

Entity Redemption Buy-Sell Arrangements

Proactively Planning for the Transition of Your Business



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Buy-Sell Arrangements

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This supplemental illustration assumes that the currently illustrated non-guaranteed elements will continue for all years shown. This is unlikely to occur and actual results may be more or less favorable than those shown. The actual consequences of a particular planning alternative will depend upon many variables, some of which may not be accounted for or fully described in this presentation. Unless otherwise indicated, the income tax and generation-skipping transfer (GST) tax implications of particular transactions are not reflected in the analysis.

Representation of the tax law in this illustration are based on the law existing at the time of publication. John Hancock makes no representation as to future federal or state tax law.

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ENTITY PURCHASE BUY-SELL ARRANGEMENTS

THE PROBLEM

Many business owners do not make formal plans to transfer ownership of the business in the event of the premature death of a business owner, an owner's disability, the lifetime transfer or sale of the business, or the retirement of one of the key business owners. Lack of planning can cause a business to fail because of the significant changes that are brought about due to these triggering events. Although in some cases a buy-sell arrangement is in place dictating how the business is to transfer, often these arrangements remain unfunded.

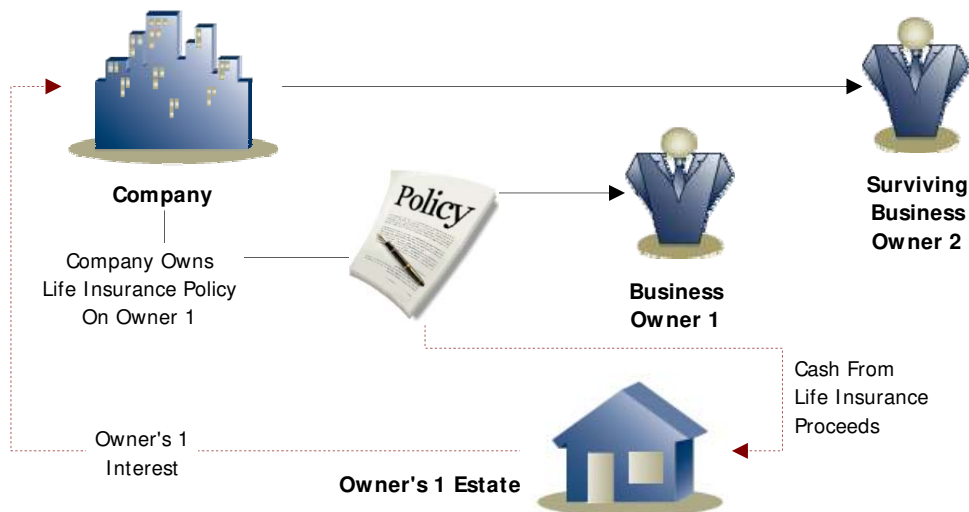
THE SOLUTION

A well drafted and properly funded entity purchase buy-sell arrangement can be established between the company and its owners in which the business agrees to redeem the business interest of an owner in the event of death, disability, retirement or other termination event. The arrangement can be funded with a permanent life insurance policy on each owner to help ensure that the company has the liquidity necessary to transition the business according to a prearranged plan. A permanent life insurance policy can provide the flexibility needed to accommodate changing needs over the life span of the business.

HOW IT WORKS

The company purchases and owns a life insurance policy on the lives of each business owner with death benefit equal to each business owner's interest. The company will remain the policy owner, beneficiary and premium payer. Although the payment of premiums is not a tax-deductible expense to the company, the premiums paid by the company will not be taxable income to each of the owners¹. Upon the death, disability or retirement of an owner, the business can use the death benefit or potential cash surrender value of the policy to make payments under the agreement. The business receives the life insurance death proceeds income tax free². If distributions are taken from the policy instead, the distributions will be tax-free providing that withdrawals up to tax basis are taken first with policy loans taken thereafter.

It is necessary to establish the value of the business in order to ascertain the value of each life insurance policy that will be used to fund the buy-out. Fixing the value of the business (as well as the valuation method) can eliminate future disagreements and avoid confusion and additional expenses. The valuation may also be relied upon for estate tax purposes to provide a fixed value for both a lifetime transfer of the business as well as the transfer of the business at death³. There are a number of valuation methods that can be used including a multiple of book value, qualified business appraisal, or capitalization of earnings method⁴.



¹ See IRC §101 and Regulation Section 1.101-1(a)(1)

² Life insurance death benefit proceeds are generally excludable from the beneficiary's gross income for income tax purposes. There are few exceptions such as when a life insurance policy has been transferred for valuable consideration.

³ IRC §2703 provides certain tests the taxpayer must meet to permit the value of the buy-sell agreement to set the value for federal estate tax purpose. First, the buy-sell agreement must reflect a bona fide business arrangement. Second, the buy-sell agreement must not represent a device to transfer the business interest to the decedent's family or the natural objects of the decedent's bounty for less than full and adequate consideration. Third, the terms of the buy-sell agreement must remain comparable to similar arrangements entered into by persons in arms-length transactions.

⁴ Generally, the business should obtain an independent audit of its books and financial records prior to use of the book value method.

ENTITY PURCHASE BUY-SELL ARRANGEMENTS

The permanent life insurance policy can be cost effective and can be sufficiently flexible to supply liquidity to facilitate the buy-out when needed. When life insurance is used to fund the plan, it may be possible to design the policy to fund a buy-out at retirement or to fund payments to a disabled owner upon disability.

Loans and withdrawals will reduce the death benefit, cash surrender value, and may cause the policy to lapse. Lapse or surrender of a policy with a loan may cause the recognition of taxable income. Policies classified as modified endowment contracts may be subject to tax when a loan or withdrawal is made. A federal tax penalty of 10% may also apply if the loan or withdrawal is taken prior to age 59½. Cash value available for loans and withdrawals may be more or less than originally invested.

BENEFITS

- The company receives the life insurance death benefits free of income taxes.
- Premium payments made by the business are not taxable income to the owners.
- The life insurance premiums can be pooled so that any discrepancies regarding the ages of the owners and ownership percentages among owners can be shared equally.
- Unlike a cross purchase buy-sell plan in which multiple life insurance policies may be required, the entity purchase buy-sell plan requires the company to purchase only one policy on each owner.
- You may structure the entity purchase buy-sell plan to fix the value of the business for estate tax purposes⁵.
- The use of corporate funds to pay policy premiums may be a cost-effective tax strategy when the business is a C-Corporation.
- For tax accounting purposes, a stock redemption reduces the corporation's accumulated earnings & profits balance, reducing exposure to a potential accumulated earnings tax⁶.

CONSIDERATIONS

- The stock redemption by the entity may receive treatment as a dividend distribution, rather than a sale with capital gain treatment given family and entity attribution rules that may treat the redemption as a dividend distribution⁷.
- Although the remaining owners own a larger percentage of the business after the redemption, their cost basis may not change. Therefore, the later sale of the business may result in higher capital gain taxes⁸.
- Corporate ownership of life insurance may subject the company to the alternative minimum tax in some circumstances⁹.
- Ownership of the life insurance policy to fund the buy-sell plan may increase the value of the company. The value of the insurance proceeds will not be part of the valuation of the decedent's interest when a valid agreement fixing the price for estate tax purposes exists and the purchase price under the terms of the buy-sell plan specifically exclude the life insurance proceeds.
- Corporate owned life insurance maintained to fund a buy-sell agreement remains subject to corporate creditors claims. Moreover, state law may restrict or prohibit redemption if the corporation lacks adequate capital or if the corporation is insolvent.
- Representation of the tax law in this illustration is based on the law existing at the time of publication.
- The value that is fixed in the buy-sell agreement may change by the time of a triggering event such as death, although the valuation method may remain the same. If the value of the business decreases by the time of a triggering event, then the remaining owners may not need to use all of the life insurance funding for the buy-sell arrangement.

PLANNING OPTIONS

The following flowcharts and ledger pages illustrate the plan mechanics, and the costs and benefits of the entity purchase buy-sell plan to the business and each business owner.

⁵ See IRC§ 2703.

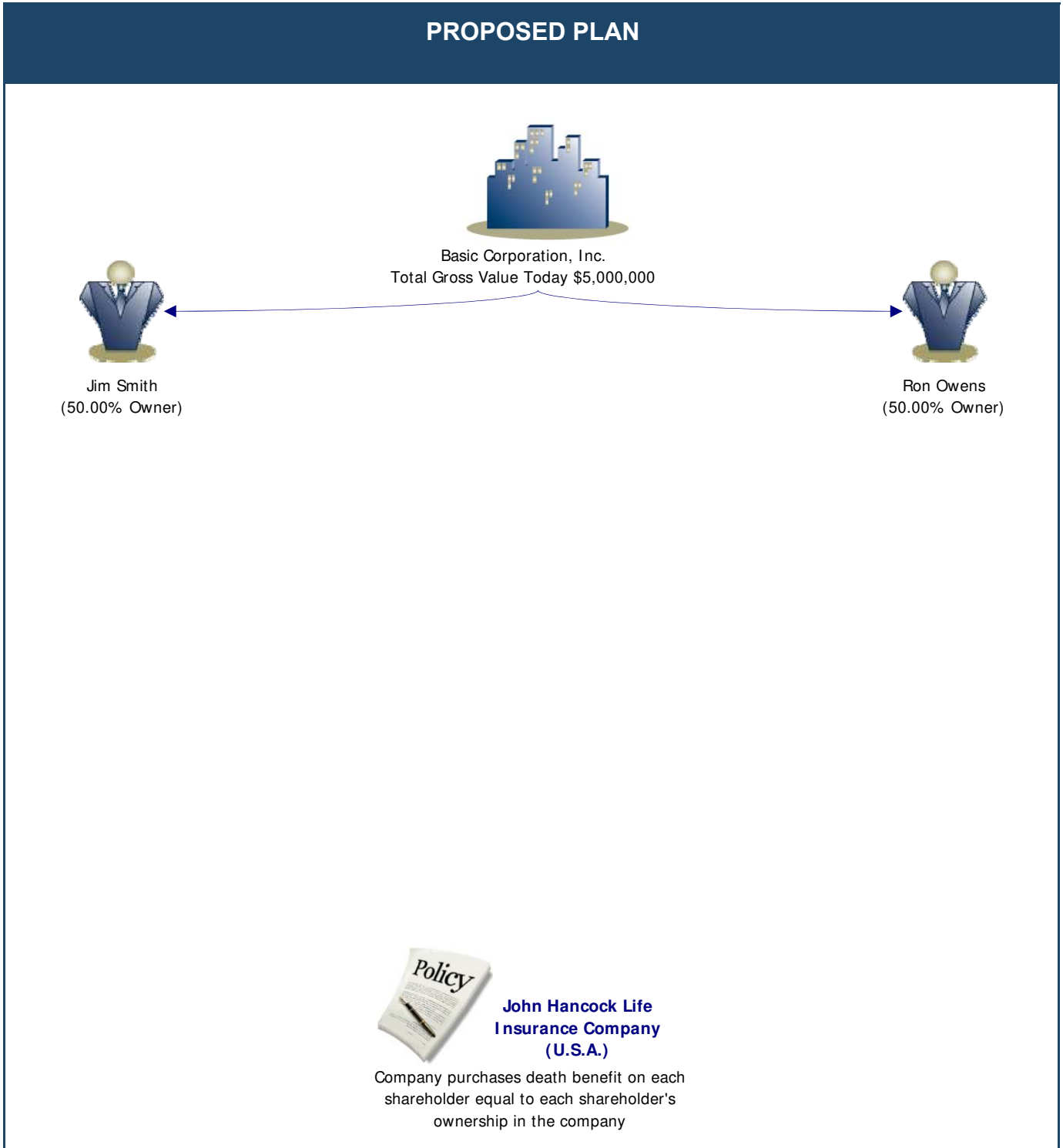
⁶ See IRC §312(n)(7).

⁷ See IRC §301,302 and 316 that deal with tax treatment of corporate distributions to shareholders.

⁸ C Corporation shareholders do not receive a step up in basis for a stock purchase through an entity redemption plan. However, receipt of life insurance proceeds by a partnership permits a step up in basis for a partner's interest. Likewise, in certain circumstances S Corporation shareholders may receive a partial or full step up in basis from an entity redemption plan.

⁹ See IRC §56 (g).

