

Larson v. John Hancock, Settlement Administrator
P.O. Box 4850
Portland, OR 97208-4850

Larson v. John Hancock Life Insurance Company (U.S.A.)

NOTICE OF CLASS ACTION SETTLEMENT

You have been sent this Notice of Class Action Settlement because you have been identified as a Settlement Class Member in the Settlement of the class action lawsuit, *Larson et al. v. John Hancock Life Insurance Company (U.S.A.)*, pending in the Superior Court of the State of California for the County of Alameda, Case No. RG16813803. An earlier Notice summarized the litigation. This Notice summarizes a recent Settlement between the Parties that impacts your rights. A full description of the Settlement is contained in the First Amended Joint Stipulation and Settlement Agreement, which includes the precise definitions of capitalized terms used in this Notice. The Agreement is available for you to read at www.flexvclassaction.com. Please read it and this enclosed Notice carefully to understand your rights and obligations under the Settlement.

Records provided by John Hancock Life Insurance Company (U.S.A.) indicate that you are currently the owner or were the owner at the time of termination of a Flex V Scheduled Premium Variable Whole Life Insurance Policy (“Flex V2”) issued or administered by John Hancock Life Insurance Company (U.S.A.) or one of its predecessors. Throughout this Notice, John Hancock Life Insurance Company (U.S.A.) and its predecessors shall be referred to as “John Hancock.”

There is a Settlement regarding the cost of insurance charges that John Hancock deducted from policyholders’ account values for these life insurance policies. The Settlement provides that John Hancock will fund a cash Settlement Fund in the amount of \$59,750,000.00, which will be used to pay (1) all payments to Settlement Class Members; (2) Class Counsel’s attorneys’ fees and expenses in an amount to be approved by the Court; (3) the Plaintiff’s Service Award in an amount to be approved by the Court; and (4) the expenses incurred in administering the Settlement. John Hancock’s records show that you may be eligible to participate in the Settlement.

Questions? Visit www.flexvclassaction.com, or call 888-740-7631.

If You Own or Owned a John Hancock Flex V Life Insurance Policy, a Class Action Settlement May Affect Your Rights.

A COURT AUTHORIZED THIS NOTICE.
THIS IS NOT A SOLICITATION FROM A LAWYER.
YOU ARE NOT BEING SUED.

- A Settlement has been reached with John Hancock in a class action lawsuit about the cost of insurance charges deducted from policyholders' account values.
- Generally, the Settlement includes all current and former Flex V2 policy owners (*see* Question 4 below).
- As part of the Settlement, Settlement Class Members will be eligible to receive a portion of a cash Settlement Fund funded by John Hancock in the amount of \$59,750,000.00 (*see* Question 6 below).

YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT	
DO NOTHING	Automatically receive your share of the Settlement Fund.
OBJECT	Write to the Court if you don't like the Settlement.
GO TO A HEARING	Ask to speak in court about the fairness of the Settlement.

- These rights and options—**and the deadlines to exercise them**—are explained in this Notice.
- If you are a John Hancock employee, you have the right to exclude yourself from this Settlement (*see* Question 11 below).
- The Court in charge of this case still has to decide whether to finally approve the Settlement. Settlement checks will be automatically issued to each Settlement Class Member if the Court approves the Settlement and after any appeals are resolved. **You do not need to take further action to receive payment if you are eligible under the Settlement.** Please be patient.

Questions? Visit www.flexvclassaction.com, or call 888-740-7631.

1. Why did I get this Notice?

John Hancock's records show that you own or owned a John Hancock Flex V Life Insurance Policy (Policy Form 94-85, sometimes referred to as the "Flex V2"). A Court authorized this Notice because you have a right to know about the proposed Settlement of this class action lawsuit and about all of your options before the Court decides whether to give final approval to the Settlement. This Notice explains the lawsuit, the Settlement, and your legal rights.

Judge Brad Seligman of the Superior Court of the State of California for the County of Alameda is overseeing this case. The case is known as *Larson et al. v. John Hancock Life Insurance Company (U.S.A.)*, Case No. RG16813803. The person who sued, Barbara Larson, is called the "Plaintiff." John Hancock is called the "Defendant."

The following is only a summary of the Settlement. A full description of the Settlement is contained in the First Amended Joint Stipulation and Settlement Agreement ("Agreement"). Nothing in this Notice alters the terms of the Agreement. A copy of the Agreement may be obtained by visiting www.flexvclassaction.com.

