the increase in invested assets. The decrease in miscellaneous deductions between 2018 and 2019 was driven by the release of the Interest Maintenance Reserve as income relating to reinsurance treaties.

E. Capital and Surplus Account

	2015	2016	2017	2018	2019
Capital and surplus, December 31, prior year	$1,215,660,061	$1,310,313,158	$1,404,922,395	$1,482,510,445	$1,662,662,972
Net income	$ (18,191,151)	$ 80,219,507	$ 84,732,136	$ 375,351,239	$ (196,616,590)
Change in net unrealized capital gains (losses)	26,341,262	17,407,684	135,317,021	(25,481,311)	87,134,939
Change in net unrealized foreign exchange capital gain (loss)	88,455	(10,419)	125,239	11,382	(6,378)
Change in net deferred income tax	(37,755,314)	41,624,371	(144,998,994)	(70,427,874)	52,612,033
Change in non-admitted assets and related items	74,943,312	(28,413,747)	103,813,290	51,275,396	(25,093,199)
Change in liability for reinsurance in unauthorized companies	(1,000,185)	(2,929,083)	2,453,844	(2,387,978)	(14,035)
Change in asset valuation reserve	(10,556,161)	(8,153,520)	(83,728,691)	(34,814,955)	(39,602,918)
Change in surplus as a result of Reinsurance	54,721,234	(16,768,323)	(17,585,486)	(18,291,203)	(17,268,769)
Dividends to stockholders	0	0	0	(100,000,000)	(100,000,000)
Prior year adjustment	6,061,645	11,632,767	(2,540,309)	4,917,831	0
Net change in capital and surplus for the year	94,653,097	94,609,237	77,588,050	180,152,527	(238,854,917)
Capital and surplus, December 31, current year	$1,310,313,158	$1,404,922,395	$1,482,510,445	$1,662,662,972	$1,423,808,055

The changes in unrealized capital gains were as follows: the increase from 2016 to 2017 was primarily the result of higher valuation gains on equity accounted assets and higher gains on common stocks driven by market impacts. The decrease from 2017 to 2018 resulted from higher losses on unrealized derivatives for interest rate swaps in 2018, rising yield curves and fewer gains on equity accounted assets due to market fluctuations and higher losses on common stocks. The increase in 2019, compared with 2018, was primarily driven by higher gains on unrealized derivatives for interest rate swaps and declining yield curves.

The increase in "change in net deferred income tax" between 2015 and 2016 was primarily due to recognition of previously deferred variable annuity hedging gains and tax reserve movement, offset by an increase in deferred tax liabilities related to invested assets and deferred intercompany gains. The decrease between 2017 and 2018 was primarily comprised of a revaluation of deferred tax assets and an increase in deferred tax liabilities related to invested assets. The decrease between 2017 and 2018 was primarily the result of reserve movements and an increase in deferred tax liabilities related to invested assets along with a net proxy deferred acquisition cost ("DAC") capitalization and recognition of deferred intercompany gains. The increase in 2019 was the result of reserve movement and net proxy DAC movement.

The decrease in change in non-admitted assets between 2015 and 2016 was primarily related to non-admitted deferred tax assets, a decrease in gross deferred tax assets and an increase in gross deferred tax liabilities. The increase in between 2016 and 2017 was primarily due to lower non-admitted assets year-over-year and lower non-admitted net deferred tax assets. The decrease in 2018 was primarily the result of a decrease in gross deferred tax assets and a decrease in gross deferred tax liabilities. These amounts primarily reflect the revaluation of the net deferred tax asset from 35% to 21% because of the Tax Cuts and Jobs Act. The decrease in 2019 was primarily the result of higher net deferred tax assets and increases in gross deferred assets and liabilities.

F. Reserves

The Department conducted a review of reserves as of December 31, 2019. During the review, the Department recommended more conservatism in the assumptions used for asset adequacy analysis pursuant to Insurance Regulation 126. In response, the Company incorporated various refinements in a manner acceptable to the Department. The changes were implemented for December 31, 2020 reserves which produced additional reserves in the amount of $375 million.

The examiner recommends that the Company continue to compute reserves using the assumptions and methodologies as agreed upon with the Department.

G. Policy pricing and self-support

Section 4228(h) of the New York Insurance Law states, in part:

> "(h) No Company shall offer for sale any life insurance policy form or annuity contract form covered by this section or any debit life insurance policy form which shall not appear to be self-supporting on reasonable assumptions as to interest, mortality, persistency, taxes, agents' and brokers' survival and expenses resulting from the sale of the policy or contract form. For all such forms offered for sale in this state, and for all forms filed for use outside this state by domestic life insurance companies, a statement that the requirements of this subsection have been met, signed by an actuary who is a member in good standing of the American Academy of Actuaries and meets the requirements prescribed by the superintendent by regulation shall be submitted with each such life insurance policy or annuity contract form filed pursuant to paragraph one or six of subsection (b) of section three thousand two hundred one of this chapter. A demonstration supporting each such statement, signed by an actuary meeting such qualifications, shall be retained in the company's home office, while such form is being offered in this state and for a period of six years thereafter and be available for inspection. . . ."