ENTITY PURCHASE BUY-SELL ARRANGEMENTS



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ENTITY PURCHASE BUY-SELL PLAN ON JIM SMITH

JIM SMITH

John Hancock's Protection UL 11 with Initial Death Benefit of \$2,500,000 & Initial Premium of \$14,903						
Yr	Att. Age	Annual Premium	Annual Withdrawals and/or Loans	Net Surrender Value	Total Net Death Benefit	Total Cost
1	44	14,903	0	0	2,500,000	14,903
2	45	14,903	0	0	2,500,000	14,903
3	46	14,903	0	9,324	2,500,000	14,903
4	47	14,903	0	20,153	2,500,000	14,903
5	48	14,903	0	30,926	2,500,000	14,903
6	49	14,903	0	41,768	2,500,000	14,903
7	50	14,903	0	52,704	2,500,000	14,903
8	51	14,903	0	63,776	2,500,000	14,903
9	52	14,903	0	74,963	2,500,000	14,903
10	53	14,903	0	86,153	2,500,000	14,903
11	54	14,903	0	97,570	2,500,000	14,903
12	55	14,903	0	108,816	2,500,000	14,903
13	56	14,903	0	119,699	2,500,000	14,903
14	57	14,903	0	130,152	2,500,000	14,903
15	58	14,903	0	140,197	2,500,000	14,903
16	59	14,903	0	149,590	2,500,000	14,903
17	60	14,903	0	158,494	2,500,000	14,903
18	61	14,903	0	166,491	2,500,000	14,903
19	62	14,903	0	173,680	2,500,000	14,903
20	63	14,903	0	179,946	2,500,000	14,903
21	64	14,903	0	186,372	2,500,000	14,903
22	65	14,903	0	191,800	2,500,000	14,903
23	66	14,903	0	198,857	2,500,000	14,903
24	67	14,903	0	213,596	2,500,000	14,903
25	68	14,903	0	228,735	2,500,000	14,903
26	69	14,903	0	244,243	2,500,000	14,903
27	70	14,903	0	260,079	2,500,000	14,903
28	71	14,903	0	276,210	2,500,000	14,903
29	72	14,903	0	292,604	2,500,000	14,903
30	73	14,903	0	309,241	2,500,000	14,903
31	74	14,903	0	326,146	2,500,000	14,903
32	75	14,903	0	343,287	2,500,000	14,903
33	76	14,903	0	360,601	2,500,000	14,903
34	77	14,903	0	378,018	2,500,000	14,903
35	78	14,903	0	395,455	2,500,000	14,903
36	79	14,903	0	412,834	2,500,000	14,903
37	80	14,903	0	430,079	2,500,000	14,903
38	81	14,903	0	447,115	2,500,000	14,903
39	82	14,903	0	463,875	2,500,000	14,903
40	83	14,903	0	480,316	2,500,000	14,903
Totals:		596,120	0			596,120

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ENTITY PURCHASE BUY-SELL PLAN ON JIM SMITH

JIM SMITH

John Hancock's Protection UL 11 with Initial Death Benefit of \$2,500,000 & Initial Premium of \$14,903						
Yr	Att. Age	Annual Premium	Annual Withdrawals and/or Loans	Net Surrender Value	Total Net Death Benefit	Total Cost
41	84	14,903	0	496,382	2,500,000	14,903
42	85	14,903	0	511,936	2,500,000	14,903
43	86	14,903	0	526,813	2,500,000	14,903
44	87	14,903	0	540,840	2,500,000	14,903
45	88	14,903	0	553,820	2,500,000	14,903
46	89	14,903	0	565,526	2,500,000	14,903
47	90	14,903	0	575,731	2,500,000	14,903
48	91	14,903	0	583,223	2,500,000	14,903
49	92	14,903	0	588,423	2,500,000	14,903
50	93	14,903	0	590,856	2,500,000	14,903
51	94	14,903	0	589,890	2,500,000	14,903
52	95	14,903	0	584,652	2,500,000	14,903
53	96	14,903	0	573,969	2,500,000	14,903
54	97	14,903	0	556,365	2,500,000	14,903
55	98	14,903	0	529,607	2,500,000	14,903
56	99	14,903	0	490,550	2,500,000	14,903
57	100	14,903	0	434,713	2,500,000	14,903
58	101	14,903	0	443,585	2,500,000	14,903
59	102	14,903	0	452,551	2,500,000	14,903
60	103	14,903	0	461,683	2,500,000	14,903
61	104	14,903	0	471,091	2,500,000	14,903
62	105	14,903	0	481,235	2,500,000	14,903
63	106	14,903	0	492,467	2,500,000	14,903
64	107	14,903	0	505,315	2,500,000	14,903
65	108	14,903	0	520,585	2,500,000	14,903
66	109	0	0	530,960	2,500,000	0
67	110	0	0	543,383	2,500,000	0
68	111	0	0	556,251	2,500,000	0
69	112	0	0	570,868	2,500,000	0
70	113	0	0	589,501	2,500,000	0
71	114	0	0	617,217	2,500,000	0
72	115	0	0	666,489	2,500,000	0
73	116	0	0	771,764	2,500,000	0
74	117	0	0	966,796	2,500,000	0
75	118	0	0	1,166,428	2,500,000	0
76	119	0	0	1,251,899	2,500,000	0
77	120	0	0	1,342,964	2,500,000	0
78	121	0	0	1,439,848	2,500,000	0

Totals: 968,695

0

968,695

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ENTITY PURCHASE BUY-SELL PLAN ON RON OWENS

RON OWENS

John Hancock's Protection UL 11 with Initial Death Benefit of \$2,500,000 & Initial Premium of \$19,874						
Yr	Att. Age	Annual Premium	Annual Withdrawals and/or Loans	Net Surrender Value	Total Net Death Benefit	Total Cost
1	50	19,874	0	0	2,500,000	19,874
2	51	19,874	0	0	2,500,000	19,874
3	52	19,874	0	12,852	2,500,000	19,874
4	53	19,874	0	27,176	2,500,000	19,874
5	54	19,874	0	41,534	2,500,000	19,874
6	55	19,874	0	55,958	2,500,000	19,874
7	56	19,874	0	70,394	2,500,000	19,874
8	57	19,874	0	84,801	2,500,000	19,874
9	58	19,874	0	99,076	2,500,000	19,874
10	59	19,874	0	113,093	2,500,000	19,874
11	60	19,874	0	126,963	2,500,000	19,874
12	61	19,874	0	140,067	2,500,000	19,874
13	62	19,874	0	152,478	2,500,000	19,874
14	63	19,874	0	164,185	2,500,000	19,874
15	64	19,874	0	175,126	2,500,000	19,874
16	65	19,874	0	183,472	2,500,000	19,874
17	66	19,874	0	190,549	2,500,000	19,874
18	67	19,874	0	196,331	2,500,000	19,874
19	68	19,874	0	200,592	2,500,000	19,874
20	69	19,874	0	212,785	2,500,000	19,874
21	70	19,874	0	229,469	2,500,000	19,874
22	71	19,874	0	246,377	2,500,000	19,874
23	72	19,874	0	263,622	2,500,000	19,874
24	73	19,874	0	281,187	2,500,000	19,874
25	74	19,874	0	299,032	2,500,000	19,874
26	75	19,874	0	317,107	2,500,000	19,874
27	76	19,874	0	335,310	2,500,000	19,874
28	77	19,874	0	353,555	2,500,000	19,874
29	78	19,874	0	371,739	2,500,000	19,874
30	79	19,874	0	389,761	2,500,000	19,874
31	80	19,874	0	407,660	2,500,000	19,874
32	81	19,874	0	425,357	2,500,000	19,874
33	82	19,874	0	442,779	2,500,000	19,874
34	83	19,874	0	459,879	2,500,000	19,874
35	84	19,874	0	476,595	2,500,000	19,874
36	85	19,874	0	492,781	2,500,000	19,874
37	86	19,874	0	508,266	2,500,000	19,874
38	87	19,874	0	522,867	2,500,000	19,874
39	88	19,874	0	536,375	2,500,000	19,874
40	89	19,874	0	548,551	2,500,000	19,874
Totals:		794,960	0			794,960

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ENTITY PURCHASE BUY-SELL PLAN ON RON OWENS

RON OWENS

John Hancock's Protection UL 11 with Initial Death Benefit of \$2,500,000 & Initial Premium of \$19,874						
Yr	Att. Age	Annual Premium	Annual Withdrawals and/or Loans	Net Surrender Value	Total Net Death Benefit	Total Cost
41	90	19,874	0	559,157	2,500,000	19,874
42	91	19,874	0	566,961	2,500,000	19,874
43	92	19,874	0	572,377	2,500,000	19,874
44	93	19,874	0	574,917	2,500,000	19,874
45	94	19,874	0	573,934	2,500,000	19,874
46	95	19,874	0	568,537	2,500,000	19,874
47	96	19,874	0	557,536	2,500,000	19,874
48	97	19,874	0	539,474	2,500,000	19,874
49	98	19,874	0	512,126	2,500,000	19,874
50	99	19,874	0	472,384	2,500,000	19,874
51	100	19,874	0	415,845	2,500,000	19,874
52	101	19,874	0	424,608	2,500,000	19,874
53	102	19,874	0	433,275	2,500,000	19,874
54	103	19,874	0	441,849	2,500,000	19,874
55	104	19,874	0	450,334	2,500,000	19,874
56	105	19,874	0	459,055	2,500,000	19,874
57	106	19,874	0	468,149	2,500,000	19,874
58	107	19,874	0	477,818	2,500,000	19,874
59	108	19,874	0	488,368	2,500,000	19,874
60	109	19,874	0	500,269	2,500,000	19,874
61	110	19,874	0	514,251	2,500,000	19,874
62	111	19,874	0	528,100	2,500,000	19,874
63	112	19,874	0	542,782	2,500,000	19,874
64	113	19,874	0	559,735	2,500,000	19,874
65	114	19,874	0	582,050	2,500,000	19,874
66	115	19,874	0	617,051	2,500,000	19,874
67	116	19,874	0	684,053	2,500,000	19,874
68	117	0	0	802,262	2,500,000	0
69	118	0	0	965,425	2,500,000	0
70	119	0	0	1,144,882	2,500,000	0
71	120	0	0	1,229,300	2,500,000	0
72	121	0	0	1,319,099	2,500,000	0

Totals:	1,331,558	0			1,331,558
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COMPOSITE ENTITY PURCHASE BUY-SELL PLAN FOR 2 SHAREHOLDERS

COMPOSITE FOR BASIC CORPORATION, INC.

Yr	Annual Premium	Annual Withdrawals and/or Loans	Net Surrender Value	Total Net Death Benefit	Total Cost
1	34,777	0	0	5,000,000	34,777
2	34,777	0	0	5,000,000	34,777
3	34,777	0	22,177	5,000,000	34,777
4	34,777	0	47,330	5,000,000	34,777
5	34,777	0	72,460	5,000,000	34,777
6	34,777	0	97,727	5,000,000	34,777
7	34,777	0	123,098	5,000,000	34,777
8	34,777	0	148,577	5,000,000	34,777
9	34,777	0	174,039	5,000,000	34,777
10	34,777	0	199,245	5,000,000	34,777
11	34,777	0	224,532	5,000,000	34,777
12	34,777	0	248,883	5,000,000	34,777
13	34,777	0	272,177	5,000,000	34,777
14	34,777	0	294,337	5,000,000	34,777
15	34,777	0	315,323	5,000,000	34,777
16	34,777	0	333,062	5,000,000	34,777
17	34,777	0	349,043	5,000,000	34,777
18	34,777	0	362,823	5,000,000	34,777
19	34,777	0	374,273	5,000,000	34,777
20	34,777	0	392,731	5,000,000	34,777
21	34,777	0	415,841	5,000,000	34,777
22	34,777	0	438,176	5,000,000	34,777
23	34,777	0	462,479	5,000,000	34,777
24	34,777	0	494,783	5,000,000	34,777
25	34,777	0	527,767	5,000,000	34,777
26	34,777	0	561,349	5,000,000	34,777
27	34,777	0	595,390	5,000,000	34,777
28	34,777	0	629,765	5,000,000	34,777
29	34,777	0	664,343	5,000,000	34,777
30	34,777	0	699,002	5,000,000	34,777
31	34,777	0	733,806	5,000,000	34,777
32	34,777	0	768,644	5,000,000	34,777
33	34,777	0	803,380	5,000,000	34,777
34	34,777	0	837,896	5,000,000	34,777
35	34,777	0	872,050	5,000,000	34,777
36	34,777	0	905,615	5,000,000	34,777
37	34,777	0	938,345	5,000,000	34,777
38	34,777	0	969,982	5,000,000	34,777
39	34,777	0	1,000,250	5,000,000	34,777
40	34,777	0	1,028,867	5,000,000	34,777
Totals:	1,391,080	0			1,391,080

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COMPOSITE ENTITY PURCHASE BUY-SELL PLAN FOR 2 SHAREHOLDERS

COMPOSITE FOR BASIC CORPORATION, INC.

