



JOHN HANCOCK ANNUITIES

A special focus on volatility and the stock market





Volatility is not always a bad word

Recession fears, corporate scandal, war, a housing crisis or some other significant event can make it difficult for individuals to remain confident about participating in the many swings of the market, and focusing on the long term.

However, market volatility can work in your favor if effectively harnessed. While the term “volatility” currently evokes fear and concern, remember that it can be used to describe both the downswings, *and* the inevitable upswings that the market will experience. It is these upswings that play a key role in helping you grow your future retirement income.

For many people, stocks are a necessary part of a long-term plan to help them pursue their financial goals.

Long-term returns of asset classes 1926–2007 ¹	
Small company stocks	12.45%
Large company stocks	10.36%
High-quality corporate bonds	5.85%
Intermediate government bonds	5.47%
Inflation, as measured by the CPI	3.05%

Stocks can be a key component of a diversified retirement portfolio. Historically, they have been the best performers over time, and they have helped play an important role in protecting assets from the negative effects of inflation.

Not FDIC Insured	Not Bank Guaranteed	May Lose Value
Not a Deposit	Not Insured by Any Government Agency	

The relationship between **risk** and **reward**:

The higher the potential return, the greater the risk.

The lower the potential return, the lower the risk.

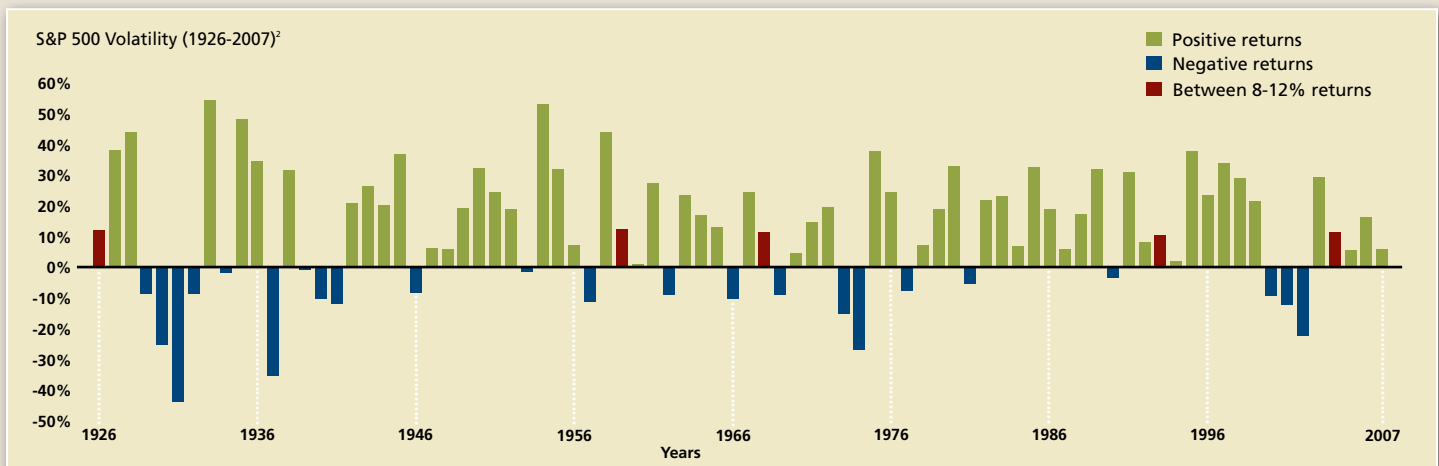
Invest for the long-term.

Since 1926, the long-term average return of the stock market has been 10.4%. So it's not surprising that many people expect that kind of return every year. However, people fail to realize that the stock market is a market of extremes, dominated by years when returns exceed 18% as well as years when the market declines reach double-digit figures. When it comes to the stock market, expect highs and lows in the short term, but always invest for the long term, and remember that past performance does not guarantee future results.

Consider the 82-year period that has taken place since 1926. During this period:

- Stocks exceeded 18%: **37 times**
- Stocks were negative: **23 times**
- 8-12% gains were recorded: **only five times**

It's a market of extremes, not averages



¹ Source: Ibbotson Associates. Data as of 12/31/07. Small and large company stocks represented by the S&P 500 Index, an unmanaged, commonly used measure of common-stock total return performance. Corporate Bonds-Salomon Brother's Long-Term High-Grade Corporate Bond Index; Long-term government bonds=20 Year U.S. Government Bond; Inflation-Consumer Price Index. Small company stocks are generally more volatile than large company stocks. Individuals should consider their tolerance for volatility. Government bonds are guaranteed by the U.S. government and, if held to maturity, offer a fixed rate of return and fixed principal value. It is not possible to invest directly in an index.

