



## Dollar Cost Averaging

### FREQUENTLY ASKED QUESTIONS

#### 1. What is Dollar Cost Averaging?

Dollar Cost Averaging (DCA)<sup>1</sup> helps to manage the risk of investing by buying, regardless of the share price, a fixed dollar amount of a particular investment on a regular schedule. More units are purchased when prices are low, and fewer units are purchased when prices are high. This strategy helps policy owners stay focused on their long-term goals instead of constantly trying to determine “the right time to invest.”

As shown in the example below, Dollar Cost Averaging can result in a better average share price than trying to time unit purchases.

|          | Share Price               | Investment          | Shares Purchased   |
|----------|---------------------------|---------------------|--------------------|
| January  | \$10                      | \$100               | 10                 |
| February | \$7                       | \$100               | 14.3               |
| March    | \$6                       | \$100               | 16.7               |
| April    | \$8                       | \$100               | 12.5               |
| May      | \$9                       | \$100               | 11.1               |
|          | <b>Average Price: \$8</b> | <b>Total: \$500</b> | <b>Total: 64.6</b> |

#### 2. Is there a charge for Dollar Cost Averaging?

No. There is not a charge for Dollar Cost Averaging.

#### 3. Which portfolios can be used for Dollar Cost Averaging?

Typically, policy owners can Dollar Cost Average out of any portfolio, except the Fixed Account, to any other portfolio. Accumulation VUL '09, Protection VUL '09, Accumulation SVUL and Protection SVUL policy owners are permitted to Dollar Cost Average out of the Fixed Account.

#### 4. What is the time period that Accumulation VUL '09, Protection VUL '09, Accumulation SVUL and Protection SVUL policy owners can elect to Dollar Cost Average out of the Fixed Account?

Accumulation VUL '09, Protection VUL '09, Accumulation SVUL and Protection SVUL policy owners can elect to Dollar Cost Average out of the Fixed Account anytime until December 31, 2011.

#### 5. Is an enhanced crediting rate being offered on the Fixed Account<sup>1</sup>?

Yes. John Hancock is offering a 2% increase to the current Fixed Account crediting rate through December 31, 2010 for Accumulation VUL '09, Protection VUL '09, Accumulation SVUL and Protection SVUL policy owners. Fixed Account rates are annualized and subject to change. After December 31, 2010, policy value allocated to the Fixed Account will receive the then current crediting rate.

**6. How can Dollar Cost Averaging out of the Fixed Account help my client in a volatile market environment?**

In turbulent markets, Accumulation VUL '09, Protection VUL '09, Accumulation SVUL and Protection SVUL allow policy owners to take advantage of the enhanced Fixed Account rate for the short-term; while on a monthly basis their money can be Dollar Cost Averaged to one or more investment accounts — including the Lifestyle Portfolios<sup>2</sup> for long-term growth potential.

**7. Which John Hancock products offer Dollar Cost Averaging out of the Fixed Account<sup>1</sup>?**

Accumulation VUL '09, Protection VUL '09, Accumulation SVUL and Protection SVUL are the only products that allows policy owners to Dollar Cost Average out of the Fixed Account. This opportunity is available through December 31, 2011. After this date, Dollar Cost Averaging out of the Fixed Account will not be permitted.

**8. When are policy owners funds transferred out of the elected Dollar Cost Averaging portfolio?**

On the policy's monthly anniversary, funds are transferred out of the elected DCA portfolio, including the Fixed Account to the desired portfolio. Policy owners elect the period and length of time they would like to participate. Dollar Cost Averaging out of the Fixed Account for Accumulation VUL '09, Protection VUL '09, Accumulation SVUL and Protection SVUL is only available through December 31, 2011.

**9. What are the rules regarding transfers out of the Fixed Account if policy owners do not elect Dollar Cost Averaging?**

Each policy year, transfers of Fixed Account policy values that are not participating in Dollar Cost Averaging are limited to the greater of:

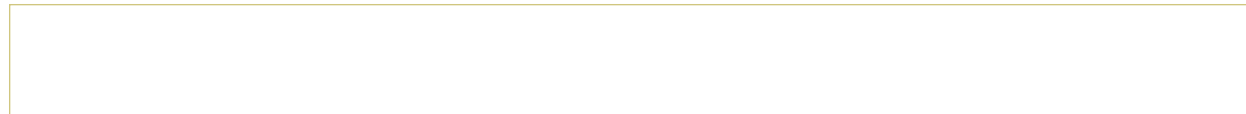
- Fixed Account maximum transfer amount of \$2,000 *or*
- 15% multiplied by the amount of the Fixed Account on the immediately preceding policy anniversary.<sup>3</sup>

**10. Can policy owners choose the Lifestyle Portfolios with Dollar Cost Averaging?**

Yes. Policy owners have the option to choose the automatic diversification offered by our Lifestyle Portfolios.

**11. How can policy owners elect Dollar Cost Averaging?**

The request for Investment option change form should be used and can be found on [www.jhsalesnet.com](http://www.jhsalesnet.com). Click on "Online Forms" on the left hand navigation bar. Select "Customer Service JHUSA" (for New York, "Customer Service JHNY") and select the "Financial Transactions Tab." The form name is "PS5109US Request for Investment Option Change" form (for New York, PS5109NY). [Click here](#) to go to the Financial Transactions page.



1. Interest earned on policy value allocated to the Fixed Account will be credited on a declining balance as a portion of the policy value is transferred from the Fixed Account each month. Dollar Cost Averaging (DCA) does not assure a profit or protect against loss in declining markets. Since the DCA involves continuous investments in securities regardless of fluctuating price levels of such securities, a purchaser must be willing to continue such purchases through periods of declining prices.
2. Allocating net premiums to a Lifestyle Portfolio is designed to help reduce the market volatility that one may experience through the allocation of premiums to only one or a small number of investment options. There are risks associated with any investment, and it is possible to lose money by investing in the Lifestyle Portfolios.
3. For Corporate VUL, Fixed Account policy values that are not participating in Dollar Cost Averaging are limited to the greater of: Minimum transfer amount of \$2,000 or 25% multiplied by the amount of the Fixed Account on the immediately preceding policy anniversary.

*Please contact 1-888-266-7498, option 2 to obtain product and fund prospectuses (for New York, contact 1-800-743-5542, option 5). The prospectuses contain complete details on investment objectives, risks, fees, charges and expenses as well as other information about the investment company. Please read the prospectuses carefully containing this and other information on the product and the underlying portfolios and consider these factors carefully before investing. Product and/or product features may not be available in all states.*

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