Yr	Annual Premium	Annual Withdrawals and/or Loans	Net Surrender Value	Total Net Death Benefit	Total Cost
41	34,777	0	1,055,539	5,000,000	34,777
42	34,777	0	1,078,897	5,000,000	34,777
43	34,777	0	1,099,190	5,000,000	34,777
44	34,777	0	1,115,757	5,000,000	34,777
45	34,777	0	1,127,754	5,000,000	34,777
46	34,777	0	1,134,062	5,000,000	34,777
47	34,777	0	1,133,267	5,000,000	34,777
48	34,777	0	1,122,696	5,000,000	34,777
49	34,777	0	1,100,549	5,000,000	34,777
50	34,777	0	1,063,240	5,000,000	34,777
51	34,777	0	1,005,734	5,000,000	34,777
52	34,777	0	1,009,260	5,000,000	34,777
53	34,777	0	1,007,245	5,000,000	34,777
54	34,777	0	998,213	5,000,000	34,777
55	34,777	0	979,941	5,000,000	34,777
56	34,777	0	949,605	5,000,000	34,777
57	34,777	0	902,862	5,000,000	34,777
58	34,777	0	921,403	5,000,000	34,777
59	34,777	0	940,919	5,000,000	34,777
60	34,777	0	961,952	5,000,000	34,777
61	34,777	0	985,342	5,000,000	34,777
62	34,777	0	1,009,335	5,000,000	34,777
63	34,777	0	1,035,249	5,000,000	34,777
64	34,777	0	1,065,050	5,000,000	34,777
65	34,777	0	1,102,636	5,000,000	34,777
66	19,874	0	1,148,011	5,000,000	19,874
67	19,874	0	1,227,436	5,000,000	19,874
68	0	0	1,358,513	5,000,000	0
69	0	0	1,536,294	5,000,000	0
70	0	0	1,734,384	5,000,000	0
71	0	0	1,846,517	5,000,000	0
72	0	0	1,985,588	5,000,000	0
73	0	0	771,764	2,500,000	0
74	0	0	966,796	2,500,000	0
75	0	0	1,166,428	2,500,000	0
76	0	0	1,251,899	2,500,000	0
77	0	0	1,342,964	2,500,000	0
78	0	0	1,439,848	2,500,000	0

Totals: 2,300,253 0 2,300,253

This is a supplemental illustration authorized for distribution only when preceded or accompanied by a basic illustration from the issuer. Benefits and values may not be guaranteed; the assumptions on which they are based are subject to change by the insurer. Actual results may be more or less favorable. Refer to the basic illustration for guaranteed elements and other important information. Clients should consult their accounting, legal, and tax advisors about their particular circumstances before implementing any recommendations.



Entity Redemption Buy-Sell Arrangements

Prepared for Basic Corporation, Inc.
Presented By Sample Agent

ENTITY REDEMPTION BUY-SELL ARRANGEMENTS - CENSUS

PARTICIPANT INFORMATION

Participant	1	2			
Mode	Active	Active			
Name	Jim Smith	Ron Owens			
Age	43	49			
Sex	Male	Male			
Risk Class	Preferred NonSmoker	Preferred NonSmoker			
Company Ownership	50.00%	50.00%			
State	Connecticut	Connecticut			
Income Tax	35.00%	35.00%			

LIFE INSURANCE

Policy Name	Protection UL 11	Protection UL 11			
Type	Single Life	Single Life			
Initial Death Benefit	\$2,500,000	\$2,500,000			
Annualized Premium	\$14,903	\$19,874			
Premium Years	99	99			
Policy Rate	5.20% Gross	5.20% Gross			
1035 Exchange Amount	\$0	\$0			

This is a supplemental illustration authorized for distribution only when preceded or accompanied by a basic illustration from the issuer. Benefits and values may not be guaranteed; the assumptions on which they are based are subject to change by the insurer. Actual results may be more or less favorable. Refer to the basic illustration for guaranteed elements and other important information. Clients should consult their accounting, legal, and tax advisors about their particular circumstances before implementing any recommendations. Page 4 of 15

May 13, 2011



GLOSSARY OF LEDGER TERMS - ENTITY PURCHASE ARRANGEMENTS

Entity Redemption Buy-Sell Arrangements – This is a type of buy-sell arrangement in which the company purchases and owns a life insurance policy on the lives of each business owner in an amount equal to each business owner's interest. The company is the policy owner, beneficiary and payer of the premiums on the life insurance policy. Upon the death, disability or retirement of an owner, the business can use the death benefit or potential cash surrender value of the policy to make payments under the agreement. This type of arrangement is generally used with C Corporations.

Census Summary – The Census Summary is a listing of each of the owners of the company, their ages and risk class as well as each owner's current ownership percentage in the company.

Annualized Premium – This row under the Census Summary shows the premium required on each policy based on the total death benefit purchased.

Initial Death Benefit – This row under the Census Summary shows the amount of the death benefit that each individual owner owns on the other shareholders. The death benefit may be either equal to the insured's ownership percentage or a portion of the insured's ownership percentage, depending on the total number of business owners.

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

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy
Valuable Information About Your Life Insurance Illustration

Protection UL Form: 11PROUL

Presented By: Sample Agent

Illustration Assumptions

Jim Smith
Male - Preferred NonSmoker
Age: 43

Initial Death Benefit \$2,500,000
Face Amount \$2,500,000
Initial Planned Premium: \$14,903.00 / Billing Mode: Annual
Death Benefit Option 1; Cash Value Accumulation Test
State: Connecticut

Based on Current Charges and an Initial Current Rate of 5.20%

Universal Life Insurance

The Universal Life Insurance policy which you are considering provides flexible death benefit protection and premium payment flexibility. The values in the insurance contract grow based on the amount and timing of each premium payment, plus the interest rate and other credits applied to the policy, less insurance and other charges.

Certain aspects of the policy cannot be predicted with absolute certainty. These nonguaranteed elements are described on the following pages. For example, the interest rate credited may exceed the guaranteed rate and monthly charges may be less than the maximum guaranteed charges. This is an illustration only and is not intended to predict actual performance.

Death Benefit Protection

This policy illustration shows the Death Benefit Protection feature guaranteeing the policy death benefit to the Life Insured's attained age 74.

As long as the Death Benefit Protection feature is in effect, your policy cannot lapse even if the Net Cash Surrender Value falls to zero or below. The Death Benefit Protection feature will stay in effect as long as the reference value called the Net Death Benefit Protection Value is greater than zero.

The Death Benefit Protection Value is a reference value and is only used to determine whether or not the Death Benefit Protection feature will stay in effect. The policyowner cannot access the reference value.

Like your Policy Value, the Death Benefit Protection Value is directly affected by the timing and amounts of premiums paid. To ensure that you have the Death Benefit Protection feature in effect for the period illustrated, it is important that premium payments are paid when they are due, otherwise your policy may lapse.

For purposes of calculating your Death Benefit Protection Value, we will apply premiums retroactively to the beginning of the policy month in which they are

received.

Death benefit option changes, loans, withdrawals, rider termination or change, and/or face amount decreases will also affect the Death Benefit Protection feature.

If a policy loan is outstanding, the Death Benefit Protection feature will not prevent your policy from lapsing if the Net Policy Value falls to zero.

Net Death Benefit

The life insurance provided in this illustration reflects a Total Initial Death Benefit of \$2,500,000. The Death Benefit is composed of \$2,500,000 in Base Face Amount (Option 1). The net death benefit reflects total loan plus any loan interest due.

Planned Premium Outlay

One of the advantages of Universal Life Insurance is premium payment flexibility, allowing you to vary the amount of your payments. This illustration assumes an Initial Planned Premium Outlay of \$14,903.00 and that all subsequent premium payments are made at the beginning of each modal period. Reduced or discontinued premiums in future years are only possible if the premiums paid and amounts credited are sufficient to cover the cost of insurance and administrative expenses. These factors, as well as any outstanding policy loans or withdrawals, could necessitate additional premiums to maintain your insurance coverage. Payments in excess of the planned premium are subject to underwriting approval.

Guaranteed Coverage Premium

Based on the initial death benefit shown in the illustration, the level annual premium to guarantee coverage for life is \$38,852.87. Death Benefit option changes, loans, withdrawals, policy changes, and face amount changes will cause this premium to be recalculated. Premiums are subject to maximum guidelines allowed by the Internal Revenue Code.

Interest Rate

Interest is illustrated at an initial assumed effective annual rate of 5.20%. We determine the rate of interest

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

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Valuable Information About Your Life Insurance Illustration (cont'd)

Protection UL Form: 11PROUL

Presented By: Sample Agent

Illustration Assumptions

Jim Smith
Male - Preferred NonSmoker
Age: 43

Initial Death Benefit \$2,500,000
Face Amount \$2,500,000
Initial Planned Premium: \$14,903.00 / Billing Mode: Annual
Death Benefit Option 1; Cash Value Accumulation Test
State: Connecticut

Based on Current Charges and an Initial Current Rate of 5.20%

to be credited to the Policy Value based on our assessment of investment yields and other considerations as outlined in your policy. The current rate may increase or decrease, but at no point will the interest credited to the policy be lower than the guaranteed annual rate of 2.50%.

3.70%	41
3.20%	38
2.70%	33
2.50% Minimum Rate	32

Our obligations under your policy are backed by our general account assets. In addition to fixed income investments, such as corporate bonds, we expect to invest a portion of the premiums received under this class of policies in equities and other longer-duration assets. This investment approach, which may be different from the mix expected with other universal life policies, is intended to produce results that would permit us to credit values that maximize your policy's performance over the longer term. However, this approach could also cause the policy to experience a higher degree of variability of results year-to-year relative to other universal life policies. It is important to review your annual statement and request periodic in-force illustrations to make sure your policy continues to meet your objectives.

* In this table, the lapse year is hypothetical only, based upon the assumed factors, and is not guaranteed. For instance, the mortality charges used in these calculations are less than the maximum charges, and the Persistency Credit assumed is greater than the guaranteed minimum.

Accessing Policy Value

After your policy has been in force for one year, you can make partial cash withdrawals. You can surrender your policy for cash at any time. We will pay you the policy value less a surrender charge and any policy debts you may have. You can also borrow the available cash value at any time.

Amount Credited

This is the interest earned on the Policy Value including the amount of interest credited on the Loan Account, plus the Persistency Credit.

Illustrations will be shown at the guaranteed minimum interest rate, and an assumed rate (or rates). An assumed illustrated rate will never be higher than the current rate, or lower than the guaranteed minimum rate. Values illustrated at the current or an assumed rate are not guarantees or estimates, but merely illustrate results on the basis of the selected assumption.

Policy Loans

Policy loans may be taken against the Policy Value at any time, and if projected on an illustration, are assumed to be taken at the beginning of the year. The maximum loan amount available is the Surrender Value less any indebtedness, one year of policy charges, and one year's loan spread.

Changes in the rate of interest that we declare will affect both the interest and Persistency Credit applied to your Policy Value. The table below shows how these changes could affect the continuation of your coverage, keeping other assumptions constant (including planned premiums, issue age, risk class and current charges):

The net cost of a loan equals the loan interest rate charged less the loan interest rate credited to the portion of Policy Value securing the loan. This differential is guaranteed to be no greater than 1.25% in policy years 1-10. In subsequent years, the differential is currently 0.00%, and guaranteed not to exceed 0.25%.

Interest Rate Assumption	Policy Year at Lapse*
5.20% Initial Current Rate	N/A
4.70%	48
4.20%	44

Loan interest is payable in arrears. The loan interest rate used in this policy illustration is shown in the Policy Summary. Loan interest rates are variable and subject to change annually on the policy anniversary.

Annual Loan Interest

This is your Basic Illustration and is valid only if all illustration pages are included.

Version: 7.1R[0-0-24592-3584-8192]

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

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Valuable Information About Your Life Insurance Illustration (cont'd)

Protection UL Form: 11PROUL

Presented By: Sample Agent

Illustration Assumptions

Jim Smith
Male - Preferred NonSmoker
Age: 43

Initial Death Benefit \$2,500,000
Face Amount \$2,500,000
Initial Planned Premium: \$14,903.00 / Billing Mode: Annual
Death Benefit Option 1; Cash Value Accumulation Test
State: Connecticut

Based on Current Charges and an Initial Current Rate of 5.20%

This is the interest charged on the outstanding Policy Debt. In the event that you do not pay the loan interest charged in any Policy Year, it will be borrowed against the policy and added to the Policy Debt in arrears at the Policy Anniversary.

Withdrawals

Withdrawals reduce the Policy Value and the Death Benefit. Withdrawals, if illustrated, are assumed taken at the beginning of the year.