² Based on average annual percentage returns for large-capitalization stocks over 82 one-year periods from 1926 to 2007, assuming reinvestment of dividends and capital gains. There are no fees associated with an index. Large-capitalization stocks are represented by the S&P 500. The S&P 500 is an unmanaged index commonly used to measure stock market performance. It is not possible to invest directly in an index. Past performance does not guarantee future results. This chart does not illustrate the performance of any Venture Variable Annuity portfolio.



Understanding the bears and bulls

Right now you might be questioning if stocks still have a place in your portfolio. Your answer has to do with how optimistic you feel about the future—and about the world and its opportunities for growth and development.

While rationally everyone knows that the market won't go up forever—irrationally, we're surprised when it goes down.



Facts about bear markets:

- The average bear market lasts for less than 1.5 years, with the market dropping by 33% over that time.
- The longest bear market lasted for three years, while the shortest was less than four months.
- On average, it takes a little over nine months to reach an official bear market from the last market peak.
- From the date the market is recognized as being a bear market, it takes an average of 8.4 months before the market hits the bottom. However, it has taken 1.5 months on four occasions, and more than 1.5 years on two occasions.

Source: Bloomberg, 2008

WHAT IS A BEAR MARKET?

A bear market is a prolonged period when the stock market declines by 20% or more. If the period of falling stock prices is short, and immediately follows a period of rising stock prices, it is instead called a correction.

Bear markets usually occur when the economy is in a recession and unemployment is high, or when inflation is rising quickly.

Bear markets 1946–2007				
Market peak	Date of 20% drop	Market bottom	% Loss	Years
05/29/46	09/03/46	06/13/49	-29.6	3.0
08/02/56	10/21/57	10/22/57	-21.6	1.2
12/12/61	05/28/62	06/26/62	-28.0	0.5
02/09/66	08/29/66	10/07/66	-22.2	0.7
11/29/68	01/29/70	05/26/70	-36.1	1.5
01/11/73	11/27/73	10/03/74	-48.2	1.7
11/28/80	02/22/82	08/12/82	-27.1	1.7
08/25/87	10/19/87	12/04/87	-33.5	0.3
03/24/00	03/12/01	10/09/02	-49.1	2.5
Average			-32.8	1.5

Source: Bloomberg, 2008. Based on historic daily closing values for the S&P 500 Index. The S&P 500 is an unmanaged index which includes 500 widely traded stocks. There are no fees associated with an index. It is not possible to invest directly in an index. This chart does not illustrate the performance of any Venture Variable Annuity portfolio. Past performance is not a guarantee of future results.

“Be fearful when others are greedy,
be greedy when others are fearful . . .”

Warren Buffet

BULL MARKETS HAVE A TENDENCY TO CHARGE IN—DON'T MISS THE TURN.

Consider what would have happened if individuals in past bear markets bailed out after a significant decline and moved their money to a “safe” interest-bearing investment. History shows that bear markets have their end—and bull markets typically start with a bang and last for over four years. By not positioning your assets to take advantage of this turn in the market, you will lock in your bear market losses!



Facts about bull markets:

- The average bull market lasts for 4.5 years, with total returns increasing by nearly 142% over that time.
- A bull market often experiences a longer run than a bear market. The shortest bull market lasted just over a year, while the longest was just under 9.5 years, and resulted in total returns of nearly 418%.
- On average, one-month total returns at the start of a bull market leap into double-digits – 10.6%. A charging bull may quickly overtake a bear. Be ready, and don't miss the turn.