2. What is this lawsuit about?

The Flex V2 is a variable whole life policy, which means it has an investment feature that allows an accumulation of value after deduction of charges. The Plaintiff alleges that John Hancock violated the policy in three different ways. First, while the policy permits John Hancock to deduct an insurance charge calculated using an "Applied Monthly Rate" that is based on "expectations of future mortality experience," the Plaintiff alleges that John Hancock impermissibly considers factors other than mortality expectations. Second, while the policy permits a separate "Maintenance Charge" of up to \$8 per month, the Plaintiff alleges that John Hancock impermissibly includes amounts that should be in the "Maintenance Charge" in the "Applied Monthly Rate." Third, the Plaintiff alleges that the policy requires that the "Applied Monthly Rate" be reviewed "at least once every 5 policy years" and adjusted to reflect changes in "expectations of future mortality" but has not been modified.

John Hancock denies these claims. John Hancock believes that all the rates and charges it applied to the Flex V2 Life Insurance Policies are consistent with the terms of the policy. The policy includes guaranteed maximum rates, which have never been exceeded.

You can read the Plaintiff's Class Action Complaint and the Defendant's Answer at www.flexvclassaction.com.

3. Why is there a settlement?

The Parties negotiated the Settlement with an understanding of the factual and legal issues that would affect the outcome of this lawsuit. During the course of the lawsuit, the Plaintiff, through her attorneys, thoroughly examined and investigated the facts and law relating to the issues in this case.

The Plaintiff believes that the final outcome of the lawsuit, if it were to proceed through trial and appeals, is uncertain. A settlement avoids the costs and risks of further litigation and provides immediate relief to the Settlement Class Members. Based on their evaluation of the facts and law, the Plaintiff and her attorneys have determined that this Settlement is fair, reasonable, and adequate. They have reached this conclusion based upon the substantial benefits the Settlement provides to Settlement Class Members, the risks, uncertainties, and costs inherent in this Action, and the desirability of continuing this protracted litigation.

There has been no trial, and there has been no final determination on the merits of the Claims or defenses in this lawsuit, and there will be no trial or final determination on the merits of the Claims and defenses if the Court approves the Settlement. The Settlement does not suggest that John Hancock has or has not done anything wrong, or that the Plaintiff and the Settlement Class Members would or would not win if the lawsuit were to go to trial.

4. Who is included in the Settlement Class?

On March 23, 2017, Judge Seligman certified a Settlement Class that includes all persons who own or owned a Flex V Scheduled Premium Variable Whole Life Insurance Policy (Policy Form 94-85, sometimes referred to as the "Flex V2"), that is an individual life insurance policy, the benefits, payments, or values of which may increase or decrease in accordance with the investment experience of a "Separate Account" issued or administered by the Defendant or its predecessors in interest, the terms of which provide or provided for (1) an "Insurance Charge" calculated using an "Applied Monthly Rate" based on the Defendant's "expectations of future mortality experience;" (2) an additional but separate "Maintenance Charge;" (3) an investment, interest-bearing, or savings component; and (4) a death benefit.

Questions? Visit www.flexvclassaction.com, or call 888-740-7631.

If someone who would otherwise be a Settlement Class Member is deceased, his or her estate is a Settlement Class Member.

The Settlement Class excludes the following: the Plaintiff's counsel and their employees; the assigned judge and his family; policies issued on a New Jersey policy form; and any person who previously opted out of this case.

5. How can I confirm I am in the Settlement Class?

If you are not sure whether you are included in the Settlement Class, you can get free help at www.flexvclassaction.com.

6. What does the Settlement provide?

John Hancock has agreed to fund a cash Settlement Fund in the amount of \$59,750,000.00, which will be used to pay (1) all payments to Settlement Class Members; (2) Class Counsel's attorneys' fees and expenses in an amount to be approved by the Court; (3) a service award to Barbara Larson in amount to be approved by the Court; and (4) the expenses incurred in administering the Settlement.

If the Court approves the Settlement, Settlement checks will be mailed to Settlement Class Members in an amount according to the distribution plan that is designed to provide each Settlement Class Member an approximate pro rata portion of the Net Settlement Fund based on the amount of excessive insurance charges paid by each Settlement Class Member. The primary factors impacting the amount of the distribution are the face value of the Policy and the number of years the Policy has been in place. The distribution plan is attached to the First Amended Joint Stipulation and Settlement Agreement as Exhibit C and is available on the Class Website.