Policy Continuation at Age 121

Provided your coverage is in effect on the policy anniversary nearest the date on which the life insured reaches attained age 121, coverage will continue after age 121 and interest will be credited. No additional charges, other than those for any outstanding policy loans, will be deducted.

The tax implications with respect to policies that continue beyond age 100 are not clear at the present time. We urge you to consult your tax advisor regarding this issue if there are questions about what happens after age 100.

Taxation of Life Insurance

The information contained in this illustration is based on certain tax and legal assumptions. We suggest that you seek professional counsel regarding the interpretation of current tax laws and accounting practices as they relate to your actual situation. The Technical and Miscellaneous Revenue Act (TAMRA) of 1988 classifies some policies as Modified Endowment Contracts (MECs). Distributions from these policies (excluding death benefits but including policy loans and withdrawals) are taxed differently and may be subject to an IRS 10% penalty tax. TAMRA testing has been performed on the current scale only.

- The initial annual 7-pay premium for this policy is \$108,760.00.
- Based on our interpretation of TAMRA, this policy as illustrated would not be considered a Modified Endowment Contract (MEC).
- Employer-owned Life Insurance.

Where the owner of the policy is the employer of the insured, Section 101(j) of the Internal Revenue Code specifies a number of requirements in order for life insurance death benefits to be excluded from income taxation. Potential insureds must be limited to the employer's directors and "highly compensated" employees (as defined by the law). Also, **before the issuance of the policy**, the potential insured must (1) be notified in writing that the employer/policyowner intends to insure the employee's life and the maximum face amount for which the employee could be insured; (2) give his or her written consent to being a life insured under the policy, and agree that such coverage may continue after the life insured terminates employment; and (3) be informed in writing that the employer/policyowner will be a beneficiary of any proceeds payable upon the death of the employee. Finally, the policyowner is required to keep records and make an annual report concerning its employer-owned life insurance policies. Taxpayers should seek the counsel of qualified tax advisors to determine the applicability of IRC §101(j) or other provisions of federal tax law and/or compliance with the requirements of any such law or regulation.

Other Considerations

This is an illustration only. An illustration is not intended to predict actual performance. Unless otherwise stated, amounts credited and other values set forth in the illustration are not guaranteed.

This illustration assumes that the currently illustrated nonguaranteed elements will continue unchanged for all years shown. This is not likely to occur, and the actual results may be more or less favorable. Future credits and deductions can vary at the company's discretion depending upon factors such as death claims, investment earnings and expenses, as well as policy owner actions such as the timing and amount of premium payments, policy lapse and reinstatement, loans and withdrawals, and contractual changes.

To ensure that your policy continues to meet your objectives, we suggest that in addition to reviewing

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

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Protection UL Form: 11PROUL

Valuable Information About Your Life Insurance Illustration (cont'd)

Presented By: Sample Agent

Illustration Assumptions

Jim Smith

Male - Preferred NonSmoker

Age: 43

Initial Death Benefit \$2,500,000

Face Amount \$2,500,000

Initial Planned Premium: \$14,903.00 / Billing Mode: Annual

Death Benefit Option 1; Cash Value Accumulation Test

State: Connecticut

Based on Current Charges and an Initial Current Rate of 5.20%

annual statements, you periodically request in force illustrations. In force illustrations will provide an updated projection of policy performance.

Protection UL is issued by John Hancock Life Insurance Company (U.S.A.) of Boston, MA 02117. John Hancock Life Insurance Company (U.S.A.) consistently receives high financial strength ratings from independent rating agencies such as Fitch Ratings, A.M. Best, Standard & Poor's, and Moody's. For more information, please visit our website at www.JohnHancock.com.

For more than a century, John Hancock has offered security and high quality products to its customers. The company's experience and resources allow it to provide first class financial solutions to customers in every market in which it operates.

Protection UL

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

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Protection UL Form: 11PROUL

Basic Illustration Summary

Presented By: Sample Agent

Illustration Assumptions

Jim Smith

Male - Preferred NonSmoker

Age: 43

Initial Death Benefit \$2,500,000

Face Amount \$2,500,000

Initial Planned Premium: \$14,903.00 / Billing Mode: Annual

Death Benefit Option 1; Cash Value Accumulation Test

State: Connecticut

Based on Current Charges and an Initial Current Rate of 5.20%

Coverage Summary

Coverage Description	Initial Amount	Initial Premium
Face Amount - Level for all years	\$2,500,000	\$14,903.00

Policy Summary

State	Connecticut	
Death Benefit Option	1	From 1 Thru 78
Definition of Life Insurance	CVAT	
Payment Mode	Annual	
Charges	Current	
Assumed Interest Rate	5.20%	From 1 Thru 78
Loan Interest Rate	5.75%	From 1 Thru 78
Owner Tax Bracket	35.00%	From 1 Thru 78
Initial 7-Pay Premium	\$108,760.00	
Target Premium	\$16,409.90	
Minimum Initial Premium	\$750.88	
Death Benefit Protection Period	31 Years	
Based on Illustrated Assumptions		

Interest Adjusted Indexes on Insured at 5%

	-----Payment-----		-----Cost-----	
	10 Year	20 Year	10 Year	20 Year
Guaranteed	5.96	5.96	4.82	5.96
Current	5.96	5.96	3.35	3.89
Non-guaranteed Element	0.00	0.00	1.47	2.07

Interest Adjusted Indexes

These indexes provide a means for evaluating the comparative cost of the policy under stated assumptions. They can be useful in comparing similar plans of insurance, a lower index being better than a higher one. These indexes reflect the time value of money. Indexes are approximate because they involve assumptions, including the rate of interest used.

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

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Protection UL Form: 11PROUL

Numeric Summary

Presented By: Sample Agent

Illustration Assumptions

Jim Smith
Male - Preferred NonSmoker
Age: 43

Initial Death Benefit \$2,500,000
Face Amount \$2,500,000
Initial Planned Premium: \$14,903.00 / Billing Mode: Annual
Death Benefit Option 1; Cash Value Accumulation Test
State: Connecticut

GUARANTEED ASSUMPTIONS

These policy benefits and values are based on the guaranteed interest of 2.50% and guaranteed charges. Based on your Planned Premium Outlay, the policy would remain in force until policy year 32, month 6*.

NON-GUARANTEED ASSUMPTIONS

These policy benefits and values are based on non-guaranteed elements that are subject to change by the insurer. Actual results may be more or less favorable.

ASSUMED SCALE:

Policy benefits and values are based on the initial current interest rate of 5.20% and current charges. Based on your Planned Premium Outlay, the policy would remain in force until age 121*.

MIDPOINT SCALE:

Assumes the midpoint interest rate and charges which are halfway between current and guaranteed. Based on your Planned Premium Outlay, the policy would remain in force until policy year 32, month 6*.

Premiums are assumed to be paid at the beginning of each modal period.

Policy values, including surrender values and death benefits, are illustrated as of the end of the year, unless otherwise noted.

* See Policy Continuation at Age 121 on "Valuable Information" page.

Representative's Address:
Sample Agent
197 Clarendon St.
Boston, MA 02116
(617) 572-6000

SUMMARY YEARS	GUARANTEED ASSUMPTIONS	NON-GUARANTEED ASSUMPTIONS	
		Midpoint Scale	Assumed Scale
Years Premium Paid in Cash	32	32	65
Summary Year 5			
Net Surrender Value	11,107	20,700	30,926
Net Death Benefit	2,500,000	2,500,000	2,500,000
Summary Year 10			
Net Surrender Value	37,718	60,456	86,153
Net Death Benefit	2,500,000	2,500,000	2,500,000
Summary Year 20			
Net Surrender Value	0	77,237	179,946
Net Death Benefit	2,500,000	2,500,000	2,500,000
Summary Age 70			
Net Surrender Value	0	0	260,079
Net Death Benefit	2,500,000	2,500,000	2,500,000

I have received a copy of this illustration and understand that any non-guaranteed elements illustrated are subject to change and could be either higher or lower. The representative has told me they are not guaranteed. I further understand that the guarantees provided by the Death Benefit Protection feature are directly affected by the amount and timing of premiums paid.

Applicant: _____ Date: _____
(Signature) (mm/dd/yyyy)

I certify that this illustration has been presented to the applicant and that I have explained that any non-guaranteed elements illustrated are subject to change. I have made no statements that are inconsistent with the illustration.

Representative: _____ Date: _____
(Signature) (mm/dd/yyyy)

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

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Protection UL Form: 11PROUL

Guaranteed and Nonguaranteed Values

Presented By: Sample Agent

Illustration Assumptions

Jim Smith
Male - Preferred NonSmoker
Age: 43

Initial Death Benefit \$2,500,000
Face Amount \$2,500,000
Initial Planned Premium: \$14,903.00 / Billing Mode: Annual
Death Benefit Option 1; Cash Value Accumulation Test
State: Connecticut

Policy Year	EOY Age	Planned Premium	End of Year Guaranteed Assumptions 2.50% Minimum Rate, Maximum Charges			End of Year Non-Guaranteed Assumptions 5.20% Initial Current Rate, Current Charges		
			Policy Value	Net Surrender Value	Net Death Benefit	Policy Value	Net Surrender Value	Net Death Benefit
1	44	14,903	6,419	0	2,500,000	10,619	0	2,500,000
2	45	14,903	12,812	0	2,500,000	20,507	0	2,500,000
3	46	14,903	18,801	0	2,500,000	30,235	9,324	2,500,000
4	47	14,903	24,402	4,722	2,500,000	39,834	20,153	2,500,000
5	48	14,903	29,558	11,107	2,500,000	49,377	30,926	2,500,000
6	49	14,903	34,507	17,287	2,500,000	58,989	41,768	2,500,000
7	50	14,903	39,195	23,205	2,500,000	68,695	52,704	2,500,000
8	51	14,903	43,443	28,682	2,500,000	78,536	63,776	2,500,000
9	52	14,903	47,138	33,608	2,500,000	88,494	74,963	2,500,000
10	53	14,903	50,018	37,718	2,500,000	98,453	86,153	2,500,000
Totals:		149,030						
11	54	14,903	52,164	41,094	2,500,000	108,640	97,570	2,500,000
12	55	14,903	53,110	43,270	2,500,000	118,656	108,816	2,500,000
13	56	14,903	52,519	43,909	2,500,000	128,310	119,699	2,500,000
14	57	14,903	50,309	42,929	2,500,000	137,532	130,152	2,500,000
15	58	14,903	46,299	40,149	2,500,000	146,347	140,197	2,500,000
16	59	14,903	40,668	35,748	2,500,000	154,510	149,590	2,500,000
17	60	14,903	33,124	29,433	2,500,000	162,184	158,494	2,500,000
18	61	14,903	23,232	20,772	2,500,000	168,951	166,491	2,500,000
19	62	14,903	10,426	9,196	2,500,000	174,910	173,680	2,500,000
20	63	14,903	0	0	2,500,000	179,946	179,946	2,500,000
Totals:		298,060						
21	64	14,903	0	0	2,500,000	186,372	186,372	2,500,000
22	65	14,903	0	0	2,500,000	191,800	191,800	2,500,000
23	66	14,903	0	0	2,500,000	198,857	198,857	2,500,000
24	67	14,903	0	0	2,500,000	213,596	213,596	2,500,000
25	68	14,903	0	0	2,500,000	228,735	228,735	2,500,000
26	69	14,903	0	0	2,500,000	244,243	244,243	2,500,000
27	70	14,903	0	0	2,500,000	260,079	260,079	2,500,000
28	71	14,903	0	0	2,500,000	276,210	276,210	2,500,000
29	72	14,903	0	0	2,500,000	292,604	292,604	2,500,000
30	73	14,903	0	0	2,500,000	309,241	309,241	2,500,000
Totals:		447,090						

Indicates that the policy has lapsed under the illustrated assumption. Additional premium would be required to maintain policy benefits.

This is your Basic Illustration and is valid only if all illustration pages are included.