Source: Bloomberg, 2008

Past bull markets started with a bang				
TOTAL RETURNS				
Start	1 Month	3 Months	6 Months	12 Months
5/19/47	9.9%	12.3%	11.4%	18.9%
6/13/49	9.1	16.2	23.0	42.1
10/22/57	4.8	5.7	9.8	31.0
6/26/62	8.5	7.3	20.5	32.7
10/7/66	10.3	12.3	22.1	32.9
5/26/70	6.0	17.2	22.8	43.7
10/3/74	18.6	13.5	30.9	38.0
8/12/82	18.1	36.2	44.1	58.3
12/4/87	14.3	19.4	19.0	21.4
10/11/90	6.2	6.7	27.8	29.1
Average (Post-WWII)	10.6%	14.7%	23.1%	34.8%
Minimum	4.8	5.7	9.8	18.9
Maximum	18.6	36.2	44.1	58.3

Source: Bloomberg, 2008. “S&P Bounces off the Bear Market Bottoms since WWII.” The Standard & Poor’s 500 Stock Composite Index is unmanaged. There are no fees associated with an index. It is not possible to invest directly in an index. This chart does not illustrate the performance of any Venture Variable Annuity portfolio. Past performance is not a guarantee of future results.



It's possible to create a personal bear market in your portfolio

When building assets for retirement, you can feel more comfortable maintaining a long-term approach, despite volatility and negative returns. In retirement, that may change.

Taking withdrawals during market declines may send you spiraling into a personal bear market.

		Mr. Smith				Ms. Jones				
		Age	Year	ROR*	Year-end Value	Year	ROR*	Year-end Value		
Mr. Smith									Ms. Jones	
Investment:									Investment:	
\$500,000									\$500,000	
Stocks 60%									Stocks 60%	
Bonds 40%									Bonds 40%	
Annual									Annual	
Withdrawals:									Withdrawals:	
\$25,000									\$25,000	
Retired									Retired	
1/1/1966									1/1/1976	
		65	1966	-5.3%	\$449,709	1976	20.9%	\$ 574,111		
		66	1967	12.8%	\$478,107	1977	-5.5%	\$ 517,139		
		67	1968	7.3%	\$484,049	1978	2.1%	\$ 498,363		
		68	1969	-8.0%	\$418,795	1979	9.4%	\$ 509,115		
		69	1970	9.4%	\$425,093	1980	15.2%	\$ 543,996		
		70	1971	12.7%	\$443,879	1981	-1.5%	\$ 496,227		
		71	1972	13.6%	\$467,416	1982	29.3%	\$ 587,449		
		72	1973	-9.8%	\$389,765	1983	13.5%	\$ 617,562		
		73	1974	-15.2%	\$297,166	1984	9.5%	\$ 626,730		
		74	1975	23.3%	\$314,422	1985	30.7%	\$ 757,961		
		75	1976	20.9%	\$326,575	1986	24.1%	\$ 881,527		
		76	1977	-5.5%	\$263,924	1987	0.4%	\$ 835,566		
		77	1978	2.1%	\$216,966	1988	13.5%	\$ 889,730		
		78	1979	9.4%	\$173,583	1989	27.8%	\$1,067,888		
		79	1980	15.2%	\$124,468	1990	0.3%	\$1,013,459		
		80	1981	-1.5%	\$ 52,261	1991	25.1%	\$1,193,724		
		81	1982	29.3%	Exhausted	1992	8.9%	\$1,234,005		
		82	1983	13.5%	Exhausted	1993	14.0%	\$1,334,840		
		83	1984	9.5%	Exhausted	1994	-3.7%	\$1,223,213		
		84	1985	30.7%	Exhausted	1995	35.3%	\$1,566,115		
		85	1986	24.1%	Exhausted	1996	14.0%	\$1,707,435		
		86	1987	0.4%	Exhausted	1997	25.6%	\$2,057,859		
		87	1988	13.5%	Exhausted	1998	23.5%	\$2,454,653		
		88	1989	27.8%	Exhausted	1999	8.9%	\$2,593,091		
		89	1990	0.3%	Exhausted	2000	1.3%	\$2,551,012		
		90	1991	25.1%	Exhausted	2001	-5.6%	\$2,335,432		
		91	1992	8.9%	Exhausted	2002	-7.7%	\$2,083,696		
		92	1993	14.0%	Exhausted	2003	17.3%	\$2,351,418		
		93	1994	-3.7%	Exhausted	2004	8.3%	\$2,458,423		
		94	1995	35.3%	Exhausted	2005	5.6%	\$2,505,585		
		95	1996	14.0%	Exhausted	2006	9.9%	\$2,726,825		
		96	1997	25.6%	Exhausted	2007	7.5%	\$2,904,892		
		Average ROR		9.6%		Average ROR		11.4%		

The only difference between these two retirements was that Mr. Smith was unlucky and **retired at the wrong time.**

A poor sequence of returns can have a lasting effect.

