

of the TS&W Fund. Applicants further state that the Board, including a majority of the Independent Trustees, has approved the Exchange and that the Exchange will comply with rule 17a-7(b) through (g) and the provisions of rule 17a-8 (as those provisions apply to the merger of an Eligible Unregistered Fund with a registered investment company).

Applicants' Condition

Applicants agree that any order granting the requested relief will be subject to the following condition:

The Exchange will comply with the terms of paragraphs (b) through (g) of rule 17a-7 and the provisions of rule 17a-8 (as those provisions apply to the merger of an Eligible Unregistered Fund with a registered investment company).

For the Commission, by the Division of Investment Management, under delegated authority.

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 26091; 812-12919]

John Hancock Variable Series Trust I and John Hancock Life Insurance Company; Notice of Application

June 30, 2003.

AGENCY: Securities and Exchange Commission ("SEC" or "Commission").

ACTION: Notice of an application for an order under section 6(c) of the Investment Company Act of 1940 (the "Act") for an exemption from section 15(a) of the Act and rule 18f-2 under the Act.

SUMMARY OF THE APPLICATION: John Hancock Variable Series Trust I (the "Trust") and John Hancock Life Insurance Company ("John Hancock") (together, "Applicants") request an order (the "Order") that would permit them to enter into and materially amend subadvisory agreements without shareholder approval.

FILING DATES: The application was filed on January 17, 2003, and June 30, 2003.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the SEC orders a hearing. Interested persons may request a hearing by writing to the SEC's Secretary and serving Applicants with a copy of the request, personally or by mail. Hearing requests should be

received by the SEC by 5:30 p.m. on July 25, 2003, and should be accompanied by proof of service on Applicants, in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, the reason for the request, and the issues contested. Persons may request notification of a hearing by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 5th Street, NW., Washington, DC 20549-0609. Applicants, John Hancock Place, P.O. Box 111, Boston, MA 02117.

FOR FURTHER INFORMATION CONTACT: Christine Y. Greenlees, Senior Counsel, at (202) 942-0581, or Mary Kay Frech, Branch Chief, at (202) 942-0564 (Division of Investment Management, Office of Investment Company Regulation).

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application may be obtained for a fee at the SEC's Public Reference Branch, 450 5th Street, NW, Washington, DC 20549-0102 (telephone (202) 942-8090).

Applicants' Representations

1. The Trust, a Massachusetts business trust, is registered under the Act as an open-end management investment company. The Trust currently is comprised of 27 series (the "Existing Funds"), each with its own investment objectives and policies.¹ The Existing Funds currently serve as the investment medium for variable annuity and variable life insurance contracts issued by John Hancock and John Hancock Variable Life Insurance Company.

2. John Hancock is registered under the Investment Advisers Act of 1940 (the "Advisers Act") and serves as the investment adviser to the Existing

¹ Applicants also request relief with respect to: (a) Each existing and future series of the Trust and each existing and future series (together with the Existing Funds, the "Subadvised Funds") of any other existing or future registered open-end management investment company that (i) is advised by John Hancock or any entity controlling, controlled by, or under common control with John Hancock; (ii) uses the manager of managers arrangement described in the application; and (iii) complies with the terms and conditions in the application; and (b) any entity controlling, controlled by, or under common control with John Hancock that is an investment adviser of a Subadvised Fund and is registered as an investment adviser under the Advisers Act or exempt from such registration. The Trust is the only registered investment company that currently intends to rely on the requested order. If the name of any Subadvised Fund contains the name of a Sub-Adviser (as defined below), the Hancock name (or, if different, the name of the entity controlling, controlled by, or under common control with John Hancock that serves as the primary adviser to such Fund) will precede the name of the Sub-Adviser.

Funds. John Hancock, a stock life insurance company and publicly-held financial services company, is a subsidiary of John Hancock Financial Services, Inc., a publicly-traded holding company.

3. The Trust has entered into several investment advisory agreements with John Hancock ("Advisory Agreements") that were approved by the board of trustees (the "Board"), including a majority of the trustees who are not "interested persons," as defined in section 2(a)(19) of the Act ("Independent Trustees"), and the Owners of each Existing Fund.² Under the terms of the Advisory Agreements, John Hancock provides investment management services for each Existing Fund and may hire one or more sub-advisers ("Sub-Advisers") to exercise day-to-day investment discretion over all or a portion of the assets of the Existing Funds pursuant to separate investment sub-advisory agreements ("Sub-Advisory Agreements"). Each current Sub-Adviser is, and any future Sub-Adviser will be registered under the Advisers Act or exempt from such registration. Sub-Advisers are recommended to the Board by John Hancock and selected and approved by the Board, including a majority of the Independent Trustees. The Sub-Advisers' fees will be paid out of the advisory fees that the Subadvised Funds pay to John Hancock.

4. Subject to Board review, John Hancock selects Sub-Advisers for the Subadvised Funds, monitors and evaluates Sub-Adviser performance, and oversees Sub-Adviser compliance with the Subadvised Funds' investment objectives, policies, and restrictions. John Hancock recommends Sub-Advisers based upon a number of factors used to evaluate their skills in managing assets pursuant to particular investment objectives. John Hancock also recommends to the Board whether a Subadvisory Agreement should be renewed, modified or terminated.