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

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Protection UL Form: 11PROUL

Guaranteed and Nonguaranteed Values (cont'd)

Presented By: Sample Agent

Illustration Assumptions

Jim Smith
Male - Preferred NonSmoker
Age: 43

Initial Death Benefit \$2,500,000
Face Amount \$2,500,000
Initial Planned Premium: \$14,903.00 / Billing Mode: Annual
Death Benefit Option 1; Cash Value Accumulation Test
State: Connecticut

Policy Year	EOY Age	Planned Premium	End of Year Guaranteed Assumptions 2.50% Minimum Rate, Maximum Charges			End of Year Non-Guaranteed Assumptions 5.20% Initial Current Rate, Current Charges		
			Policy Value	Net Surrender Value	Net Death Benefit	Policy Value	Net Surrender Value	Net Death Benefit
31	74	14,903	0	0	2,500,000	326,146	326,146	2,500,000
32	75	14,903	##	##	##	343,287	343,287	2,500,000
33	76	14,903				360,601	360,601	2,500,000
34	77	14,903				378,018	378,018	2,500,000
35	78	14,903				395,455	395,455	2,500,000
36	79	14,903				412,834	412,834	2,500,000
37	80	14,903				430,079	430,079	2,500,000
38	81	14,903				447,115	447,115	2,500,000
39	82	14,903				463,875	463,875	2,500,000
40	83	14,903				480,316	480,316	2,500,000
Totals:		596,120						
41	84	14,903				496,382	496,382	2,500,000
42	85	14,903				511,936	511,936	2,500,000
43	86	14,903				526,813	526,813	2,500,000
44	87	14,903				540,840	540,840	2,500,000
45	88	14,903				553,820	553,820	2,500,000
46	89	14,903				565,526	565,526	2,500,000
47	90	14,903				575,731	575,731	2,500,000
48	91	14,903				583,223	583,223	2,500,000
49	92	14,903				588,423	588,423	2,500,000
50	93	14,903				590,856	590,856	2,500,000
Totals:		745,150						
51	94	14,903				589,890	589,890	2,500,000
52	95	14,903				584,652	584,652	2,500,000
53	96	14,903				573,969	573,969	2,500,000
54	97	14,903				556,365	556,365	2,500,000
55	98	14,903				529,607	529,607	2,500,000
56	99	14,903				490,550	490,550	2,500,000
57	100	14,903				434,713	434,713	2,500,000
58	101	14,903				443,585	443,585	2,500,000
59	102	14,903				452,551	452,551	2,500,000
60	103	14,903				461,683	461,683	2,500,000
Totals:		894,180						

Indicates that the policy has lapsed under the illustrated assumption. Additional premium would be required to maintain policy benefits.

This is your Basic Illustration and is valid only if all illustration pages are included.

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

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Protection UL Form: 11PROUL

Guaranteed and Nonguaranteed Values (cont'd)

Presented By: Sample Agent

Illustration Assumptions

Jim Smith
Male - Preferred NonSmoker
Age: 43

Initial Death Benefit \$2,500,000
Face Amount \$2,500,000
Initial Planned Premium: \$14,903.00 / Billing Mode: Annual
Death Benefit Option 1; Cash Value Accumulation Test
State: Connecticut

Policy Year	EOY Age	Planned Premium	End of Year Guaranteed Assumptions 2.50% Minimum Rate, Maximum Charges			End of Year Non-Guaranteed Assumptions 5.20% Initial Current Rate, Current Charges		
			Policy Value	Net Surrender Value	Net Death Benefit	Policy Value	Net Surrender Value	Net Death Benefit
61	104	14,903				471,091	471,091	2,500,000
62	105	14,903				481,235	481,235	2,500,000
63	106	14,903				492,467	492,467	2,500,000
64	107	14,903				505,315	505,315	2,500,000
65	108	14,903				520,585	520,585	2,500,000
66	109	0				530,960	530,960	2,500,000
67	110	0				543,383	543,383	2,500,000
68	111	0				556,251	556,251	2,500,000
69	112	0				570,868	570,868	2,500,000
70	113	0				589,501	589,501	2,500,000
Totals:		968,695						
71	114	0				617,217	617,217	2,500,000
72	115	0				666,489	666,489	2,500,000
73	116	0				771,764	771,764	2,500,000
74	117	0				966,796	966,796	2,500,000
75	118	0				1,166,428	1,166,428	2,500,000
76	119	0				1,251,899	1,251,899	2,500,000
77	120	0				1,342,964	1,342,964	2,500,000
78	121	0				1,439,848	1,439,848	2,500,000
79	122	0				1,514,720	1,514,720	2,500,000
80	123	0				1,593,485	1,593,485	2,500,000
Totals:		968,695						
81	124	0				1,676,346	1,676,346	2,500,000
82	125	0				1,763,516	1,763,516	2,500,000
Totals:		968,695						

Indicates that the policy has lapsed under the illustrated assumption. Additional premium would be required to maintain policy benefits.

This is your Basic Illustration and is valid only if all illustration pages are included.

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

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Protection UL Form: 11PROUL

Glossary of Terms

Presented By: Sample Agent

Illustration Assumptions

Jim Smith
Male - Preferred NonSmoker
Age: 43

Initial Death Benefit \$2,500,000
Face Amount \$2,500,000
Initial Planned Premium: \$14,903.00 / Billing Mode: Annual
Death Benefit Option 1; Cash Value Accumulation Test
State: Connecticut

Based on Current Charges and an Initial Current Rate of 5.20%

Face Amount

The Face Amount is the coverage provided by the base policy. Any decreases to the Face Amount after the first policy year must fall within policy minimums.

Monthly Administrative Charge

A monthly Administrative Charge of \$15.00 will be assessed in all years, current and guaranteed.

Contract Charge

Contract Charge is an additional \$0.0776 per \$1,000 of Face Amount per policy month. It will be deducted for the first 20 policy years. This charge varies by the insured's issue age, gender, risk classification, and the policy duration.

Cost Of Insurance

Current insurance charges are based on Company experience. The current rates may change, but are guaranteed never to exceed the maximum rates. Maximum rates reflect the 2001 CSO Sex and Smoker Distinct Age Nearest Birthday Ultimate Mortality Table.

Persistency Credit

Beginning in Policy Year 11, a Persistency Credit is added to your Policy Value on each monthly processing date. The Persistency Credit is guaranteed to be no less than 0.025% of the Net Policy Value. The amount of Persistency Credit that we declare above the guaranteed minimum will be determined in a uniform and non-discriminatory manner.

We will determine the Persistency Credit taking into account our investment experience and other company factors, and policy owner actions such as the actual timing and amount of premium payments, policy lapse and reinstatement, loans and withdrawals, and contractual changes. The Persistency Credit in this illustration assumes that all nonguaranteed elements of this policy will continue unchanged, and that the policy owner's actions will not vary from those illustrated. You can see a projection of the effect that a policy owner action might have on the Persistency Credit by requesting an in-force illustration.

Death Benefit Option

Death Benefit Option 1 provides a level amount of coverage. It will increase only when necessary to maintain the definition of life insurance. Death Benefit Option 2 provides coverage equal to the Face Amount plus the Policy Value plus any amount necessary to maintain the definition of life insurance.

Net Death Benefit

The Death Benefit illustrated is the Face Amount plus any Required Additional Death Benefit. This is the value that is payable upon the death of the insured as stated on the front page of the policy. The actual amount payable may be decreased by loans or increased by additional insurance benefits. Death Benefits are illustrated as of the end of the year. Net Death Benefit reflects the total loan plus any loan interest due.

Net Income

Net Income reflects any illustrated withdrawal, policy loan and/or loan interest due.

Net Surrender Value

The Net Surrender Value is the Policy Value less surrender charge(s), and is illustrated as of end of the year. This amount is shown net of withdrawals and total loans plus interest due. During the surrender charge period, there is a surrender charge assessed if all or part of the Face Amount is reduced. If the policy terminates for any reason, the amount of any outstanding loan (that was not previously considered income) could result in a considerable tax. Under certain situations involving large amounts of outstanding loans, you might find yourself having to choose between high premium requirements to keep your policy from lapsing and a significant tax burden if you allow the lapse to occur. Please consult your tax advisor for further information.

Planned Premium Outlay

The Planned Premium Outlay is the amount which the policyholder plans to pay. This illustration assumes that

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

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Protection UL Form: 11PROUL

Glossary of Terms (cont'd)

Presented By: Sample Agent

Illustration Assumptions

Jim Smith

Male - Preferred NonSmoker

Age: 43

Initial Death Benefit \$2,500,000

Face Amount \$2,500,000

Initial Planned Premium: \$14,903.00 / Billing Mode: Annual

Death Benefit Option 1; Cash Value Accumulation Test

State: Connecticut

Based on Current Charges and an Initial Current Rate of 5.20%

planned premiums are paid at the beginning of each modal period indicated. Additional premiums may be paid while the policy is in force, subject to our minimum and maximum limits.

Policy Value

When premiums are paid, the balance, after premium charges are deducted, goes into the Policy Value. The Policy Value is credited daily with a guaranteed interest rate of 2.50% or the current rate, whichever is greater. Also, once each month, administrative and insurance charges are deducted.

Required Additional Death Benefit

The death benefit will automatically be increased if necessary to maintain the minimum amount of insurance needed to comply with current federal tax law (Section 7702 of the Internal Revenue Code). This will ensure that your policy maintains the favorable tax treatment associated with being a life insurance policy.

Risk Class

Classifications represent groups of people with similar risk characteristics and help to determine the cost of insurance. Final risk classification for a proposed insured is determined upon completion of the underwriting process, and may vary from what is shown on this illustration. If so, you will receive a Revised Basic Illustration prior to or upon delivery of your insurance contract.

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

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Protection UL Form: 11PROUL

Input Summary ~~ Internal Use Only ~~ Internal Use Only ~~

Presented By: Sample Agent

Illustration Assumptions

Jim Smith Initial Death Benefit \$2,500,000
Male - Preferred NonSmoker Face Amount \$2,500,000
Age: 43 Initial Planned Premium: \$14,903.00 / Billing Mode: Annual
Death Benefit Option 1; Cash Value Accumulation Test
State: Connecticut

Product & Concept

Concept Ledger
Approved in Any State
Product Type All Products
Product Protection UL 11

Owner Tax Rate 35.00%

Optional Reports

Optional Presentations No Presentation
Optional Reports Yes
Input Summary Yes

Policy Design

Insured Name Jim Smith
Sex Male
Issue Age / Birthdate 43
State Connecticut
Risk Class Preferred NonSmoker
Total Face Amount 2500000
Death Benefit Option Option 1
Definition of Life CVAT
Insurance Test
Premium Schedule
-- Solve 1 Lifetime
Premium Duration Lifetime
Premium Mode Annual
Target Cash Value 1.00
Target Year Lifetime
Crediting Rate Current
Agent Name Sample Agent

Policy Options

Estimated Policy Issue Date Today + 1 Month
Charges Current
Lump Sum Month Year 1
1
Lump Sum Month Years 2+ 1
MEC Testing Avoid MEC
Target Cash Value 1.00
Target Year Lifetime
Withdrawal Cap Basis
Loan Cap None
Loan Interest Payment Type Borrow
Variable Loan Interest Rate 5.75%

John Hancock used the fully allocated expense method to test and verify all products for compliance with the NAIC Life Insurance Illustration Model Regulation.

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

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy
Valuable Information About Your Life Insurance Illustration

Protection UL Form: 11PROUL

Presented By: Sample Agent

Illustration Assumptions

Ron Owens
Male - Preferred NonSmoker
Age: 49

Initial Death Benefit \$2,500,000
Face Amount \$2,500,000
Initial Planned Premium: \$19,874.00 / Billing Mode: Annual
Death Benefit Option 1; Cash Value Accumulation Test
State: Connecticut

Based on Current Charges and an Initial Current Rate of 5.20%

Universal Life Insurance

The Universal Life Insurance policy which you are considering provides flexible death benefit protection and premium payment flexibility. The values in the insurance contract grow based on the amount and timing of each premium payment, plus the interest rate and other credits applied to the policy, less insurance and other charges.

Certain aspects of the policy cannot be predicted with absolute certainty. These nonguaranteed elements are described on the following pages. For example, the interest rate credited may exceed the guaranteed rate and monthly charges may be less than the maximum guaranteed charges. This is an illustration only and is not intended to predict actual performance.

Death Benefit Protection

This policy illustration shows the Death Benefit Protection feature guaranteeing the policy death benefit to the Life Insured's attained age 78.

As long as the Death Benefit Protection feature is in effect, your policy cannot lapse even if the Net Cash Surrender Value falls to zero or below. The Death Benefit Protection feature will stay in effect as long as the reference value called the Net Death Benefit Protection Value is greater than zero.

The Death Benefit Protection Value is a reference value and is only used to determine whether or not the Death Benefit Protection feature will stay in effect. The policyowner cannot access the reference value.

Like your Policy Value, the Death Benefit Protection Value is directly affected by the timing and amounts of premiums paid. To ensure that you have the Death Benefit Protection feature in effect for the period illustrated, it is important that premium payments are paid when they are due, otherwise your policy may lapse.

For purposes of calculating your Death Benefit Protection Value, we will apply premiums retroactively to the beginning of the policy month in which they are

received.

Death benefit option changes, loans, withdrawals, rider termination or change, and/or face amount decreases will also affect the Death Benefit Protection feature.

If a policy loan is outstanding, the Death Benefit Protection feature will not prevent your policy from lapsing if the Net Policy Value falls to zero.

