



**SETTLERS
LIFE**

It's about people.

UNDERWRITING GUIDELINES

For the Settlers Life Portfolio of Products

**Final Expense Plans
Gold, Silver, Silver II, Bronze and Bronze II**

For Agent Use Only

SETTLERS LIFE INSURANCE COMPANY

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Form S-2300 AG (Rev. 032013)

INTRODUCTION:

This agent's guide is presented to the Settlers Life field force as a set of general underwriting guidelines to help you answer questions in the field. This is neither intended to be, nor is it, an exhaustive list of all Settlers Life guidelines. This information is based on our current marketplace and as changes occur with expansion into different states, we will provide addenda as necessary, or issue a new Underwriting Guide. If you have any questions with regard to this material or questions regarding items not covered by this material, please feel free to contact the Underwriting Support Team at (800) 358-6337, Option 3.

This agent's guide is not presented as a Marketing Guide. It is instead drafted from the perspective of the Settlers Life Underwriting and Compliance Departments. For additional marketing and sales information addressing the various benefits, advantages and features of the plans, or for assistance in understanding the Settlers Life sales and marketing approach, please contact the Settlers Life Marketing Department at (800) 877-6191, Option 2.

STATEMENT OF ETHICS:

The primary job of an appointed Settlers Life representative is to help current policyholders as well as prospective clients identify their financial needs. During an analysis, you will determine fundamental needs and/or long-term goals and recommend an appropriate insurance program. As a Settlers Life representative, you hold a significant position of responsibility and trust. Settlers Life trusts you to act with honesty and integrity in all business dealings. Your clients trust you to act in their best interest. It is very important that you recommend the best solution for your clients' needs, instill trust and always live up to that trust.

Settlers Life representatives are part of a dynamic family of companies with a long-standing reputation of being ethical, caring and knowledgeable. Our motto, "...one of the best small companies selling life insurance in your hometown."[®], emphasizes our pledge. We expect representatives to project these values to our shared customers by:

- Clearly identifying and understanding your clients' needs and selling products that meet those needs and are within the client's budget.
- Following and abiding by all applicable Federal and State laws and regulatory requirements as they apply to sales practices, solicitations, replacement sales and advertising.
- Treating clients, as well as other insurance professionals courteously.
- Keeping clients' information confidential (see section on privacy).
- Demonstrating competency in insurance through knowledge, skill and ability.
- Conducting all business or professional activity honestly and ethically.
- Fully informing clients of any potential conflict of interest that could compromise your relationship.
- Advising clients promptly of any error, noncompliance, or omission you know about or of which you have been given notice.
- Avoiding personal associations that may cause financial harm to clients.

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The Settlers Life Portfolio of Products

Refer to Form S-373-A for a list of all state approved products, riders, and replacement guidelines.

FINAL EXPENSE PLANS: GOLD, SILVER, SILVER II, BRONZE AND BRONZE II

These five plans, the “Settlers Life Final Expense Portfolio”, are designed to provide final expense benefits for insureds within a wide range of health conditions. These plans allow you to meet the needs of clients who have a recent history of relatively good health, as well as those with a history of recent health problems.

These plans are considered “simplified issue plans” within Settlers Life’s underwriting standards, based primarily on “yes” or “no” responses to the health questions.

We use information from MIB & Optum (Prescription check) on our Gold, Silver, Silver II, and Bronze Plans.

PRODUCT DESCRIPTIONS AND HIGHLIGHTS

Our final expense plans offer your client the following important features:

- Lifetime coverage that never decreases
- Premium rates that never increase
- Face amounts from \$1,000-\$35,000
- Immediate and Modified Benefit Whole Life
- Cash Value accumulation
- Simple progressive application for Gold, Silver, and Bronze
- Separate application for Silver II
- Accelerated Death Benefit Rider
- Child Term Life Rider (Gold, Silver, and Silver II only)
- Accidental Death Benefit Rider

GOLD PLAN

Has your prospect been in good health for the past five years?