For Settlement Class Members who purchased a Policy on or after January 1, 1997, the distribution will provide a minimum payment of \$50.00; the average payment will be approximately \$630.00; and the 99th percentile payment will be approximately \$5,350.00.

For Settlement Class Members who purchased a Policy on or before December 31, 1996, the distribution plan will reflect that a federal court in Boston determined that claims related to those policies were released as part of an earlier settlement known as *Duhaime v. John Hancock Mutual Life Insurance Company*. The Court's order enjoining prosecution of those claims is available on the Class Website. The distribution for these Settlement Class Members will provide a minimum payment of \$25.00; the average payment will be approximately \$120.00; and the 99th percentile payment will be approximately \$975.00.

You should consult your own tax advisors regarding the tax consequences of the proposed Settlement, including any benefits you may receive and any tax reporting obligations you may have as a result.

7. How do I participate in the Settlement? Do I need to make a claim?

Settlement Class Members do not have to do anything to participate in the Settlement. No claims need to be filed. Upon approval of the Settlement, a Settlement check will be issued to every Settlement Class Member in the amount determined by the Settlement Administrator using the method described in Question 6 above. If someone who would otherwise be a Settlement Class Member is deceased, his or her estate is a Settlement Class Member.

8. When will I receive my Settlement check?

The Settlement checks will be issued to Settlement Class Members within 30 days after the Final Settlement Date. Settlement checks will be automatically mailed without any proof of claim or further action on the part of the Settlement Class Members.

9. What happens if I do nothing?

If the Settlement is approved, you will receive a Settlement check representing your share of the Settlement. You cannot sue John Hancock (or certain other released parties included as "Released Parties" in the Agreement) or be part of any other lawsuit against John Hancock concerning the Claims in this case or claims that could have been brought in this case, which arise from the same facts as the Claims here. You will be "releasing" John Hancock and all "Released Parties" as described in the Agreement. However, you may sue John Hancock for any future increases John Hancock makes to its cost of insurance rates that occur after the Final Settlement Date.

Questions? Visit www.flexvclassaction.com, or call 888-740-7631.

The Agreement is available at www.flexvclassaction.com and describes the Claims that you are giving up. If you have any questions, you can talk to the law firms listed in Question 12 for free, or you can hire your own lawyer.

10. How do I tell the Court if I do not like the Settlement?

You can object to the Settlement if you do not like some part of it. The Court will consider your views. To object to the Settlement, you must serve a written objection in the case, *Larson et al. v. John Hancock Life Insurance Company (U.S.A.)*, Case No. RG16813803.

You are required to include the following:

- Your full name, address, telephone number, and email address (if any)
- Policy number(s)
- A written statement of all grounds for your objection accompanied by any legal support for the objection (if any)
- Copies of any papers, briefs, or other documents upon which the objection is based
- A list of all persons who will be called to testify in support of the objection (if any)
- A statement of whether you intend to appear at the Fairness Hearing and the identity of all attorneys (if any) who will appear at the Settlement Hearing on your behalf
- The signature of you or your counsel

You must serve your objection on the Settlement Administrator by mailing it to *Larson v. John Hancock*, Settlement Administrator, P.O. Box 4850, Portland, OR 97208-4850 no later than **April 30, 2018**.

11. I am an employee of John Hancock; what are my options?

If you are an employee of John Hancock, you will receive benefits under this Settlement just as any other Settlement Class Member. You do not need to take any action to receive these benefits (*see* Question 7 above).

However, if you do not want the benefits of the Settlement, you may exclude yourself from the Settlement. If you choose to exclude yourself, you will not receive any benefits under the Settlement but may bring your own case against John Hancock at your own expense. To exclude yourself, you must send a request in the form of a letter sent by mail stating that you want to be excluded from the Settlement in *Larson et al. v. John Hancock*. Be sure to include your name, policy number, and address, and sign the letter. You must mail your request for exclusion postmarked by **April 30, 2018** to the following address: *Larson v. John Hancock*, Exclusions, P.O. Box 4850, Portland, OR 97208-4850.

As an employee of John Hancock, you may also object to the Settlement (*see* Question 10 above).