Net Death Benefit

The life insurance provided in this illustration reflects a Total Initial Death Benefit of \$2,500,000. The Death Benefit is composed of \$2,500,000 in Base Face Amount (Option 1). The net death benefit reflects total loan plus any loan interest due.

Planned Premium Outlay

One of the advantages of Universal Life Insurance is premium payment flexibility, allowing you to vary the amount of your payments. This illustration assumes an Initial Planned Premium Outlay of \$19,874.00 and that all subsequent premium payments are made at the beginning of each modal period. Reduced or discontinued premiums in future years are only possible if the premiums paid and amounts credited are sufficient to cover the cost of insurance and administrative expenses. These factors, as well as any outstanding policy loans or withdrawals, could necessitate additional premiums to maintain your insurance coverage. Payments in excess of the planned premium are subject to underwriting approval.

Guaranteed Coverage Premium

Based on the initial death benefit shown in the illustration, the level annual premium to guarantee coverage for life is \$42,168.13. Death Benefit option changes, loans, withdrawals, policy changes, and face amount changes will cause this premium to be recalculated. Premiums are subject to maximum guidelines allowed by the Internal Revenue Code.

Interest Rate

Interest is illustrated at an initial assumed effective annual rate of 5.20%. We determine the rate of interest

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

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Valuable Information About Your Life Insurance Illustration (cont'd)

Protection UL Form: 11PROUL

Presented By: Sample Agent

Illustration Assumptions

Ron Owens
Male - Preferred NonSmoker
Age: 49

Initial Death Benefit \$2,500,000
Face Amount \$2,500,000
Initial Planned Premium: \$19,874.00 / Billing Mode: Annual
Death Benefit Option 1; Cash Value Accumulation Test
State: Connecticut

Based on Current Charges and an Initial Current Rate of 5.20%

to be credited to the Policy Value based on our assessment of investment yields and other considerations as outlined in your policy. The current rate may increase or decrease, but at no point will the interest credited to the policy be lower than the guaranteed annual rate of 2.50%.

3.70%	37
3.20%	35
2.70%	30
2.50% Minimum Rate	30

Our obligations under your policy are backed by our general account assets. In addition to fixed income investments, such as corporate bonds, we expect to invest a portion of the premiums received under this class of policies in equities and other longer-duration assets. This investment approach, which may be different from the mix expected with other universal life policies, is intended to produce results that would permit us to credit values that maximize your policy's performance over the longer term. However, this approach could also cause the policy to experience a higher degree of variability of results year-to-year relative to other universal life policies. It is important to review your annual statement and request periodic in-force illustrations to make sure your policy continues to meet your objectives.

* In this table, the lapse year is hypothetical only, based upon the assumed factors, and is not guaranteed. For instance, the mortality charges used in these calculations are less than the maximum charges, and the Persistency Credit assumed is greater than the guaranteed minimum.

Accessing Policy Value

After your policy has been in force for one year, you can make partial cash withdrawals. You can surrender your policy for cash at any time. We will pay you the policy value less a surrender charge and any policy debts you may have. You can also borrow the available cash value at any time.

Amount Credited

This is the interest earned on the Policy Value including the amount of interest credited on the Loan Account, plus the Persistency Credit.

Illustrations will be shown at the guaranteed minimum interest rate, and an assumed rate (or rates). An assumed illustrated rate will never be higher than the current rate, or lower than the guaranteed minimum rate. Values illustrated at the current or an assumed rate are not guarantees or estimates, but merely illustrate results on the basis of the selected assumption.

Policy Loans

Policy loans may be taken against the Policy Value at any time, and if projected on an illustration, are assumed to be taken at the beginning of the year. The maximum loan amount available is the Surrender Value less any indebtedness, one year of policy charges, and one year's loan spread.

Changes in the rate of interest that we declare will affect both the interest and Persistency Credit applied to your Policy Value. The table below shows how these changes could affect the continuation of your coverage, keeping other assumptions constant (including planned premiums, issue age, risk class and current charges):

The net cost of a loan equals the loan interest rate charged less the loan interest rate credited to the portion of Policy Value securing the loan. This differential is guaranteed to be no greater than 1.25% in policy years 1-10. In subsequent years, the differential is currently 0.00%, and guaranteed not to exceed 0.25%.

Interest Rate Assumption	Policy Year at Lapse*
5.20% Initial Current Rate	N/A
4.70%	44
4.20%	40

Loan interest is payable in arrears. The loan interest rate used in this policy illustration is shown in the Policy Summary. Loan interest rates are variable and subject to change annually on the policy anniversary.

Annual Loan Interest

This is your Basic Illustration and is valid only if all illustration pages are included.

Version: 7.1R[0-0-24592-3584-8192]

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

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Valuable Information About Your Life Insurance Illustration (cont'd)

Protection UL Form: 11PROUL

Presented By: Sample Agent

Illustration Assumptions

Ron Owens
Male - Preferred NonSmoker
Age: 49

Initial Death Benefit \$2,500,000
Face Amount \$2,500,000
Initial Planned Premium: \$19,874.00 / Billing Mode: Annual
Death Benefit Option 1; Cash Value Accumulation Test
State: Connecticut

Based on Current Charges and an Initial Current Rate of 5.20%

This is the interest charged on the outstanding Policy Debt. In the event that you do not pay the loan interest charged in any Policy Year, it will be borrowed against the policy and added to the Policy Debt in arrears at the Policy Anniversary.

Withdrawals

Withdrawals reduce the Policy Value and the Death Benefit. Withdrawals, if illustrated, are assumed taken at the beginning of the year.

Policy Continuation at Age 121

Provided your coverage is in effect on the policy anniversary nearest the date on which the life insured reaches attained age 121, coverage will continue after age 121 and interest will be credited. No additional charges, other than those for any outstanding policy loans, will be deducted.

The tax implications with respect to policies that continue beyond age 100 are not clear at the present time. We urge you to consult your tax advisor regarding this issue if there are questions about what happens after age 100.

Taxation of Life Insurance

The information contained in this illustration is based on certain tax and legal assumptions. We suggest that you seek professional counsel regarding the interpretation of current tax laws and accounting practices as they relate to your actual situation. The Technical and Miscellaneous Revenue Act (TAMRA) of 1988 classifies some policies as Modified Endowment Contracts (MECs). Distributions from these policies (excluding death benefits but including policy loans and withdrawals) are taxed differently and may be subject to an IRS 10% penalty tax. TAMRA testing has been performed on the current scale only.

- The initial annual 7-pay premium for this policy is \$133,524.00.
- Based on our interpretation of TAMRA, this policy as illustrated would not be considered a Modified Endowment Contract (MEC).
- Employer-owned Life Insurance.

Where the owner of the policy is the employer of the insured, Section 101(j) of the Internal Revenue Code specifies a number of requirements in order for life insurance death benefits to be excluded from income taxation. Potential insureds must be limited to the employer's directors and "highly compensated" employees (as defined by the law). Also, before the issuance of the policy, the potential insured must (1) be notified in writing that the employer/policyowner intends to insure the employee's life and the maximum face amount for which the employee could be insured; (2) give his or her written consent to being a life insured under the policy, and agree that such coverage may continue after the life insured terminates employment; and (3) be informed in writing that the employer/policyowner will be a beneficiary of any proceeds payable upon the death of the employee. Finally, the policyowner is required to keep records and make an annual report concerning its employer-owned life insurance policies. Taxpayers should seek the counsel of qualified tax advisors to determine the applicability of IRC §101(j) or other provisions of federal tax law and/or compliance with the requirements of any such law or regulation.

Other Considerations

This is an illustration only. An illustration is not intended to predict actual performance. Unless otherwise stated, amounts credited and other values set forth in the illustration are not guaranteed.

This illustration assumes that the currently illustrated nonguaranteed elements will continue unchanged for all years shown. This is not likely to occur, and the actual results may be more or less favorable. Future credits and deductions can vary at the company's discretion depending upon factors such as death claims, investment earnings and expenses, as well as policy owner actions such as the timing and amount of premium payments, policy lapse and reinstatement, loans and withdrawals, and contractual changes.

To ensure that your policy continues to meet your objectives, we suggest that in addition to reviewing

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

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy
Valuable Information About Your Life Insurance Illustration (cont'd)

Protection UL Form: 11PROUL

Presented By: Sample Agent

Illustration Assumptions

Ron Owens
Male - Preferred NonSmoker
Age: 49

Initial Death Benefit \$2,500,000
Face Amount \$2,500,000
Initial Planned Premium: \$19,874.00 / Billing Mode: Annual
Death Benefit Option 1; Cash Value Accumulation Test
State: Connecticut

Based on Current Charges and an Initial Current Rate of 5.20%

annual statements, you periodically request in force illustrations. In force illustrations will provide an updated projection of policy performance.

Protection UL is issued by John Hancock Life Insurance Company (U.S.A.) of Boston, MA 02117. John Hancock Life Insurance Company (U.S.A.) consistently receives high financial strength ratings from independent rating agencies such as Fitch Ratings, A.M. Best, Standard & Poor's, and Moody's. For more information, please visit our website at www.JohnHancock.com.

For more than a century, John Hancock has offered security and high quality products to its customers. The company's experience and resources allow it to provide first class financial solutions to customers in every market in which it operates.

Protection UL

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

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Protection UL Form: 11PROUL

Basic Illustration Summary

Presented By: Sample Agent

Illustration Assumptions

Ron Owens
 Male - Preferred NonSmoker
 Age: 49

Initial Death Benefit \$2,500,000
 Face Amount \$2,500,000
 Initial Planned Premium: \$19,874.00 / Billing Mode: Annual
 Death Benefit Option 1; Cash Value Accumulation Test
 State: Connecticut
 Based on Current Charges and an Initial Current Rate of 5.20%

Coverage Summary

Coverage Description	Initial Amount	Initial Premium
Face Amount - Level for all years	\$2,500,000	\$19,874.00

Policy Summary

State	Connecticut	
Death Benefit Option	1	From 1 Thru 72
Definition of Life Insurance	CVAT	
Payment Mode	Annual	
Charges	Current	
Assumed Interest Rate	5.20%	From 1 Thru 72
Loan Interest Rate	5.75%	From 1 Thru 72
Owner Tax Bracket	35.00%	From 1 Thru 72
Initial 7-Pay Premium	\$133,524.00	
Target Premium	\$21,601.11	
Minimum Initial Premium	\$964.36	
Death Benefit Protection Period	29 Years	
Based on Illustrated Assumptions		

Interest Adjusted Indexes on Insured at 5%

	-----Payment-----		-----Cost-----	
	10 Year	20 Year	10 Year	20 Year
Guaranteed	7.95	7.95	7.27	7.95
Current	7.95	7.95	4.52	5.50
Non-guaranteed Element	0.00	0.00	2.75	2.45

Interest Adjusted Indexes

These indexes provide a means for evaluating the comparative cost of the policy under stated assumptions. They can be useful in comparing similar plans of insurance, a lower index being better than a higher one. These indexes reflect the time value of money. Indexes are approximate because they involve assumptions, including the rate of interest used.

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

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Protection UL Form: 11PROUL

Numeric Summary

Presented By: Sample Agent

Illustration Assumptions

Ron Owens
Male - Preferred NonSmoker
Age: 49

Initial Death Benefit \$2,500,000
Face Amount \$2,500,000
Initial Planned Premium: \$19,874.00 / Billing Mode: Annual
Death Benefit Option 1; Cash Value Accumulation Test
State: Connecticut

GUARANTEED ASSUMPTIONS

These policy benefits and values are based on the guaranteed interest of 2.50% and guaranteed charges. Based on your Planned Premium Outlay, the policy would remain in force until policy year 30, month 6*.

NON-GUARANTEED ASSUMPTIONS

These policy benefits and values are based on non-guaranteed elements that are subject to change by the insurer. Actual results may be more or less favorable.

ASSUMED SCALE:

Policy benefits and values are based on the initial current interest rate of 5.20% and current charges. Based on your Planned Premium Outlay, the policy would remain in force until age 121*.

MIDPOINT SCALE:

Assumes the midpoint interest rate and charges which are halfway between current and guaranteed. Based on your Planned Premium Outlay, the policy would remain in force until policy year 30, month 6*.

Premiums are assumed to be paid at the beginning of each modal period.

Policy values, including surrender values and death benefits, are illustrated as of the end of the year, unless otherwise noted.

* See Policy Continuation at Age 121 on "Valuable Information" page.