- **Immediate** Benefit Whole Life Insurance Policy. [Series WLP-2300 (07), (09), (12)]
- **Permanent policy** with a **level premium**, regardless of increasing age.
- Face amounts from \$2,500-\$35,000, issue ages 15 days-85 years.
- Coverage minimum is \$2,500 for insureds without existing Gold coverage.
- Coverage minimum is \$1,000 for insureds with existing Gold coverage only.

SILVER PLAN

Has your prospect been in good health for the past two years?

- **Immediate** Benefit Whole Life Insurance Policy [Series WLP-2300 (07), (09), (12)]
- **Permanent policy** with a **level premium**, regardless of increasing age.
- Face amounts from \$1,000-\$25,000 (ages 6 mos-65 years), \$1,000-\$20,000 (ages 66-75) and \$1,000-\$15,000 (for ages 76-85).

SILVER II PLAN

Has your prospect been diagnosed with health problems, but is taking good care of himself/herself?

- **Immediate** Benefit Whole Life Insurance Policy [Series WLP-2300 (07), (09), (12)]
- **Permanent policy** with a **level premium**, regardless of increasing age.
- Face amounts from \$1,000 - \$15,000, issue ages 50-75.
- Non-smokers only.
- Use same height/weight chart as Gold Plan.
- Silver II replacement of existing Bronze/Bronze II is not permitted; however, having a modified death benefit product will not prevent someone who qualifies from having a Silver II.
- Counter-offers to Bronze/Bronze II are not available for Silver II.
- A separate application is required, not part of the progressive Gold, Silver, Bronze application.

BRONZE AND BRONZE II PLANS

(Availability varies by state. Refer to Form S-373-A for a list of state approved products)

Has your prospect had health difficulties that prevented him/her from getting insurance?

- **Modified** Whole Life Insurance Policy. [*Series IMWLP-300 (07), (09), (12)*]
- **Permanent policy with a level premium**, regardless of increasing age.
- Bronze face amounts from \$1,000-\$15,000, issue ages 40-75; Bronze II face amounts from \$1,000-\$10,000, issue ages 40-75.
- Provides a reduced death benefit for deaths due to natural causes in the first two years - total of premiums paid plus 10%. Full death benefit paid in first two years for deaths due to an accident, as defined in the policy. *Exceptions in AR & MN - see below.*

ARKANSAS BRONZE PLAN

Has your prospect had health difficulties that prevented him/her from getting insurance?

- **Modified** Whole Life Insurance Policy. [*Series IMWLP-300 AR(12)*]
- **Permanent policy with a level premium**, regardless of increasing age.
- Face Amounts \$1,000-\$15,000, **issue ages 40-70**.
- Provides a reduced death benefit for deaths in the first two years – 30% of face amount in year one, 70% of face in year two, and 100% in year three.
- Single Pay is not available

MINNESOTA BRONZE PLAN

Has your prospect had health difficulties that prevented him/her from getting insurance?

- **Modified** Whole Life Insurance Policy. [*Series IMWLP-300 MN(12)*]
- **Permanent policy with a level premium**, regardless of increasing age.
- Face Amounts \$1,000-\$10,000, **issue ages 40-70**.
- Provides a reduced death benefit for deaths due to natural causes in the first two years – four times the policy's first year annualized premium. Full death benefits are paid beginning with the third year of coverage.
- Full death benefit paid in first two years for deaths due to an accident, as defined in the policy.
- Single Pay is not available

ACCELERATED BENEFIT RIDER

- Added to all policies with a face amount of \$5,000 or greater.
- **NO ADDITIONAL COST.**
- Allows your client to apply for an accelerated benefit of up to 75% of the current policy death benefit if the insured is diagnosed by a physician with a Terminal Condition with a life expectancy of six months* or less or as requiring Continuous Confinement in an Eligible Nursing Home with the expectation that the insured will be there until death. The Condition or Confinement must manifest itself and be diagnosed by a physician at least thirty (30) days following the Effective Date of the Policy, if caused by illness or disease; and on or after the Effective Date of the Policy, if caused by injury. **Both qualifying events are not available in all states. Please refer to the product brochure or contact the company to confirm coverage availability, terms and conditions for your state.**
**Twenty-four (24) months for Kansas Policies.*
- Provides the insured and their family and loved ones with benefits before death to help in those difficult times.
- Administrative fee of \$100 is deducted from claim benefit payment.
- If the policy funds are payable through this rider, the benefits paid under this rider may be taxable.
- Receipt of these funds may also affect the eligibility of Medicaid and other government benefits.

