John Hancock

August 12, 2026

VIA EMAIL

The Honorable Doug Ommen,
Iowa Insurance Commissioner
c/o Iowa Insurance Division
1963 Bell Ave.
Des Moines, IA 50315
enforcement.filings@iid.iowa.gov

Re: In the Matter of the Application of Transamerica Life Insurance Company for Approval of Its Plan of Division (as Amended)

Dear Commissioner Ommen:

John Hancock Life Insurance Company (U.S.A.) and its affiliate The Manufacturers Life Insurance Company (Bermuda Branch) (collectively, "John Hancock") submit the following public comment in connection with the Application of Transamerica Life Insurance Company ("TLIC") for approval of its proposed Plan of Division and simultaneous merger of the newly created company with SCOR Global Life USA Reinsurance Company ("SGLUSA").

As the Commissioner is aware, until July 31, 2026, John Hancock was an intervenor in these proceedings. Following TLIC's filing of Amendment No. 1 to its proposed Plan of Division, which excluded all John Hancock treaties from the contemplated division and merger, John Hancock withdrew its Petition in Intervention as it no longer had reinsurance agreements affected by the outcome of the proceedings.

Although the Commissioner's ruling in this matter will no longer impact John Hancock's reinsurance agreements with TLIC, we continue to have a deep interest in the issues presented and in the proper application of Chapter 521I of the Iowa Code (the "Iowa Division Law"). We hope the Commissioner sees our comment in the light it is intended: as the views of an active member of both the insurance and reinsurance markets who has an interest in the proper functioning of those markets and in the contractual promises that underlie them.

Had John Hancock continued to be a party to these proceedings, we would have said to the Commissioner through our witness statements and from the witness stand many of the same things that are set forth in this letter. We hope this letter is of assistance to the Commissioner and to the Attorney General as this matter moves towards a resolution.

I. Background on John Hancock

John Hancock is a subsidiary of Manulife, a leading international financial services provider headquartered in Toronto, Ontario, Canada. Our history dates back to the incorporation of The Manufactures Life Insurance Company in 1887. We operate as Manulife across Canada and Asia, and primarily as John Hancock in the United States, providing financial advice and insurance for individuals, groups, and businesses. At the end of 2025, we had more than 37,000 employees, over 106,000 agents, and thousands of distribution partners, serving over 37 million customers. Manulife operates in twenty-five markets globally, including in Canada, the United States, and across Asia. At the end of 2025, we had $1.2 trillion in assets under management and administration.

John Hancock is a cornerstone of Manulife's diversified global franchise. It is a leading U.S. provider of life insurance, retirement, and wealth solutions, which Manulife acquired in 2004. John Hancock's history dates back even further than Manulife's. It was charted in 1862 and has since grown to become one of the largest life insurance companies in the United States. Its largest issuing company is John Hancock Life Insurance Company (U.S.A.), a Michigan domiciled insurance company that provides a wide range of insurance products, including term life, whole life, universal life and variable life insurance options.

As of December 31, 2025, John Hancock Life Insurance Company (U.S.A.) had 1,175,836 inforce individual life insurance policies representing over $546 billion in net amount at risk. That includes 14,290 policyholders in Iowa. In addition, we had 2,506,800 policies with customers, covering group life policies, individual and group annuities, and accident & health policies.

II. Reinsurance is a Risk Management Tool Requiring Complex Assessment of Counter-Party Risk

Reinsurance is a critical risk management tool for a direct-writing life insurance company, aiding the company in its ability to offer products that meet the long-term savings, retirement, and protection needs of consumers. By transferring a portion of the risks associated with the policies issued, reinsurance allows direct writers to appropriately manage the financial impact of risks inherent in long-duration insurance products whilst maintaining the financial strength necessary to honor obligations to policyholders.

Just as the insurance market is predicated on insurers' ability to meet their long-term obligations to their policyholders, the reinsurance market depends on confidence that reinsurers will stand behind the obligations they have assumed. Undermining that principle would weaken confidence in the industry and impair the ability of insurers to provide consumers with reliable, long-term protection and savings products. Such an outcome would be a disservice to the public.

Insurance companies, including John Hancock use reinsurance as a risk management strategy across many lines of life and health business. Reinsurance in the life industry is of particular importance given the nature of the products most valued by policyholders. Life insurance policies are often long-duration products and expected to remain in force for decades before a claim is paid out. Accordingly, reinsurance obligations remain effective until all policies in a block terminate by death, lapse, or maturity. Our responsibility as an issuing company is to maintain our financial strength to ensure that we meet the promises and obligations to policyholders.

One component of that process is to ensure that our reinsurance partners are equally able and willing to meet their obligations to us for just as long. If we cannot trust that a reinsurance bidder will be willing and able to meet its claim payment share in the future, we will not accept the bidder as a partner due to the risk of the impact to our own financial position, and the knock-on impact to our commitment to our policyholders. A transfer to a significantly weaker, or more exposed, counterparty would have a material effect on the reinsurance risks transferred and John Hancock protects itself from such transfers through its contractual rights. When asked to consider novations, John Hancock does not make these decisions arbitrarily; rather, it carefully assesses the nature of the proposed transfer and the risks to John Hancock should it be effectuated.

