



## ALERT – ACTION REQUIRED

### Producer Guide to John Hancock's Anti-Money Laundering Program

According to new rules issued by the U.S. Treasury Department and its Financial Crimes Enforcement Network (FinCEN), effective May 2, 2006 insurance companies are required to integrate agents and brokers (producers) into their Anti-Money Laundering Programs (AML) to comply with the requirements of the USA PATRIOT Act. More information on these new rules can be found at <http://www.fincen.gov/>. This Guide is designed to provide an overview of the AML requirements and responsibilities to the appointed producers of the following John Hancock insurance companies:

- John Hancock Life Insurance Company
- John Hancock Life Insurance Company (U.S.A.)
- John Hancock Life Insurance Company of New York
- John Hancock Variable Life Insurance Company
- Manulife Insurance Company

#### **Producer Training Required:**

Among the requirements for producer integration, insurance companies must provide AML training to those producers who are appointed to sell covered products or verify that adequate training has taken place. John Hancock's AML training approach is as follows:

1. Registered Representatives with Broker-Dealers, who have already completed, or are scheduled to complete appropriate training under their firms' AML Programs, will **NOT** be required to repeat training, if confirmation is obtained from their respective firms. Accordingly, John Hancock will be contacting applicable Broker-Dealers. If needed, registered representatives will be contacted.
2. Appointed Producers, who have already completed, or are scheduled to complete appropriate AML training with an established service provider, or another financial institution subject to the AML rules, will **NOT** be required to repeat training, if confirmation is provided along with the nature of the training, subject to John Hancock's satisfaction.
3. All Other Appointed Producers, who have not yet completed AML training, will be required to complete an on-line training course to become familiar with the requirements of the rules and the detection of money laundering red flags in the insurance industry. Here are the details:
  - a) John Hancock has selected LIMRA International to provide AML web-based training to producers. General information on the course can be found at <http://www.limra.com/compliance/aml.aspx>
  - b) Instructions on accessing the course will be sent to applicable producers separately
  - c) Training should be completed as soon as possible in order to avoid any interruption in service
  - d) LIMRA will notify John Hancock when applicable producers have completed the course

#### **Covered Products:**

The AML rules are not applicable to all insurance products. Rather, the following types of products have been identified as having features of cash value or investment, and sufficient money laundering risks to be included in the categories of "covered products" under John Hancock's AML Programs:

- Permanent life insurance policies
- Annuity contracts

NOTE: Non-covered products include Group Life, Group Annuity, Health (Long Term Care), Term Life and Structured Settlements. Producer training will **NOT** be required if these are the only products sold..

**Obtaining Customer Information:** Since producers have direct contact with customers during the sales process and from time to time over the life of an insurance policy, they are in the best position to ensure the required customer information is obtained. As a result, John Hancock producers are responsible for ensuring accurate information is provided on the insurance application and any other documentation required for the issuance of a covered product and related transaction. Basic identifying information required during the application process include:

- Name

- Date of Birth
- Permanent Residence Address
- Social Security Number or Tax Identification Number

**Suspicious Transactions:** Producers are often in the ideal position to detect suspicious/ money laundering activities and 'red flag' indicators because of their close interaction with customers. Examples include, but are not limited to, any of the following:

- The purchase of a product that appears to be inconsistent with a customer's needs
- The purchase or funding of a product that appears to exceed a customer's known income or liquid net worth
- Any attempted unusual method of payment, particularly by cash or cash equivalents such as money orders or cashier checks
- Payment of a large amount broken into small amounts
- Little or no concern by a customer for the investment performance of an insurance product, but much concern about the early termination features of the product
- The reluctance or resistance by a customer to provide identifying information, or the provision of information that seems fictitious
- Any other activity which you think is suspicious

While insurance companies are responsible for the reporting of suspicious activities to FinCEN, producers are required to:

1. Monitor for suspicious money laundering activities and/or red flags
2. Report identified suspicious activities and/or red flags promptly to their Compliance Officer
3. Have their Compliance Officer, or if there is no Compliance Officer, refer the case directly through John Hancock's Producer AML Hotline at 1-800-854-9979 for determination as to whether a suspicious activity report (SAR)\* should be filed with FinCEN

**\* JOHN HANCOCK'S AML COMPLIANCE OFFICER HAS THE RESPONSIBILITY FOR REPORTING SAR'S AND RESPONDING TO ANY INQUIRY REGARDING THE SUBJECT OF ANY SAR. PRODUCERS MUST NOT, UNDER ANY CIRCUMSTANCES, DISCLOSE THE FACT THAT A SAR HAS BEEN FILED OR CONSIDERED, OR THE CONTENTS OF A SAR, TO THE SUBJECT OF A SAR OR TO ANY OTHER PARTY.**

**John Hancock AML Contact Information:** Producers may forward general inquiries regarding any of the above requirements through their normal John Hancock channels/contacts or call John Hancock's Producer AML Hotline at 1-800-854-9979. More information regarding "What Insurance Agents and Brokers Should Expect under the New Anti-Money Laundering Regulations for Life Insurance Companies" can be found on [http://www.johnhancock.com/about/abo\\_news.jsp](http://www.johnhancock.com/about/abo_news.jsp)

John Hancock and its producers share an important responsibility to comply with the **USA PATRIOT Act** and its applicable anti-money laundering rules. Violation of anti-money laundering laws can expose those responsible to substantial civil and criminal penalties under federal law including, but not limited to, fines and imprisonment. By making it difficult for criminals to use insurance products for illegal purposes, John Hancock and its producers can work together to strengthen the life insurance industry and the economy in which they operate.

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