ACCIDENTAL DEATH BENEFIT RIDER*

- This rider provides additional coverage - up to a maximum of \$100,000 - if the insured's death is caused by an accident, as defined in the policy.
- Maximum eligible age for all plans is 70 years. Coverage terminates at age 80.
- Benefit amounts greater than \$25,000 (up to a maximum of \$100,000) are available only for insureds 40 years of age or older who request base coverage of at least \$10,000.

CHILD TERM LIFE RIDER*

- Level term insurance covering Insured's eligible children between ages 15 days through age 17 years (live birth through age 17 years in Texas). Children's term insurance may be converted to a permanent policy without evidence of insurability.
- Parent minimum age is 18 years.
- Rider face amounts from \$5,000-\$25,000, in units of \$5,000. Silver II maximum is \$15,000.
- Rider face amount cannot exceed the base policy amount.
- Available only with Gold, Silver, and Silver II Plans - on a parent of the children, or in rare cases, may be allowed for a grandparent with court appointed legal guardianship.
- Coverage for each child ends on the policy anniversary following each child's 25th birthday.
- At the death of the primary insured, covered children's coverage remains in force with no premiums due.
- \$40.00 Annual Premium (20 Year and Lifetime Pay) per \$5,000 unit, not to exceed maximum of 5 units.
- All children are covered for the same rate.
- A special HIPAA form (to accommodate multiple insureds) is available for use with the Child Term Life Rider.
- **Conversion option:** Owner may convert all or part of the face amount up until their 25th birthday without evidence of insurability. (Call for further details.)
- Requires completion of Child Term Life Rider Application.

***Riders cannot be added after the policy is issued.**

PROGRESSIVE APPLICATION

We have developed a "Progressive Application" – a three-tier application. The concept behind the Progressive Application is that you start with the basic health questions applicable to the Bronze Plan and then proceed to the Silver Plan* health questions, and then on to the Gold Plan* health questions, halting at the Plan where the applicant can truthfully answer all health questions with a "No". (The Bronze II Plan has no health questions, but is still presented on our Progressive Application.)

****A "Yes" answer to the tobacco question which appears in Section E does not prevent progression to the Gold Plan questions in Section F.***

We strongly recommend that you work through the health questions in advance and complete your usual field underwriting before filling out the application. We also recommend that you do not select which plan is being applied for until after you have completed the health questions. This allows the Progressive format to help you identify the best plan!

The Progressive Application means you carry fewer application forms. It also allows Settlers Life to present a "counter-offer" to the applicant without your having to revisit the applicant to complete a new application. (See page 22 for more details on "counter-offers".)

Note: All medical questions on the application must be answered if the application is written on a PA Application Form

A NOTE REGARDING THE BRONZE AND BRONZE II PLANS:

The Bronze and Bronze II plans are **provided to you as an accommodation** for use when you are in the home and can write one or more family members on the Silver or Gold, but another family member has a health condition that would disqualify him/her for these plans. The Bronze Plans provide you with a plan you can offer the person with a poor or serious health condition in order to offer insurance to everyone in the household. **We expect that these will be exceptional sales and a minimum portion of your business (less than 20% of your applications issued).**

Important Note: These Bronze/Bronze II plans are not intended for residents of nursing facilities or those who are not mentally competent to contract, unless someone having insurable interest or fiduciary responsibility can contract on their behalf.