5. Applicants request relief to permit John Hancock, subject to Board approval, and the Trust, on behalf of its series, to enter into and materially amend Sub-Advisory Agreements without approval by the vote of a majority of the outstanding voting securities (as defined in section 2(a)(42) of the Act) of each such series. The requested relief will not extend to a Sub-Adviser that is an affiliated person,

² The term "Owner" includes variable annuity and variable life contract holders that participate in any insurance company separate account for which a Subadvised Fund's shares serve as a funding medium, as well as the holders of any other shares that the Subadvised Fund has outstanding.

as defined in section 2(a)(3) of the Act, of a Subadvised Fund or of John Hancock, other than by reason of serving as a Sub-Adviser to one or more of the Subadvised Funds (an "Affiliated Sub-Adviser").

Applicants' Legal Analysis

1. Section 15(a) of the Act provides, in relevant part, that it is unlawful for any person to act as an investment adviser to a registered investment company except pursuant to a written contract that has been approved by the vote of a majority of the company's outstanding voting securities. Rule 18f-2 under the Act provides that each series or class of stock in a series company affected by a matter must approve the matter if the Act requires shareholder approval.

2. Section 6(c) of the Act provides that the Commission may exempt any person, security, or transaction or any class or classes of persons, securities, or transactions from any provision of the Act, or from any rule thereunder, if such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. Applicants believe that the requested relief meets this standard for the reasons discussed below.

3. The investment structure of the Portfolios is different from that of traditional investment companies. Applicants assert that investors are relying on John Hancock's experience to select one or more Sub-Advisers best suited to achieve a Subadvised Fund's desired investment objectives. Applicants assert that, from the perspective of the investor, the role of the Sub-Advisers is comparable to that of individual portfolio managers employed by other investment advisory firms. Applicants contend that requiring shareholder approval of the Sub-Advisory Agreements would impose unnecessary costs and delays on the Subadvised Funds, and may preclude John Hancock from acting promptly in a manner considered advisable by the Board. Applicants note that the Advisory Agreements will remain subject to the Owner approval requirements of section 15(a) of the Act and rule 18f-2 under the Act.

Applicants' Conditions

Applicants agree that any Order granting the requested relief will be subject to the following conditions:

1. Before a Subadvised Fund may rely on the requested Order, the operation of the Subadvised Fund in the manner described in the application will be

approved by a majority of the Subadvised Fund's outstanding voting securities, as defined in the Act, or, in the case of a Subadvised Fund whose Owners purchase shares on the basis of a prospectus containing the disclosure contemplated by condition 2 below, by the sole initial shareholder prior to offering shares of the Subadvised Fund to the public.

2. Each Subadvised Fund will disclose in its prospectus the existence, substance, and effect of the Order. In addition, each Subadvised Fund relying on the Order will hold itself out to the public as employing the manager of managers arrangement described in the application. The prospectus relating to the Subadvised Fund will prominently disclose that John Hancock has ultimate responsibility (subject to oversight by the Board) to oversee Sub-Advisers and to recommend their hiring, termination and replacement.

3. Before relying on the Order, each Subadvised Fund that sought its Owners' approval to operate in the manner described in the application prior to the date of the Order, and subsequently sold shares based on a prospectus that did not contain the disclosure described in condition 2 above, will provide its Owners with at least 30 days prior written notice of (a) the substance and effect of the Order and (b) the fact that the Subadvised Fund intends to employ the manager of managers arrangement described in the application.

4. Within 90 days of the hiring of a new Sub-Adviser, John Hancock will furnish Owners of the applicable Subadvised Fund all information about the new Sub-Adviser that would be included in a proxy statement. To meet this condition, John Hancock will provide Owners of the applicable Subadvised Fund with an information statement meeting the requirements of Regulation 14C, Schedule 14C, and Item 22 of Schedule 14A under the Securities Exchange Act of 1934.

5. John Hancock will not enter into a Sub-Advisory Agreement with any Affiliated Sub-Adviser without such agreement, including the compensation to be paid thereunder, being approved by the Owners of the relevant Subadvised Fund.

6. At all times, a majority of the Board will be Independent Trustees, and the nomination of new or additional Independent Trustees will be placed within the discretion of the then-existing Independent Trustees.

7. When a change of Sub-Adviser is proposed for a Subadvised Fund with an Affiliated Sub-Adviser, the Board, including a majority of the Independent

Trustees, will make a separate finding, reflected in the Board minutes, that such change is in the best interests of the Subadvised Fund and its Owners and does not involve a conflict of interest from which John Hancock or an Affiliated Sub-Adviser derives an inappropriate advantage.

8. John Hancock will provide management and certain administrative services to each Subadvised Fund relying on the Order, including overall supervisory responsibility for the general management and investment of the Subadvised Fund's assets, and, subject to review and approval by the Board, will: (i) Set the Subadvised Fund's overall investment strategies; (ii) evaluate, select, and recommend Sub-Advisers to manage all or a part of the Subadvised Fund's assets; (iii) when appropriate, allocate and reallocate a Sub-Advised Fund's assets among multiple Sub-Advisers; (iv) monitor and evaluate the Sub-Advisers' investment performance; and (v) implement procedures reasonably designed to ensure that the Sub-Advisers comply with the Subadvised Fund's investment objectives, policies, and restrictions.

9. No trustee or officer of the Trust, or director or officer of John Hancock will own directly or indirectly (other than through a pooled investment vehicle over which such person does not have control) any interest in a Sub-Adviser except for: (i) Ownership of interests in John Hancock or any entity that controls, is controlled by, or is under common control with John Hancock; or (ii) ownership of less than 1% of the outstanding securities of any class of equity or debt of any other publicly traded company that is either a Sub-Adviser or an entity that controls, is controlled by, or is under common control with a Sub-Adviser.

For the Commission, by the Division of Investment Management, under delegated authority.

Margaret H. McFarland,

Deputy Secretary.

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