Representative's Address:
Sample Agent
197 Clarendon St.
Boston, MA 02116
(617) 572-6000

SUMMARY YEARS	GUARANTEED ASSUMPTIONS	NON-GUARANTEED ASSUMPTIONS	
		Midpoint Scale	Assumed Scale
Years Premium Paid in Cash	30	30	67
Summary Year 5			
Net Surrender Value	8,949	24,737	41,534
Net Death Benefit	2,500,000	2,500,000	2,500,000
Summary Year 10			
Net Surrender Value	22,561	65,385	113,093
Net Death Benefit	2,500,000	2,500,000	2,500,000
Summary Year 20			
Net Surrender Value	0	4,252	212,785
Net Death Benefit	2,500,000	2,500,000	2,500,000
Summary Age 70			
Net Surrender Value	0	0	229,469
Net Death Benefit	2,500,000	2,500,000	2,500,000

I have received a copy of this illustration and understand that any non-guaranteed elements illustrated are subject to change and could be either higher or lower. The representative has told me they are not guaranteed. I further understand that the guarantees provided by the Death Benefit Protection feature are directly affected by the amount and timing of premiums paid.

Applicant: _____ Date: _____
(Signature) (mm/dd/yyyy)

I certify that this illustration has been presented to the applicant and that I have explained that any non-guaranteed elements illustrated are subject to change. I have made no statements that are inconsistent with the illustration.

Representative: _____ Date: _____
(Signature) (mm/dd/yyyy)

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

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Protection UL Form: 11PROUL

Guaranteed and Nonguaranteed Values

Presented By: Sample Agent

Illustration Assumptions

Ron Owens
Male - Preferred NonSmoker
Age: 49

Initial Death Benefit \$2,500,000
Face Amount \$2,500,000
Initial Planned Premium: \$19,874.00 / Billing Mode: Annual
Death Benefit Option 1; Cash Value Accumulation Test
State: Connecticut

Policy Year	EOY Age	Planned Premium	End of Year Guaranteed Assumptions 2.50% Minimum Rate, Maximum Charges			End of Year Non-Guaranteed Assumptions 5.20% Initial Current Rate, Current Charges		
			Policy Value	Net Surrender Value	Net Death Benefit	Policy Value	Net Surrender Value	Net Death Benefit
1	50	19,874	7,284	0	2,500,000	14,343	0	2,500,000
2	51	19,874	14,603	0	2,500,000	27,189	0	2,500,000
3	52	19,874	21,451	0	2,500,000	39,948	12,852	2,500,000
4	53	19,874	27,565	2,063	2,500,000	52,678	27,176	2,500,000
5	54	19,874	32,857	8,949	2,500,000	65,442	41,534	2,500,000
6	55	19,874	37,029	14,715	2,500,000	78,273	55,958	2,500,000
7	56	19,874	39,753	19,033	2,500,000	91,114	70,394	2,500,000
8	57	19,874	40,958	21,832	2,500,000	103,928	84,801	2,500,000
9	58	19,874	40,476	22,944	2,500,000	116,608	99,076	2,500,000
10	59	19,874	38,500	22,561	2,500,000	129,031	113,093	2,500,000
Totals:		198,740						
11	60	19,874	34,888	20,543	2,500,000	141,308	126,963	2,500,000
12	61	19,874	29,078	16,327	2,500,000	152,818	140,067	2,500,000
13	62	19,874	20,517	9,360	2,500,000	163,635	152,478	2,500,000
14	63	19,874	8,517	0	2,500,000	173,748	164,185	2,500,000
15	64	19,874	0	0	2,500,000	183,096	175,126	2,500,000
16	65	19,874	0	0	2,500,000	189,848	183,472	2,500,000
17	66	19,874	0	0	2,500,000	195,331	190,549	2,500,000
18	67	19,874	0	0	2,500,000	199,519	196,331	2,500,000
19	68	19,874	0	0	2,500,000	202,186	200,592	2,500,000
20	69	19,874	0	0	2,500,000	212,785	212,785	2,500,000
Totals:		397,480						
21	70	19,874	0	0	2,500,000	229,469	229,469	2,500,000
22	71	19,874	0	0	2,500,000	246,377	246,377	2,500,000
23	72	19,874	0	0	2,500,000	263,622	263,622	2,500,000
24	73	19,874	0	0	2,500,000	281,187	281,187	2,500,000
25	74	19,874	0	0	2,500,000	299,032	299,032	2,500,000
26	75	19,874	0	0	2,500,000	317,107	317,107	2,500,000
27	76	19,874	0	0	2,500,000	335,310	335,310	2,500,000
28	77	19,874	0	0	2,500,000	353,555	353,555	2,500,000
29	78	19,874	0	0	2,500,000	371,739	371,739	2,500,000
30	79	19,874	##	##	##	389,761	389,761	2,500,000
Totals:		596,220						

Indicates that the policy has lapsed under the illustrated assumption. Additional premium would be required to maintain policy benefits.

This is your Basic Illustration and is valid only if all illustration pages are included.

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

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Protection UL Form: 11PROUL

Guaranteed and Nonguaranteed Values (cont'd)

Presented By: Sample Agent

Illustration Assumptions

Ron Owens
Male - Preferred NonSmoker
Age: 49

Initial Death Benefit \$2,500,000
Face Amount \$2,500,000
Initial Planned Premium: \$19,874.00 / Billing Mode: Annual
Death Benefit Option 1; Cash Value Accumulation Test
State: Connecticut

Policy Year	EOY Age	Planned Premium	End of Year Guaranteed Assumptions 2.50% Minimum Rate, Maximum Charges			End of Year Non-Guaranteed Assumptions 5.20% Initial Current Rate, Current Charges		
			Policy Value	Net Surrender Value	Net Death Benefit	Policy Value	Net Surrender Value	Net Death Benefit
31	80	19,874				407,660	407,660	2,500,000
32	81	19,874				425,357	425,357	2,500,000
33	82	19,874				442,779	442,779	2,500,000
34	83	19,874				459,879	459,879	2,500,000
35	84	19,874				476,595	476,595	2,500,000
36	85	19,874				492,781	492,781	2,500,000
37	86	19,874				508,266	508,266	2,500,000
38	87	19,874				522,867	522,867	2,500,000
39	88	19,874				536,375	536,375	2,500,000
40	89	19,874				548,551	548,551	2,500,000
Totals:		794,960						
41	90	19,874				559,157	559,157	2,500,000
42	91	19,874				566,961	566,961	2,500,000
43	92	19,874				572,377	572,377	2,500,000
44	93	19,874				574,917	574,917	2,500,000
45	94	19,874				573,934	573,934	2,500,000
46	95	19,874				568,537	568,537	2,500,000
47	96	19,874				557,536	557,536	2,500,000
48	97	19,874				539,474	539,474	2,500,000
49	98	19,874				512,126	512,126	2,500,000
50	99	19,874				472,384	472,384	2,500,000
Totals:		993,700						
51	100	19,874				415,845	415,845	2,500,000
52	101	19,874				424,608	424,608	2,500,000
53	102	19,874				433,275	433,275	2,500,000
54	103	19,874				441,849	441,849	2,500,000
55	104	19,874				450,334	450,334	2,500,000
56	105	19,874				459,055	459,055	2,500,000
57	106	19,874				468,149	468,149	2,500,000
58	107	19,874				477,818	477,818	2,500,000
59	108	19,874				488,368	488,368	2,500,000
60	109	19,874				500,269	500,269	2,500,000
Totals:		1,192,440						

Indicates that the policy has lapsed under the illustrated assumption. Additional premium would be required to maintain policy benefits.

This is your Basic Illustration and is valid only if all illustration pages are included.

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

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Protection UL Form: 11PROUL

Guaranteed and Nonguaranteed Values (cont'd)

Presented By: Sample Agent

Illustration Assumptions

Ron Owens
Male - Preferred NonSmoker
Age: 49

Initial Death Benefit \$2,500,000
Face Amount \$2,500,000
Initial Planned Premium: \$19,874.00 / Billing Mode: Annual
Death Benefit Option 1; Cash Value Accumulation Test
State: Connecticut

Policy Year	EOY Age	Planned Premium	End of Year Guaranteed Assumptions 2.50% Minimum Rate, Maximum Charges			End of Year Non-Guaranteed Assumptions 5.20% Initial Current Rate, Current Charges		
			Policy Value	Net Surrender Value	Net Death Benefit	Policy Value	Net Surrender Value	Net Death Benefit
61	110	19,874				514,251	514,251	2,500,000
62	111	19,874				528,100	528,100	2,500,000
63	112	19,874				542,782	542,782	2,500,000
64	113	19,874				559,735	559,735	2,500,000
65	114	19,874				582,050	582,050	2,500,000
66	115	19,874				617,051	617,051	2,500,000
67	116	19,874				684,053	684,053	2,500,000
68	117	0				802,262	802,262	2,500,000
69	118	0				965,425	965,425	2,500,000
70	119	0				1,144,882	1,144,882	2,500,000
Totals:		1,331,558						
71	120	0				1,229,300	1,229,300	2,500,000
72	121	0				1,319,099	1,319,099	2,500,000
73	122	0				1,387,692	1,387,692	2,500,000
74	123	0				1,459,852	1,459,852	2,500,000
75	124	0				1,535,764	1,535,764	2,500,000
76	125	0				1,615,624	1,615,624	2,500,000
Totals:		1,331,558						

Indicates that the policy has lapsed under the illustrated assumption. Additional premium would be required to maintain policy benefits.

This is your Basic Illustration and is valid only if all illustration pages are included.

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

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Protection UL Form: 11PROUL

Glossary of Terms

Presented By: Sample Agent

Illustration Assumptions

Ron Owens
Male - Preferred NonSmoker
Age: 49

Initial Death Benefit \$2,500,000
Face Amount \$2,500,000
Initial Planned Premium: \$19,874.00 / Billing Mode: Annual
Death Benefit Option 1; Cash Value Accumulation Test
State: Connecticut

Based on Current Charges and an Initial Current Rate of 5.20%

Face Amount

The Face Amount is the coverage provided by the base policy. Any decreases to the Face Amount after the first policy year must fall within policy minimums.

Monthly Administrative Charge

A monthly Administrative Charge of \$15.00 will be assessed in all years, current and guaranteed.

Contract Charge

Contract Charge is an additional \$0.1014 per \$1,000 of Face Amount per policy month. It will be deducted for the first 20 policy years. This charge varies by the insured's issue age, gender, risk classification, and the policy duration.

Cost Of Insurance

Current insurance charges are based on Company experience. The current rates may change, but are guaranteed never to exceed the maximum rates. Maximum rates reflect the 2001 CSO Sex and Smoker Distinct Age Nearest Birthday Ultimate Mortality Table.

Persistency Credit

Beginning in Policy Year 11, a Persistency Credit is added to your Policy Value on each monthly processing date. The Persistency Credit is guaranteed to be no less than 0.025% of the Net Policy Value. The amount of Persistency Credit that we declare above the guaranteed minimum will be determined in a uniform and non-discriminatory manner.

We will determine the Persistency Credit taking into account our investment experience and other company factors, and policy owner actions such as the actual timing and amount of premium payments, policy lapse and reinstatement, loans and withdrawals, and contractual changes. The Persistency Credit in this illustration assumes that all nonguaranteed elements of this policy will continue unchanged, and that the policy owner's actions will not vary from those illustrated. You can see a projection of the effect that a policy owner action might have on the Persistency Credit by requesting an in-force illustration.

Death Benefit Option

Death Benefit Option 1 provides a level amount of coverage. It will increase only when necessary to maintain the definition of life insurance. Death Benefit Option 2 provides coverage equal to the Face Amount plus the Policy Value plus any amount necessary to maintain the definition of life insurance.

Net Death Benefit

The Death Benefit illustrated is the Face Amount plus any Required Additional Death Benefit. This is the value that is payable upon the death of the insured as stated on the front page of the policy. The actual amount payable may be decreased by loans or increased by additional insurance benefits. Death Benefits are illustrated as of the end of the year. Net Death Benefit reflects the total loan plus any loan interest due.

Net Income

Net Income reflects any illustrated withdrawal, policy loan and/or loan interest due.

Net Surrender Value

The Net Surrender Value is the Policy Value less surrender charge(s), and is illustrated as of end of the year. This amount is shown net of withdrawals and total loans plus interest due. During the surrender charge period, there is a surrender charge assessed if all or part of the Face Amount is reduced. If the policy terminates for any reason, the amount of any outstanding loan (that was not previously considered income) could result in a considerable tax. Under certain situations involving large amounts of outstanding loans, you might find yourself having to choose between high premium requirements to keep your policy from lapsing and a significant tax burden if you allow the lapse to occur. Please consult your tax advisor for further information.