NOTES TO HELP EXPEDITE PROCESSING OF YOUR APPLICATIONS:

1. Handwriting must be legible - **print** if possible - and use **black ink**.
2. **Answer all questions and check all blocks.** Take a moment to review your work before leaving the applicant's home.
3. Names given on the application and signatures made on the application should match. If not, tell us why in "Agent Remarks".
4. If an applicant is signing for another person under Power of Attorney, Legal Guardianship or Custody, please have applicant indicate this after applicant's signature and provide documentation if possible. See the information on fiduciary authority to contract on page 9 for more detailed instructions.
5. Remember, **the minimum amount for monthly direct billing is \$8.00.**
6. **Provide a physician's name, address, and phone number for each proposed insured.** This helps expedite processing in Underwriting as well as Claims.
7. **Calculate premiums correctly**, adding ADB and Child Term Rider (if applicable) to the base rate **and enter the result on the application.**
8. **Call for point of sale (POS) Support:**

Enhanced POS Interviews

Monday - Friday 8:00 A.M. until 10:00 P. M. E.S.T. > 1-888-416-2033

Saturday 9:00 A.M. until 2:00 P. M. E.S.T. > 1-888-416-2033

After 6:00 p.m. Monday-Friday and on Saturday, calls will be answered by MRS

Regular POS Interview

Monday - Friday 8:00 A.M. until 10:00 P. M. E.S.T. > 1-800-358-6337

Saturday 9:00 A.M. until 2:00 P. M. E.S.T. > 1-800-358-6337

After 8:00 p.m. Monday-Friday and on Saturday, calls will be answered by MRS

9. **Have a HIPAA Authorization Form completed and signed on all applications** (for each proposed insured), except Bronze II. A HIPAA form is available to accommodate multiple names for the proposed insureds on the Child Term Life Rider only.
10. **Do not** submit post-dated checks.

RESTATEMENT OF SETTLERS LIFE'S MAXIMUM RISK PER LIFE OR TOTAL COVERAGE LIMITATIONS

To ensure the best performance of Settlers' Final Expense Portfolio and the manner in which our products are being offered to applicants and existing policyholders, the following describes Settlers Life's rules with respect to the maximum risk per life acceptable to this company and the manner in which coverage under our different plans may be offered to applicants and policyholders. New business applications will be reviewed and accepted using the following guidelines:

1. The maximum per life final expense limit is \$35,000 for any combination of Bronze/Bronze II, Silver II, Silver and Gold.

Where Platinum plan coverage exists, the maximum per life final expense is \$35,000 or the difference between \$100,000 and the total of existing Bronze/Bronze II, Silver II, Silver, Gold, and Platinum, whichever is less.

2. The maximum per life plan limitation is determined by the best plan for which the applicant currently qualifies based on health:

Bronze II \$10,000 for any combination of Bronze & Bronze II coverage

Bronze \$15,000 for any combination of Bronze & Bronze II coverage

Silver II \$15,000 for any combination of Silver & Silver II coverage

Silver \$25,000 through age 65 for any combination of Silver & Silver II coverage

Silver	\$20,000 ages 66 - 75 for any combination of Silver & Silver II coverage
Silver	\$15,000 ages 76 - 85 for any combination of Silver & Silver II coverage
Gold	\$35,000 for any combination of Gold coverage

3. The actual available per life limitation is the lesser of the final expense limit (#1) and the plan limit (#2).
4. Submittal of applications for more than one final expense plan at the same time where the health circumstances of the individual qualify them for the better of the plans submitted is not allowed.

RISK PER LIFE - SILVER II

Here are some questions you need to ask when you are writing a Silver II application:

1. Does the client have existing coverage? If yes, what plan? **If Bronze Plan the client can still have the Silver II. (up to the maximum of \$15,000)**
2. If the client has a Silver Plan - how much? What is the maximum for the Silver based on your client's age? Silver II benefits may have to be reduced if the benefit on the Silver II causes the total of Silver and Silver II to exceed the maximum.

Example: A 66 year old can have a maximum of \$20,000 on the Silver Plan. If this person has a \$15,000 Silver and then applies for \$15,000 on the Silver II, the benefit on the Silver II would have to be reduced to \$5,000 so the total of Silver and Silver II would not exceed the maximum of \$20,000.

