

M Partner Carrier Due Care Snapshot



Financials (as of 12/31/2016) and Ratings

All Values in \$000s

Total U.S. L&H Insurance			Ratings			Last reviewed	
Total Admitted Assets, excluding sep. accts.		111,045,264	AM Best	A+	Superior	2 of 15	3/11/2016
Total Liabilities, excluding sep. accts.		104,200,208	Fitch	AA-	Very Strong	4 of 21	4/11/2017
Total Surplus & Asset Valuation Reserve (AVR)		8,459,741	Moody's	A1	Good	5 of 21	4/18/2017
Surplus & AVR / Total Admitted Assets		7.6%	S&P	AA-	Very Strong	4 of 20	4/14/2016
Peer Group Surplus & AVR / Total Admitted Assets ¹		9.6%	Comdex	92			5/15/2017

Member Companies ²		Assets	Surplus & AVR	Invested Assets		Peer Group Avg. ¹
John Hancock Life Insurance Co USA		99,272,762	8,254,658	Total	89,822,814	79,735,295
John Hancock Life Insurance Co NY		9,367,545	1,483,409	Bonds	58.9%	72.9%
John Hancock Life & Health Ins Co		4,533,437	837,198	Preferred Stock	0.0%	0.2%
				Common Stock	3.0%	2.6%
				Mortgages	14.2%	13.1%
				Real Estate	7.4%	0.7%
				Policy Loans	3.1%	4.0%
				Cash & Short-Term Inv.	4.4%	2.3%
				Other	8.9%	4.2%

Source: A.M. Best Statement File

News/Commentary

March 17, 2017 – Fitch Affirms Manulife Financial; Outlook Stable

Fitch Ratings affirmed the 'AA-' insurer financial strength ratings of the primary insurance operating subsidiaries of Manulife Financial Corp., including John Hancock Life Insurance Co. (USA). The rating outlook is stable. According to Fitch, the rating reflects Manulife's very strong capitalization, improvement in core operating earnings, and solid business profile. Fitch said it believes Manulife is well-capitalized on a risk-adjusted basis. Manulife reported a 34% net income increase in 2016 over the prior year. Partially offsetting these positive factors in Fitch's opinion are Manulife's modest fixed charge coverage, above-average asset risk, and earnings sensitivity to market-related events.

September 20, 2016 – Moody's Affirms Manufacturer Life and Affiliates with a Stable Outlook

Moody's Investors Service affirmed the 'A1' insurance financial strength rating of John Hancock Life Insurance Co. (USA) and its affiliates. The rating outlook is stable. According to Moody's, the affirmation is based on John Hancock's strong brand name and leading positions in the U.S. retirement savings market. Moody's also cited the expected capital and financial support, if needed, from John Hancock's parent company, Manulife Financial Corp. Moody's stated John Hancock's NAIC risk-based capital ratio is strong at 397% as of year-end 2015 and it expects the ratio to be maintained at that level in 2016 and beyond. Factors mitigating these strengths in Moody's opinion are John Hancock's sizeable legacy books of long-term care, variable annuities, and no-lapse universal life. Moody's noted that while the risks are hedged, the blocks contribute to earnings volatility. Moody's also said John Hancock has above-average holdings of high risk assets which could result in significant losses in a stress situation.

March 11, 2016 – A.M. Best Affirms Ratings of Manulife Financial Corp. and Its Subsidiaries

A.M. Best affirmed the 'A+' financial strength ratings of the life/health subsidiaries of Manulife Financial Corp., including John Hancock Life Insurance Co. (USA). The outlook for the ratings is stable. According to A.M. Best, the affirmation reflects Manulife's solid risk-adjusted capitalization, strong liquidity profile, and very strong growth within its core business lines. A.M. Best said Manulife has focused in recent years on less capital-intensive business lines while growing its wealth management business. A.M. Best also noted the ratings reflect acquisitions and partnerships made in the past year in both North America and Asia that resulted in a significant increase in assets under management. Partially offsetting these positive factors in A.M. Best's opinion is Manulife's heightened investment risk relative to capital as a result of energy investments that could be subject to mark-to-market exposure or potential impairments. Additionally, A.M. Best noted Manulife's higher exposure to real estate-related assets including commercial mortgages and alternative assets.

September 5, 2014 – S&P: Manulife Financial Corp. Ratings Affirmed; Outlook Stable

S&P affirmed its 'AA-' financial strength ratings on Manulife Financial Corp.'s core insurance operating subsidiaries, including John Hancock Life Insurance Co. (USA). The outlook is stable. The affirmation followed the announcement that Manulife has agreed to acquire the Canadian operations of Standard Life plc. S&P said it views Manulife's business risk profile and business risk profile will both remain very strong after the acquisition. S&P also stated it expects Manulife to maintain very strong capital after the acquisition based on its capital adequacy analysis.

¹ 30 life and health insurance groups representing over 80% of issued face amounts in permanent policies in 2016

² Total invested assets for Manulife Financial's consolidated balance sheet as of 12/31/2015 were C\$321.9 billion.