Another key risk John Hancock assesses, both in the context of new counterparty relationships and novation requests, is concentration risk. A reinsurance agreement is not considered in a vacuum. Each agreement is viewed in the broader context of a business relationship that may span dozens of contracts entered into over a period of decades. Moving business from one reinsurer to another encompasses an assessment of concentration risk including not only the business that is the subject of the transfer, but also the business that already resides with the new reinsurer. Like all cedents, John

Hancock carefully evaluates and selects its reinsurance partners, how much it reinsures with each of them, and what the risks are with the business that resides with them. John Hancock devoted significant resources to understanding not only its immediate reinsurance counterparty here, that being Transamerica, but also the broader structure supporting that counterparty and where risk ultimately resides. In addition to the anti-assignment clauses we have introduced (a) limitations on the amount of retrocession a reinsurer can place on the business, and (b) information sharing requirements so that we have line of sight to where risk ultimately resides. This is an integral mechanism that we use to manage our reinsurance exposures.

Our approach is aligned with the direction that the NAIC, and other regulatory bodies globally are taking to ensure transparency and accountability within the reinsurance system. In recent years, regulators around the world, including the NAIC, have placed increasing emphasis on understanding where risk ultimately resides within complex reinsurance and retrocession structures.

III. Division Laws Were Not Introduced to Enable Regulators to Revamp the Reinsurance Market

As the Commissioner knows, when John Hancock was an intervenor in these proceedings, it submitted a Motion for Summary Judgment that addressed the applicability of the Iowa Division Law to the reinsurance relationship. Although the motion itself was rendered moot by Amendment No. 1 to the Proposed Plan and our subsequent withdrawal, the statutory issue raised in the motion will no doubt continue to be central to the Commissioner's decision.

John Hancock believes now, just as it did when it filed its motion, that the Iowa Division Law was not enacted for the purpose of allowing sophisticated reinsurance market participants, whose reinsurance treaties are fundamentally different from retail insurance policies in size, form, substance and how they are regulated, from circumventing what they contracted for. The manner in which an insurer contracts with its policyholder cannot be equated to the manner in which a reinsurer contracts with its cedent. The latter relationship operates on a vastly different sophisticated level of economic complexities, including, but not limited to, how they strike the balance of how carefully selected reinsurance counterparties can change.

John Hancock finds it concerning that a transaction could effectively eliminate protections that parties have spent years negotiating and which regulators themselves have increasingly encouraged companies to consider. While regulators have become more focused on understanding who ultimately bears risk within a reinsurance structure, the Proposed Plan could have the effect of preventing cedents from acting on information about who bears the risk by substituting a different counterparty through operation of law rather than through a negotiated process.

Novations and assignments are standard practice in the reinsurance and retrocessional industry. They are managed with a recognition of contractual rights and the reasons those rights exist. John Hancock itself has entered into retrocessional arrangements in which the reinsurer remains the contractual counterparty to the ceding company, while separately reinsuring some or all of its assumed obligations with another reinsurer. This arrangement typically does not alter the cedent's contractual rights.

At the same time, Manulife has also had to seek novations from counterparties. In 2011, Manulife sold its Life Retrocession business via a retrocession agreement, just as TLIC did with SCOR. Recognizing what was and was not permissible under our contracts, we worked diligently with the purchaser to novate each and every reinsurance contract to the satisfaction of the ceding entities and the purchaser. While many of these novations were standard, there were a number of novations which required John Hancock and the purchaser to show flexibility in updating contract terms and conditions.

John Hancock respectfully submits that the Proposed Plan would undermine confidence in the functioning of the reinsurance market, confidence in the contracts cedents and reinsurers agree to, and confidence in the choices cedents make when adopting and implementing their risk mitigation strategies. *Who* a cedent's reinsurance partner is matters. As noted above, it impacts concerns around risk concentration, credit worthiness, and broader enterprise risk management strategies.

Finally, we do not believe the Iowa legislature intended to insert itself into these aspects of reinsurance relationships, and we do not believe that treating cedents as "policyholders" under the Iowa Division Law is a proper or faithful reading of the statute. Rather, in our view, the law is clearly premised on a domestic insurer's division of insurance liabilities, *i.e.*, obligations an insurer has to its own retail policyholders. Applying the law outside that context would impact both cedents and reinsurers in way neither the industry nor the law contemplated.

IV. Conclusion

We thank the Commissioner for his continued attention to this importance proceeding, one which addresses issues of first impression that will set a precedent for the industry. While John Hancock is no longer a party, we continue to follow this matter closely and look forward to the Commissioner's decision.

Very truly yours,

Grant Buchanan
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