3. The same would be true if the client had a Gold plan. The Gold and Silver II cannot exceed the maximum for the Gold Plan (\$35,000).

We still stay within our limits for the total of \$35,000 on Final Expense Coverage and a maximum of \$50,000 for all plans, unless a previously issued Platinum Plan is involved, in which case the limit would be \$100,000.

HEIGHT/WEIGHT CHART FOR GOLD PLAN, SILVER II PLAN, AND CHILD TERM LIFE RIDER

(Applicable to males and females over 11 years of age)

Height	Weight	Height	Weight	Height	Weight
4'7"	156	5'5"	210	6'3"	275
4'8"	161	5'6"	216	6'4"	283
4'9"	166	5'7"	221	6'5"	289
4'10"	171	5'8"	228	6'6"	297
4'11"	176	5'9"	234	6'7"	305
5'0"	181	5'10"	240	6'8"	312
5'1"	187	5'11"	247	6'9"	319
5'2"	192	6'0"	254	6'10"	325
5'3"	198	6'1"	260	6'11"	333
5'4"	204	6'2"	268		

Height and weight are required on all persons over age 11 for the Gold Plan, Silver II Plan, and the Child Term Life Rider.

GENERAL NOTE ON "SEEING THE PROPOSED INSURED"

Our preference is for you to personally present the health questions to every Proposed Insured. Doing so in person permits you to better perform your responsibilities as a field underwriter.

Nevertheless, there may be occasions when an Applicant is interested in taking out life insurance on a spouse

or college student who is not present. **If you can reach the spouse or college student by telephone and ask him or her the health questions, please do so.** If you cannot reach the spouse or college student, you may work with the Applicant to complete **everything except** the health questions, the signatures and dates. At the time of application, both owner and college student must reside in a state where Settlers Life is licensed to conduct business.

Note: You should not sign or date the application until everything is complete and you have collected the first month's premium.

Note: Whenever possible you should return to personally pick up the application after it has been completed.

Note: If the client lives a considerable distance from you, the application and the first month's premium may be returned to you by mail so that you may review it, sign it and date it, and then forward it to us with all appropriate attachments.

Please do not have the client forward the application directly to us.

The only other exception to seeing the proposed insured is for minor children and grandchildren where the amount of insurance coverage requested is less than \$15,000.

IDENTIFY YOUR CUSTOMER

Effective October 26, 2002, the following procedure was implemented at Settlers Life, to be in compliance with the USA Patriot Act and to aid in the fight against terrorism and money laundering:

Agents acting on behalf of the Company in soliciting and submitting applications for insurance with Settlers Life are hereby advised of the need to verify the identity of the individuals from whom the applications are taken and of the need to fully complete the personal identity information on our applications.

1. You need to properly and completely fill out the personal identity information on the application.
2. **You should then make a good faith effort to verify the identity of the individuals for whom you are taking applications – we understand that to mean the “applicant for insurance”, in other words, the person applying for the insurance.** That means that only those individuals with the ability to apply for an insurance policy (having the capacity to contract as explained in our Agent's Guide – and therefore not minors) must have their identity confirmed.
3. We suggest that you verify the identity of the individuals by reviewing a driver's license, passport or other proof of identity, preferably one containing a photograph and preferably government issued. Most adults should have a driver's license, passport, government identity card or other form of personal identification.
4. **In the “Agent Remarks” section of the application, you need to note what proof of identity you reviewed.**
For example: “ID established by Driver's License” or “ID proved by passport”.

Settlers Life is required to keep as a “permanent record” a “clear written notation of the information and its source” – so please help us out by being legible and by complying with this procedure.

Note: Experience tells us that checking the identity of a Proposed Insured who is not the Owner is also a good practice. You will never have to worry that someone healthier than the real applicant “stood in” for the sale - something that does happen.