Even if your portfolio is well diversified and you are maintaining a prudent withdrawal rate, suffering from negative returns in four of the first ten years of your retirement could cause irreversible damage to your portfolio and increase your chances of running out of money.



Mr. Smith
Bear Market Ruin

- Experienced negative returns in four of the first ten years of retirement.
- Portfolio volatility heightened by an environment of elevated inflation rates.
- The combination caused the exhaustion of these retirement assets after just 15 years.



Ms. Jones
Bull Market Success

- Experienced negative returns in only two of the first ten years of retirement.
- Timely positive market performance helped to grow assets.
- Even while taking withdrawals, an early bull market run provided a strong base to overcome negative returns and helped the assets last for more than 30 years.

*Data based on two 31-year periods ended on December 31, 1997, and 2007, respectively. Each portfolio assumes a first-year 5% withdrawal that was subsequently adjusted for actual inflation. Each portfolio also assumes a 60% stock/40% bond allocation, rebalanced annually. Stocks are represented by the S&P 500. The Standard & Poor's 500 Index (S&P 500) is an unmanaged group of large company stocks. It is not possible to invest directly in an index. There are no fees associated with an index. Bonds are represented by the annualized yields of long-term Treasuries (10+ years maturity). Inflation is represented by changes to the historical CPI. Past performance does not guarantee future results. This illustration does not account for any taxes or fees and is not indicative of any Venture Annuity portfolio.



What can I do now?

You can harness market volatility and protect your retirement income. Seem impossible? It's not. A variable annuity with an optional guaranteed minimum withdrawal benefit (GMWB) can provide income that is predictable, sustainable, and that can potentially increase over time.

? Should you consider a variable annuity?

A variable annuity is a long-term contract between you and an insurance company that can help you:

- Build retirement assets through a diversified portfolio of professionally managed options
- Create a predictable, sustainable stream of lifetime income
- Protect your legacy through a death benefit and other optional benefits
- Grow retirement assets on a tax-deferred basis

Variable annuities assess annual fees for portfolio options, insurance, and other expenses. Optional protection benefits are also available at an additional cost. Contract values fluctuate with market conditions and are subject to market risk, including loss of principal.

How can you receive predictable, guaranteed withdrawals?

A GMWB can be elected with an annuity contract for an additional annual fee. When you elect a GMWB, you establish a benefit base. The benefit base is determined by your initial purchase payment into your variable annuity contract. While your contract value may fluctuate depending on market conditions, your benefit base is a separate value that acts as a "floor" and is the key to providing withdrawals that are:

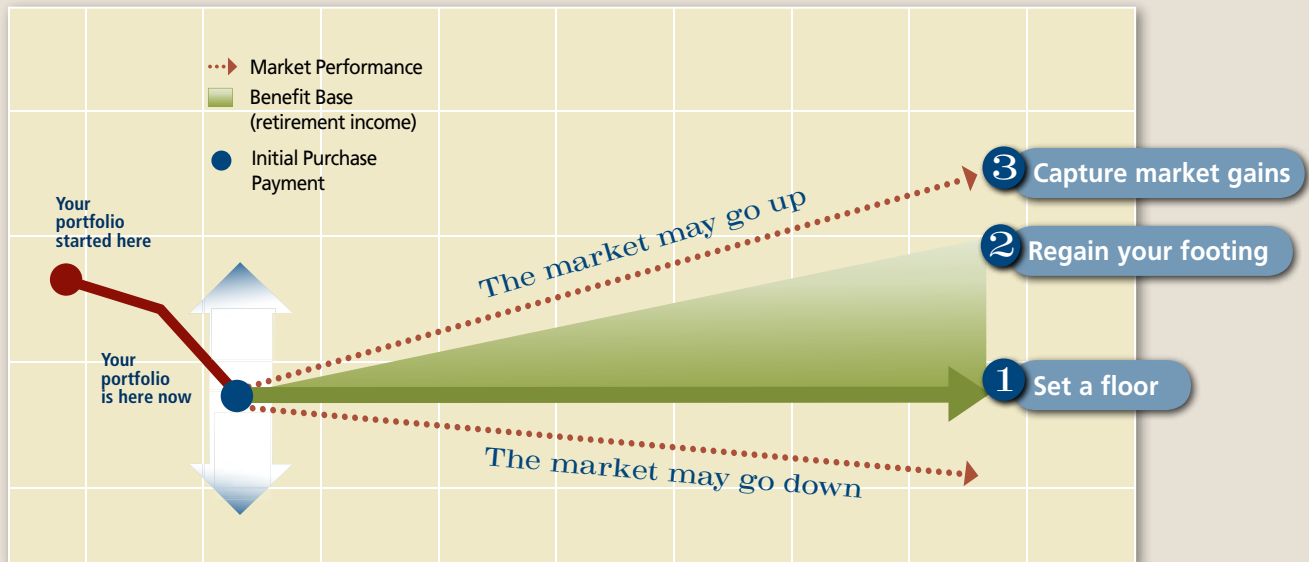
- **Predictable:** You are allowed to withdraw a specified percentage of your benefit base annually.
- **Sustainable:** After reaching a specified age, your withdrawals are guaranteed for life. However, an excess withdrawal can change your guaranteed withdrawal amount, so make sure you do not exceed the specified percentage.
- **Potentially increasing:** When you defer a withdrawal, your benefit base can automatically increase through a deferral credit. You can capture the market's upside potential through automatic step-ups.

