



**TARGETED MARKET CONDUCT REPORT ON EXAMINATION**

**OF THE**

**JOHN HANCOCK LIFE INSURANCE COMPANY**

**OF NEW YORK**

**AS OF DECEMBER 31, 2020**

**EXAMINER:**

**HASAN AHMED**

**DATE OF REPORT:**

**MARCH 23, 2022**

## TABLE OF CONTENTS

<u>ITEM</u>	<u>PAGE NO.</u>
1. Scope of examination	2
2. Description of Company	3
A. History	3
B. Territory and plan of operation	3
3. Market conduct activities	5
A. Advertising and sales activities	5
B. Underwriting and policy forms	5
C. Option to opt-out	5

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KATHY HOCHUL  
Governor



ADRIENNE A. HARRIS  
Superintendent

August 8, 2022

Honorable Adrienne A. Harris  
Superintendent of Financial Services  
New York, New York 10004

Dear Adrienne A. Harris:

In accordance with instructions contained in Appointment No. 32361, dated March 21, 2022, 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". The Company's home office is located at 100 Summit Lake Drive, 2nd Floor, Valhalla, NY 10595. The examination was conducted remotely because of the COVID-19 pandemic.

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. SCOPE OF EXAMINATION

This examination covers the period from January 1, 2019, to December 31, 2020.

The examination comprised a review of the Company's electronic application process and related market conduct activities.

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

## 2. 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, 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.) and the Company adopted its current name.

As of December 31, 2020, the Company’s capital stock and paid-in and contributed surplus were \$2,000,003 and \$913,305,622, respectively.

### B. 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 New York. In 2020, 78.6% of the life premiums, 92.7% of the annuity considerations, and 66.1% 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 2020:

<u>Life Insurance Premiums</u>		<u>Annuity Considerations</u>	
New York	78.64%	New York	92.74%
Minnesota	5.72	New Jersey	2.81
Delaware	2.46	Florida	1.82
New Jersey	2.40	Utah	0.95
Michigan	<u>2.25</u>	Pennsylvania	<u>0.55</u>
Subtotal	91.47%	Subtotal	98.87%
All others	<u>8.53</u>	All other	<u>1.13</u>
Total	<u>100.00%</u>	Total	<u>100.00%</u>

The Company issues individual whole life and term life insurance, universal, variable life insurance, and group insurance contracts. The Company sells its variable annuity products in the employee retirement services market. In 2012, the Company suspended new sales of its deferred and variable annuity products. In March 2013, the Company discontinued new sales of its remaining annuity products, including structured settlements, 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 distributed exclusively by the Company's affiliates, John Hancock Distributors, LLC, pursuant to an underwriting and distribution agreement.

### 3. MARKET CONDUCT ACTIVITIES

The examiner reviewed various elements of the Company's electronic application processes for life insurance and annuities 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 sales activities of the agency force including trade practices, solicitation and the replacement of insurance policies as part of the Company's electronic application process review.

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

#### B. Underwriting and Policy Forms

The examiner reviewed a sample of new underwriting files, both issued and declined, and the applicable policy forms as part of the Company's electronic application process review.

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

#### C. Option to Opt-Out

The examiner verified that the applicants had an opportunity to opt out of the electronic process as required by Section 309 of the New York State Technology Law.

Respectfully submitted,  
Hasan Ahmed  
Hasan Ahmed  
Senior Insurance Examiner

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

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

Hasan Ahmed  
Hasan Ahmed

Subscribed and sworn to before me  
this 22nd day of August, 2022

Audrey Hall

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



Respectfully submitted,

\_\_\_\_\_/s/  
Vincent Targia  
Principal Insurance Examiner

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

Vincent Targia, being duly sworn, deposes and says that the foregoing report, subscribed by her,  
is true to the best of her knowledge and belief.

\_\_\_\_\_/s/  
Vincent Targia

Subscribed and sworn to before me  
this \_\_\_\_\_ day of \_\_\_\_\_

***APPOINTMENT NO. 32361***

***NEW YORK STATE***

***DEPARTMENT OF FINANCIAL SERVICES***

*I, **ADRIENNE A. HARRIS**, 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:*

***HASAN AHMED***

*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 he 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 21st day of March, 2022*

***ADRIENNE A. HARRIS***  
*Superintendent of Financial Services*

*By:*

*Mark McLeod*

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***MARK MCLEOD***  
***DEPUTY CHIEF - LIFE BUREAU***