GENERAL NOTE ON “HEALTH QUESTIONS, PROPOSED INSUREDS AND FIDUCIARIES”

Our preference is for you to personally present the health questions to every Proposed Insured. Doing so in person permits you to better perform your responsibilities as a field underwriter. Nevertheless, where an individual has proper fiduciary authority (Legal Guardianship or Power of Attorney, etc. to represent the Proposed Insured in the creation of contracts or the insuring of their life), that individual may answer the health questions for the Proposed Insured. See Page 9 for an explanation of how the individual must sign the application to properly indicate the fiduciary relationship, and remember to include evidence of the fiduciary relationship (court order, POA papers, etc.). Please use this exception sparingly. If you have a choice, please see the Proposed Insured and directly present the health questions to

the Proposed Insured, regardless of the existence of a fiduciary relationship.

FIDUCIARY AUTHORITY TO CONTRACT

As a general rule, any proposed insured age 18 or over, must sign an application for insurance on their life, unless the person signing on behalf of the proposed insured has a fiduciary position with the authority to contract for life insurance. This fiduciary position and authority may take the form of a General Power of Attorney or may be a court appointed position such as Guardian (but must include sufficient authority over financial affairs in general or contracting for insurance in particular).

We require evidence of the fiduciary position – i.e. a copy of the Power of Attorney, or a copy of the relevant court papers or order. If you have any doubt as to whether or not we will require evidence in a particular case – please call while writing the application or submit what evidence exists if it is readily attainable.

Where an individual is signing on behalf of another, the individual should sign the other person’s name, followed by the individual’s name and a clear indication of the source of the fiduciary power. Here is one example of how an application should be signed when someone has Power of Attorney:

Jane Doe has Power of Attorney for her father, John Doe. She is contracting on his behalf. She should answer the medical questions and sign the Proposed Insured line as follows:

John Doe by Jane Doe, P.O.A.

If she is then to be the owner, as POA (or Guardian if applicable) she should sign on the owner signature line as follows:

Jane Doe, POA (or GDN, if applicable)

NOTES REGARDING APPLICATIONS AND THE APPLICATION PROCESS

We encourage and request that all agents review our training presentation “Completing Applications for Fast Issue & Commissions”. This can be viewed at <http://www.brainshark.com/nglic/AppTraining-SettlersLife>.

The following sections are intended to offer you additional insight into when you may write a Settlers Life Final Expense product, how our Underwriting staff reviews applications, common pitfalls to avoid in the application process, and other pertinent information on the Settlers Life underwriting process.

FIELD UNDERWRITING

You are the first and most important step in the risk selection process!

Field underwriting occurs when you gather pertinent information about the proposed insured and correctly report that information on the appropriate application form. This is the information used by the underwriters to make an underwriting decision. Therefore, the final underwriting decision is largely dependent on the quality of your field underwriting.

For example, in general, when writing any plan, you should avoid taking and submitting applications on individuals in the following situations: applications for those who are terminally ill; applications for those who are confined in hospitals or nursing homes; applications for those who are confined in hospices (i.e.,

facilities for the care of the terminally ill); applications for those who are incarcerated in jails or prison; and applications for those who are residing in institutions (detention homes and training schools for juvenile delinquents, homes for the dependent, psychiatric, tuberculosis and chronic disease hospitals, and residential treatment centers).

Although we do not have a height/weight requirement on our Silver Plan, we know that clients with severe obesity carry a greater risk of having health related problems such as diabetes, heart problems, stroke and others. If you have a client who is morbidly obese, yet the client answers all the health questions “No”, it would be in your best interest and the best interest of the Company if you would alert us to this situation. You can do so by including a special note in the remarks section of the application or attaching a separate note. This could prevent rescission in the future.

COMPETENCY TO CONTRACT

In order for an individual to own insurance with Settlers Life and thereby enter into a contract with Settlers Life, the individual must be “competent to enter into a contract.”

Competency to contract is determined by an individual’s age and by their mental capacity. In other words, they must be old enough (as determined by state law) to be able to enter into a contract in the eyes of the legal system, and they must be able to understand and answer the application questions. They must also be able to understand and comprehend that they are entering into a contract and understand the basic terms, duties and obligations of that contract.

• AGE

Generally speaking, all states recognize individuals who are at least 18 years of age to have the ability to enter into a legally binding contract. Please call Underwriting at 1-800-358-6337 if you have any questions regarding legal age to contract.