12. Do I have a lawyer in this case?

Yes. The Court appointed the following lawyers as Class Counsel to represent all Settlement Class Members:

Norman E. Siegel
Stueve Siegel Hanson LLP
460 Nichols Road, Suite 200
Kansas City, MO 64112
larsonvhancock@stuevesiegel.com

John J. Schirger
Miller Schirger LLC
4520 Main Street, Suite 1570
Kansas City, MO 64111
larsonvhancock@millerschirger.com

Daniel C. Girard
Girard Gibbs LLP
601 California Street, 14th Floor
San Francisco, CA 94108

Questions? Visit www.flexvclassaction.com, or call 888-740-7631.

If you have questions, you may contact these lawyers. You will not be charged for contacting these lawyers. If you want to be represented by your own lawyer, however, you may hire one at your own expense.

13. How will the lawyers be paid?

Class Counsel have not been paid for their work in this case. In addition to thousands of hours of labor spent on this case, Class Counsel have expended up to \$650,000 in expenses prosecuting this case. The Court will determine how much Class Counsel will be paid for fees and expenses. Class Counsel will seek an award for attorneys' fees of up to 30 percent of the Settlement Fund and reimbursement of Class Counsel's costs and expenses, also to be paid from the Settlement Fund. You will not be responsible for payment of Class Counsel's fees and expenses.

Class Counsel will also request a service award payment of \$25,000 for the Plaintiff, Barbara Larson, for her service as representative on behalf of the Settlement Class. This payment will also be paid from the Settlement Fund. The Court must approve any amounts paid to Class Counsel and Barbara Larson.

14. When and where will the Court decide whether to approve the Settlement?

The Court will hold a hearing, the Fairness Hearing, to decide whether to approve the Settlement and any requests for attorneys' fees and expenses, a service award to Barbara Larson, and the costs of the Settlement administration. You may attend and ask to speak, but you do not have to.

The Court will hold a Fairness Hearing at **3 p.m. on May 8, 2018**, at the Superior Court of California, County of Alameda, 1221 Oak Street, Oakland, CA 94612. The hearing may be moved to a different date or time without additional notice, so it is a good idea to check www.flexvclassaction.com or call 888-740-7631 for updates. At the hearing, the Court will consider whether the Settlement is fair, reasonable, adequate, and in the best interests of Settlement Class Members. If there are objections, the Court will consider them and listen to people who have asked to speak at the hearing. After the hearing, the Court will decide whether to approve the Settlement. We do not know how long the Court's decision will take.

15. Do I have to attend the hearing?

You or your own lawyer are welcome to attend the Fairness Hearing at your expense. If you send a timely objection but do not attend the Fairness Hearing, the Court will still consider your objection.

16. May I speak at the hearing?

You may speak at the Fairness Hearing by filing an objection that indicates your intention to speak at the hearing. If you wish to appear through counsel, your written objection must also state the identity of all attorneys representing you who will appear at the Fairness Hearing. Unless otherwise ordered by the Court, a Settlement Class Member who does not submit a timely objection with the proper notice will not be permitted to speak at the Fairness Hearing.

17. How do I get more information?

This Notice summarizes the proposed Settlement. More details are in the First Amended Joint Stipulation and Settlement Agreement. You can get a copy of the Agreement at www.flexvclassaction.com. You may also send your questions to the Settlement Administrator, in writing, at *Larson v. John Hancock*, Settlement Administrator, P.O. Box 4850, Portland, OR 97208-4850 or call the Settlement Administrator at 888-740-7631.

The pleadings and other records in this litigation may be examined online on the Alameda County Superior Court's website, known as "DomainWeb," at <https://publicrecords.alameda.courts.ca.gov/PRS/>. After arriving at the website, click the "Search By Case Number" link, then enter RG16813803 as the case number and click "SEARCH." Images of every document filed in the case may be viewed through the "Register of Actions" at a minimal charge. You may also view images of every document filed in the case free of charge by using one of the computer terminal kiosks available at each court location that has a facility for civil filings.

If your address has changed or will change, please notify the Settlement Administrator, in writing, at *Larson v. John Hancock*, Settlement Administrator, P.O. Box 4850, Portland, OR 97208-4850.

DATE: March 15, 2018

Questions? Visit www.flexvclassaction.com, or call 888-740-7631.