

appreciation. The Fund seeks to attain this objective by investing primarily in stocks of "emerging markets" companies, and, under normal circumstances, it invests at least 80% of its assets in such companies. The Fund's investment philosophy is "bottom-up," value oriented, and long-term.

33. The Hancock International Opportunities Fund is managed by John Hancock and is sub-advised by T. Rowe Price International, Inc. The investment objective of this Fund is long-term capital appreciation. The Fund seeks to achieve this objective by investing primarily in the stocks of large established and medium sized companies located outside the U.S., primarily in developed countries and to a lesser extent, in emerging markets. The Fund's investment philosophy entails fundamental research on individual companies, combined with stock selection of companies with certain growth characteristics. In addition, the Hancock International Opportunities Fund broadly diversifies, whereas the Templeton Developing Fund may, at times, have significant investments in one or more countries and or sectors.

34. The AIM V.I. Growth Fund is managed by AIM Advisors, Inc., which has no affiliation with John Hancock. The investment objective of the AIM V.I. Growth Fund is capital growth. The Fund seeks to meet its objective by

investing principally in seasoned and better capitalized companies considered to have strong earnings momentum. The portfolio managers focus on companies that have experienced above-average growth in earnings and have excellent prospects for future growth.

35. The AIM V.I. Premier Equity Fund also is managed by AIM Advisors, Inc. The investment objective of the AIM V.I. Premier Equity Fund is long-term capital growth. Income is a secondary investment objective. The Fund seeks to meet its objective by investing, normally, at least 80% of its net assets in equity securities, including convertible securities. The portfolio managers focus on undervalued equity securities.

Fund Financial Information

36. The net assets of each Fund as of December 31, 2003 were as follows:

Fund	Net assets
Templeton Foreign	\$697,780,000
Hancock International	98,917,000
Templeton Developing	306,406,000
Hancock International Opportunities	87,288,000
AIM V.I. Growth	363,992,000
AIM V.I. Premier Equity	1,530,359,000

37. Of the net assets shown above for each Replaced Fund, the following amounts were attributable to Contracts, and thus would have been transferred pursuant to the Substitutions described

herein: Templeton Foreign \$7,830,000; Templeton Developing, \$3,823,000; and AIM V.I., Growth \$27,559,000.

38. The total fees and expenses of the Funds for the twelve months ended December 31, 2003, expressed as an annual percentage of average daily net assets, were as follows:

Fund	Total expenses (including advisory fees and 12b-1 fees) (Percent)
Templeton Foreign	1.13
Hancock International	*.28
Templeton Developing	1.83
Hancock International Opportunities	*1.24
AIM V.I. Growth91
AIM Premier Equity85

* Includes expense reimbursement. This percentage would otherwise have been .46% for the Hancock International Fund and 1.25% for the Hancock International Opportunities Fund. No expenses or fees for the other funds were waived or reimbursed.

The expense reimbursement arrangements referred to above are provided for in each affected Fund's Investment Management Agreement.

39. The Fund's investment advisory and Rule 12b-1 fee rates (as an annual percentage of average daily net assets) are as follows:

Fund	Advisory fees rate	Rule 12b-1 fee rate
Templeton Foreign75% of first \$200 million, .675% of next \$1.1 billion, and .60% of additional amounts.	.25%.
Hancock International18% of the first \$100 million, 15% of the next \$100 million, and .11% of additional amounts.	None.
Templeton Developing	1.25%	.25%.
Hancock International Opportunities	1.30% of first \$20 million, 1.15% of next \$30 million, and 1.05% of additional amounts.	None.
AIM V.I. Growth and AIM V.I. Premier Equity65% of the first \$250 million and .60% of additional amounts ..	None.

40. Neither the Templeton Foreign Fund nor the Hancock International Fund has achieved performance that is clearly superior or inferior to that of the other.

41. The overall performance record of the Hancock International Opportunities Fund has been superior to that of the Templeton Developing Fund.

42. The overall performance record of the AIM V.I. Premier Equity Fund has been superior to that of the AIM V.I. Growth Fund.

Terms of Substitutions

43. Each Substitution will take place at the applicable Funds' relative per share net asset values determined on the

date of the Substitution in accordance with section 22 of the Act and rule 22c-1 thereunder. Each Substitution will be effected by having each Subaccount that invests in a Replaced Fund redeem its shares of the Replaced Fund at the net asset value calculated on the date of the Substitution and purchase shares of the appropriate Replacing Fund at the net asset value calculated on the same date.

44. John Hancock and JHVLICO will pay all expenses and transaction costs of the Substitutions, including all legal, accounting, and brokerage expenses relating to the Substitutions, the below-described disclosure documents, and this application. No costs will be borne

directly or indirectly by Contract owners.

45. Affected Contract owners will not incur any fees or charges as a result of the Substitutions, and the Substitutions will result in no change in their accumulated values under their Contracts. Nor will the rights or the obligations of John Hancock or JHVLICO under the Contracts, or the insurance benefits to Contract owners, be altered in any way. The Substitutions will not cause the fees and charges under the Contracts currently being paid by Contract owners to be greater after the Substitutions than before the Substitutions.