The maximum allowable benefit base is \$5 million. It can only be received through regular withdrawals, and it is not available as a lump sum.

Withdrawals come first from any contract gains, and can reduce the death benefit, optional benefits, and contract value. Taxable distributions are subject to ordinary income tax, and, if made prior to age 59½, may also be subject to a 10% federal income tax penalty. Depending on the variable annuity purchased, early withdrawals may also be subject to surrender charges. The guarantees are backed by the claims-paying ability of John Hancock.

A variable annuity with an optional GMWB can help you protect and grow your retirement income.

Can you rebuild your retirement income?



This chart is for illustrative purposes only. It is not intended to illustrate the performance of any portfolio or to create the impression that purchasing Venture Variable Annuities and the optional rider will produce the same results.

A variable annuity with a GMWB can help you:

- 1 Set a floor**
Once you start your contract, your benefit base is locked in and your guaranteed retirement income will not decrease, as long as you do not take more than the allowed withdrawal amount each year.
- 2 Regain your footing**
Rebuild your retirement income even in down markets. A deferral credit is added to your benefit base each year you do not take a withdrawal. Credits are available until age 95. You will receive ten credit opportunities, and these opportunities can reload with a step-up.
- 3 Capture market gains**
When the markets rebound, you can participate in the upside potential as well. Lock in market gains and increase your retirement income through automatic annual step-up opportunities, available until age 95.

Why John Hancock?

Now more than ever, it is important to partner with a company that has the ability to meet the promises they make, both today and in the future.

From the roots of our product design, to our prudent investment philosophy, the conservative approach we take toward our business helps to protect the financial future of our annuity owners.



Our product design

Our variable annuities are designed with an emphasis on generating predictable, sustainable retirement income. We consistently strive to deliver innovative retirement solutions with real value, tailored to help protect your financial future.

Our prudent, balanced investment philosophy

We are mindful of avoiding complexity, setting limits, diversifying, and taking a conservative view on our investment decisions. Our variable annuity investment platform emphasizes balanced portfolios, such as our Lifestyle Portfolios, and options from outside premier investment partners, including American Funds, T. Rowe Price, Wellington Management, and DFA.

Our solid financial strength

Strong financial ratings—which measure a company’s financial strength and claims-paying ability—help to set John Hancock apart.

AAA

Standard & Poor’s: Extremely strong financial security characteristics (1st category of 21)

A++

A.M. Best Company: Superior ability to meet ongoing obligations to policyholders (1st category of 16)

Aa1

Moody’s Investors Service: Excellent financial security (2nd category of 21)

AA+

Fitch Ratings: Very strong capacity to meet policyholder and contract obligations (2nd category of 24)



These ratings, which are current as of the prospectus dated May 2008 and subject to change, are assigned to John Hancock Life Insurance Company (U.S.A.) and John Hancock Life Insurance Company of New York as a measure of the companies’ ability to honor any guarantees provided by Venture Variable Annuities and any applicable optional riders, but not specifically to the products, the performance (return) of these products, the value of any investment in these products upon withdrawal, or to individual securities held in any portfolio.

Contact your financial advisor or visit www.jhannuities.com for more information, including product and fund prospectuses that contain complete details on investment objectives, risks, fees, charges, and expenses, as well as other information about the investment company, which should be carefully considered. Please read the prospectuses carefully prior to purchasing. The prospectuses contain this and other information on the product and the underlying portfolios.

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