Planned Premium Outlay

The Planned Premium Outlay is the amount which the policyholder plans to pay. This illustration assumes that

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

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Protection UL Form: 11PROUL

Glossary of Terms (cont'd)

Presented By: Sample Agent

Illustration Assumptions

Ron Owens

Male - Preferred NonSmoker

Age: 49

Initial Death Benefit \$2,500,000

Face Amount \$2,500,000

Initial Planned Premium: \$19,874.00 / Billing Mode: Annual

Death Benefit Option 1; Cash Value Accumulation Test

State: Connecticut

Based on Current Charges and an Initial Current Rate of 5.20%

planned premiums are paid at the beginning of each modal period indicated. Additional premiums may be paid while the policy is in force, subject to our minimum and maximum limits.

Policy Value

When premiums are paid, the balance, after premium charges are deducted, goes into the Policy Value. The Policy Value is credited daily with a guaranteed interest rate of 2.50% or the current rate, whichever is greater. Also, once each month, administrative and insurance charges are deducted.

Required Additional Death Benefit

The death benefit will automatically be increased if necessary to maintain the minimum amount of insurance needed to comply with current federal tax law (Section 7702 of the Internal Revenue Code). This will ensure that your policy maintains the favorable tax treatment associated with being a life insurance policy.

Risk Class

Classifications represent groups of people with similar risk characteristics and help to determine the cost of insurance. Final risk classification for a proposed insured is determined upon completion of the underwriting process, and may vary from what is shown on this illustration. If so, you will receive a Revised Basic Illustration prior to or upon delivery of your insurance contract.

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

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Protection UL Form: 11PROUL

Input Summary ~~ Internal Use Only ~~ Internal Use Only ~~

Presented By: Sample Agent

Illustration Assumptions

Ron Owens
Male - Preferred NonSmoker
Age: 49

Initial Death Benefit \$2,500,000
Face Amount \$2,500,000
Initial Planned Premium: \$19,874.00 / Billing Mode: Annual
Death Benefit Option 1; Cash Value Accumulation Test
State: Connecticut

Product & Concept

Concept Ledger
Approved in Any State
Product Type All Products
Product Protection UL 11

Owner Tax Rate 35.00%

Optional Reports

Optional Presentations No Presentation
Optional Reports Yes
Input Summary Yes

Policy Design

Insured Name Ron Owens
Sex Male
Issue Age / Birthdate 49
State Connecticut
Risk Class Preferred NonSmoker
Total Face Amount 2500000
Death Benefit Option Option 1
Definition of Life CVAT
Insurance Test
Premium Schedule
-- Solve 1 Lifetime
Premium Duration Lifetime
Premium Mode Annual
Target Cash Value 1.00
Target Year Lifetime
Crediting Rate Current
Agent Name Sample Agent

Policy Options

Estimated Policy Issue Date Today + 1 Month
Charges Current
Lump Sum Month Year 1
1
Lump Sum Month Years 2+ 1
MEC Testing Avoid MEC
Target Cash Value 1.00
Target Year Lifetime
Withdrawal Cap Basis
Loan Cap None
Loan Interest Payment Type Borrow
Variable Loan Interest Rate 5.75%

John Hancock used the fully allocated expense method to test and verify all products for compliance with the NAIC Life Insurance Illustration Model Regulation.

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

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Composite: Census Summary
(Composite of 2 policies)

Protection UL Form: 11PROUL

Presented By: Sample Agent

No.	No. of Lives	Name	Issue Age	Sex	Risk Class	Initial Premium	Target Premium	Initial Face Amount	MEC?	
1	1	Jim Smith	43	Male	Preferred NonSmoker	\$14,903	\$16,410	\$2,500,000	No	
2	1	Ron Owens	49	Male	Preferred NonSmoker	\$19,874	\$21,601	\$2,500,000	No	
Totals:						2	\$34,777	\$38,011	\$5,000,000	

I have reviewed the attached illustration(s) and understand that any non-guaranteed elements illustrated are subject to change and could be either higher or lower. The representative has told me that they are not guaranteed.

Applicant's Signature

Date

Representative's Signature

Date

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

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Protection UL Form: 11PROUL

Composite: Guaranteed and Nonguaranteed Values
(Composite of 2 policies)

Presented By: Sample Agent

Policy Year	Planned Premium	Tax on Distribution	Net Outlay	Guaranteed Policy Value	Guaranteed Net Surrender Value	Guaranteed Net Death Benefit	Policy Value	Net Surrender Value	Net Death Benefit
1	34,777	0	34,777	13,703	0	5,000,000	24,962	0	5,000,000
2	34,777	0	34,777	27,416	0	5,000,000	47,696	0	5,000,000
3	34,777	0	34,777	40,252	0	5,000,000	70,183	22,177	5,000,000
4	34,777	0	34,777	51,967	6,784	5,000,000	92,512	47,330	5,000,000
5	34,777	0	34,777	62,415	20,056	5,000,000	114,819	72,460	5,000,000
6	34,777	0	34,777	71,536	32,001	5,000,000	137,261	97,727	5,000,000
7	34,777	0	34,777	78,948	42,237	5,000,000	159,809	123,098	5,000,000
8	34,777	0	34,777	84,401	50,514	5,000,000	182,464	148,577	5,000,000
9	34,777	0	34,777	87,614	56,551	5,000,000	205,102	174,039	5,000,000
10	34,777	0	34,777	88,518	60,279	5,000,000	227,484	199,245	5,000,000
Totals:	347,770	0	347,770						
11	34,777	0	34,777	87,052	61,637	5,000,000	249,948	224,532	5,000,000
12	34,777	0	34,777	82,188	59,597	5,000,000	271,474	248,883	5,000,000
13	34,777	0	34,777	73,036	53,269	5,000,000	291,944	272,177	5,000,000
14	34,777	0	34,777	58,826	42,929	5,000,000	311,281	294,337	5,000,000
15	34,777	0	34,777	46,299	40,149	5,000,000	329,443	315,323	5,000,000
16	34,777	0	34,777	40,668	35,748	5,000,000	344,358	333,062	5,000,000
17	34,777	0	34,777	33,124	29,433	5,000,000	357,515	349,043	5,000,000
18	34,777	0	34,777	23,232	20,772	5,000,000	368,470	362,823	5,000,000
19	34,777	0	34,777	10,426	9,196	5,000,000	377,096	374,273	5,000,000
20	34,777	0	34,777	0	0	5,000,000	392,731	392,731	5,000,000
Totals:	695,540	0	695,540						
21	34,777	0	34,777	0	0	5,000,000	415,841	415,841	5,000,000
22	34,777	0	34,777	0	0	5,000,000	438,176	438,176	5,000,000
23	34,777	0	34,777	0	0	5,000,000	462,479	462,479	5,000,000
24	34,777	0	34,777	0	0	5,000,000	494,783	494,783	5,000,000
25	34,777	0	34,777	0	0	5,000,000	527,767	527,767	5,000,000
26	34,777	0	34,777	0	0	5,000,000	561,349	561,349	5,000,000
27	34,777	0	34,777	0	0	5,000,000	595,390	595,390	5,000,000
28	34,777	0	34,777	0	0	5,000,000	629,765	629,765	5,000,000
29	34,777	0	34,777	0	0	5,000,000	664,343	664,343	5,000,000
30	34,777	0	34,777	0	0	2,500,000	699,002	699,002	5,000,000
Totals:	1,043,310	0	1,043,310						

This is your Basic Illustration and is valid only if all illustration pages are included.

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

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Composite: Guaranteed and Nonguaranteed Values (cont'd)
(Composite of 2 policies)

Protection UL Form: 11PROUL

Presented By: Sample Agent

Policy Year	Planned Premium	Tax on Distribution	Net Outlay	Guaranteed Policy Value	Guaranteed Net Surrender Value	Guaranteed Net Death Benefit	Policy Value	Net Surrender Value	Net Death Benefit
31	34,777	0	34,777	0	0	2,500,000	733,806	733,806	5,000,000
32	34,777	0	34,777	0	0	0	768,644	768,644	5,000,000
33	34,777	0	34,777	0	0	0	803,380	803,380	5,000,000
34	34,777	0	34,777	0	0	0	837,896	837,896	5,000,000
35	34,777	0	34,777	0	0	0	872,050	872,050	5,000,000
36	34,777	0	34,777	0	0	0	905,615	905,615	5,000,000
37	34,777	0	34,777	0	0	0	938,345	938,345	5,000,000
38	34,777	0	34,777	0	0	0	969,982	969,982	5,000,000
39	34,777	0	34,777	0	0	0	1,000,250	1,000,250	5,000,000
40	34,777	0	34,777	0	0	0	1,028,867	1,028,867	5,000,000
Totals:	1,391,080	0	1,391,080						
41	34,777	0	34,777	0	0	0	1,055,539	1,055,539	5,000,000
42	34,777	0	34,777	0	0	0	1,078,897	1,078,897	5,000,000
43	34,777	0	34,777	0	0	0	1,099,190	1,099,190	5,000,000
44	34,777	0	34,777	0	0	0	1,115,757	1,115,757	5,000,000
45	34,777	0	34,777	0	0	0	1,127,754	1,127,754	5,000,000
46	34,777	0	34,777	0	0	0	1,134,062	1,134,062	5,000,000
47	34,777	0	34,777	0	0	0	1,133,267	1,133,267	5,000,000
48	34,777	0	34,777	0	0	0	1,122,696	1,122,696	5,000,000
49	34,777	0	34,777	0	0	0	1,100,549	1,100,549	5,000,000
50	34,777	0	34,777	0	0	0	1,063,240	1,063,240	5,000,000
Totals:	1,738,850	0	1,738,850						
51	34,777	0	34,777	0	0	0	1,005,734	1,005,734	5,000,000
52	34,777	0	34,777	0	0	0	1,009,260	1,009,260	5,000,000
53	34,777	0	34,777	0	0	0	1,007,245	1,007,245	5,000,000
54	34,777	0	34,777	0	0	0	998,213	998,213	5,000,000
55	34,777	0	34,777	0	0	0	979,941	979,941	5,000,000
56	34,777	0	34,777	0	0	0	949,605	949,605	5,000,000
57	34,777	0	34,777	0	0	0	902,862	902,862	5,000,000
58	34,777	0	34,777	0	0	0	921,403	921,403	5,000,000
59	34,777	0	34,777	0	0	0	940,919	940,919	5,000,000
60	34,777	0	34,777	0	0	0	961,952	961,952	5,000,000
Totals:	2,086,620	0	2,086,620						

This is your Basic Illustration and is valid only if all illustration pages are included.

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

A LIFE INSURANCE POLICY ILLUSTRATION

A Flexible Premium Universal Life Insurance Policy

Composite: Guaranteed and Nonguaranteed Values (cont'd)
(Composite of 2 policies)

Protection UL Form: 11PROUL

Presented By: Sample Agent

Policy Year	Planned Premium	Tax on Distribution	Net Outlay	Guaranteed Policy Value	Guaranteed Net Surrender Value	Guaranteed Net Death Benefit	Policy Value	Net Surrender Value	Net Death Benefit
61	34,777	0	34,777	0	0	0	985,342	985,342	5,000,000
62	34,777	0	34,777	0	0	0	1,009,335	1,009,335	5,000,000
63	34,777	0	34,777	0	0	0	1,035,249	1,035,249	5,000,000
64	34,777	0	34,777	0	0	0	1,065,050	1,065,050	5,000,000
65	34,777	0	34,777	0	0	0	1,102,636	1,102,636	5,000,000
66	19,874	0	19,874	0	0	0	1,148,011	1,148,011	5,000,000
67	19,874	0	19,874	0	0	0	1,227,436	1,227,436	5,000,000
68	0	0	0	0	0	0	1,358,513	1,358,513	5,000,000
69	0	0	0	0	0	0	1,536,294	1,536,294	5,000,000
70	0	0	0	0	0	0	1,734,384	1,734,384	5,000,000
Totals:	2,300,253	0	2,300,253						
71	0	0	0	0	0	0	1,846,517	1,846,517	5,000,000
72	0	0	0	0	0	0	1,985,588	1,985,588	5,000,000
73	0	0	0	0	0	0	2,159,456	2,159,456	5,000,000
74	0	0	0	0	0	0	2,426,648	2,426,648	5,000,000
75	0	0	0	0	0	0	2,702,192	2,702,192	5,000,000
76	0	0	0	0	0	0	2,867,523	2,867,523	5,000,000
77	0	0	0	0	0	0	1,342,964	1,342,964	2,500,000
78	0	0	0	0	0	0	1,439,848	1,439,848	2,500,000
79	0	0	0	0	0	0	1,514,720	1,514,720	2,500,000
80	0	0	0	0	0	0	1,593,485	1,593,485	2,500,000
Totals:	2,300,253	0	2,300,253						
81	0	0	0	0	0	0	1,676,346	1,676,346	2,500,000
82	0	0	0	0	0	0	1,763,516	1,763,516	2,500,000
Totals:	2,300,253	0	2,300,253						