The examiner conducted a review of the pricing adequacy for various products subject to Section 4228(h) of the New York Insurance Law. This review included an examination of the required actuarial statements of self-support and the supporting demonstrations. The examiner requested statements and corresponding demonstrations for the Company's policy forms subject to Section 4228(h) of the New York Insurance Law. While the Company made some improvements with respect to the documentation since the prior examination, certain issues were still noted. For two policy forms, with 28 policies issued, the demonstrations of self-support were signed after the date of the statement of self-support.

The Company violated Section 4228(h) of the New York Insurance Law by failing to have a signed and dated demonstration prior to the date the statements of self-support were signed. This is a repeat violation.

7. SUBSEQUENT EVENTS

On March 11, 2020, the World Health Organization declared the spreading coronavirus (COVID-19) outbreak a pandemic. On March 13, 2020, U.S. President Donald J. Trump declared the coronavirus pandemic a national emergency in the United States. The epidemiological threat posed by COVID-19 is having disruptive effects on the economy, including disruption of the global supply of goods, reduction in the demand for labor, and reduction in the demand for U.S. products and services, resulting in a sharp increase in unemployment. The economic disruptions caused by COVID-19 and the increased uncertainty about the magnitude of the economic slowdown has also caused extreme volatility in the financial markets.

The full effect of COVID-19 on the U.S. and global insurance and reinsurance industry is still unknown at the time of releasing this report. The Department is expecting the COVID-19 outbreak to impact a wide range of insurance products resulting in coverage disputes, reduced liquidity of insurers, and other areas of operations of insurers. The Department and all insurance regulators, with the assistance of the NAIC, are monitoring the situation through a coordinated effort and will continue to assess the impacts of the pandemic on U.S. insurers.

8. PRIOR REPORT SUMMARY AND CONCLUSIONS

Following are the violation, recommendation, and comment contained in the prior report on examination and the subsequent actions taken by the Company in response to each citation:

Item	Description
A	The examiner recommended that the Company continue to incorporate the reserve refinements as agreed upon with the Department. Based on the Department's actuarial review, this issue was resolved.
B	The Department noted that the Company's formulaic reserves for certain variable annuity policies with guaranteed living benefits incorporated revenue sharing in a manner inconsistent with the Department's interpretation of Department Regulation No. 151. Based on the Department's actuarial review, this issue was resolved.
C	The Company violated Section 4228(h) of the New York Insurance Law by failing to have a qualified actuary sign and date the demonstrations. While the Company made some improvements with respect to the documentation since the prior examination, certain issues were still noted.

9. SUMMARY AND CONCLUSIONS

Following are the violation and recommendation contained in this report:

Item	Description	Page No(s).
A	The examiner recommends that the Company continue to compute reserves using the assumptions and methodologies as agreed upon with the Department.	24
B	The Company violated Section 4228(h) of the New York Insurance Law by failing to have a signed and dated demonstration prior to the date the statements of self-support were signed. This is a repeat violation.	25

Respectfully submitted,

Jeffrey Good, CFE
Novo Consulting Group, LLC

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

Jeffrey Good, being duly sworn, deposes and says that the foregoing report, subscribed by him, is true to the best of his knowledge and belief.

Jeffrey Good

Subscribed and sworn to before me
this 10th day of June, 2021
Audrey Hall

AUDREY HALL
Notary Public, State of New York
No. 01HA6274900
Qualified in Kings County
Commission Expires January 28, 2025

Respectfully submitted,

______/s/______
Mostafa Mahmoud
Principal Insurance Examiner

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

Mostafa Mahmoud, being duly sworn, deposes and says that the foregoing report, subscribed by him, is true to the best of his knowledge and belief.

______/s/______
Mostafa Mahmoud

Subscribed and sworn to before me

this__________ day of ___________________

APPOINTMENT NO. 32189

NEW YORK STATE

DEPARTMENT OF FINANCIAL SERVICES

*I, **LINDA A. LACEWELL**, Superintendent of Financial Services of the State of New York, pursuant to the provisions of the Financial Services Law and the Insurance Law, do hereby appoint:*

JEFFREY GOOD

(NOVO CONSULTING GROUP, LLC)

as a proper person to examine 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 said

COMPANY

with such other information as she shall deem requisite.

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

this 27th day of January 2021

LINDA A. LACEWELL
Superintendent of Financial Services By:

MARK MCLEOD
DEPUTY CHIEF - LIFE BUREAU