• MENTAL CAPACITY TO CONTRACT

An insurance contract is a legal contract binding two or more parties who agree to perform certain duties or fulfill certain obligations in return for valuable consideration. For a legal contract to be binding on a party, that party needs to understand the terms of the contract. There can be no contract between two parties without both parties understanding the contract. For this reason, individuals who enter into insurance contracts with Settlers Life need to have the mental capacity to understand what they are signing and what they are agreeing to when they complete an application.

Individuals not competent to contract for themselves in their own name may be represented by someone having proper fiduciary authority to act on their behalf. Legal guardianship, court appointment or properly executed Power of Attorney may provide that fiduciary power. **Caution:** Keep in mind that in situations where a fiduciary is acting for an incompetent person the agent should avoid designating the incompetent person as the owner of the policy. We must be able to communicate with the owner after issuance on matters related to administration and maintenance of the policy.

INSURABLE INTEREST

“Insurable Interest” is generally defined as a substantial interest engendered by love and affection, or a situation where a lawful and substantial economic interest exists in the life of the insured. It does not include an interest that arises only, or is enhanced by, the death of the insured.

Generally speaking, the owner of a policy must have an insurable interest in the life of the proposed insured.

Note, however, that by statute in Virginia (38.2-301), while an owner need not have an insurable interest in the life of the proposed insured, the beneficiary must have an insurable interest in the insured. That statute states that “no person shall knowingly procure or cause to be procured any insurance contract on the life of another individual unless the benefits under the contract are payable to the insured or his personal representative, or a person having an insurable interest at the time the contract was made.” Be aware that Virginia also requires a competent adult to co-sign an application on his or her life (38.2-302). That co-signature confirms consent to the contract, and the accuracy of the health questions. *Insurable interest usually includes mother, father, sister, brother, grandparents, grandchildren and children.*

If you have an insurable interest situation where the proposed owner does **not** generally, or obviously, have insurable interest (such as an aunt for a nephew), please call the Underwriting Department to discuss the situation. In many unusual situations we may be able to accept the application if you can provide a written statement, signed by the applicant, explaining why he or she believes insurable interest exists. If the insured will sign as well, all the better. If you cannot reach the Underwriting Department, include the written statement and we will consider it during the underwriting process.

If legal custody or guardianship establishes the insurable interest, we require a copy of the court papers. This will help us expedite processing of the application.

HEALTH QUESTIONS

The three-tier Bronze, Silver and Gold “Progressive Application” is designed for “simplified underwriting”. While it is true that we ask our health questions in a “yes/no” format to determine the appropriate plan for our clients, applicants also give us the authority to check with MIB or other sources that have records related to their health. At this time we obtain MIB and Optum (prescription) records. We may also request an Attending Physician’s Statement (APS) where needed and where appropriate under our guidelines for “simplified underwriting”. It is the combination of the health questions, and the other medical information that makes up our “simplified” underwriting, not merely a review of the health questions.

PROCEDURES FOR PROCESSING APPLICATIONS WITH RX (PRESCRIPTION HITS)

If we receive an Optum Rx “hit” on your client which directly relates to one of the medical questions on our application we may do a recorded follow-up call with the proposed insured to obtain additional information about the prescriptions including the dates and diagnoses for which the medications were prescribed, the prescribing doctor, and if the medications are currently being taken.

PROCEDURES FOR PROCESSING APPLICATIONS WITH MIB “HITS”

In an effort to process business in a timely manner and avoid the costly expense and delays in processing by ordering Attending Physicians Statements, we will handle applications with MIB “hits” by the following guidelines:

1. We will call the proposed insured and tell them we have information from MIB (Medical Information Bureau) that indicates a problem with (specific medical impairment) on an individual with a similar name and date of birth and we need to determine if this information relates to them, in order to continue processing their application.
2. If the information is confirmed to be true relating to our client’s health we will proceed to make a decision based on our underwriting guidelines and “yes/no” concept of our final expense plans.
3. If the proposed insured denies the information, we will explain that it is important to get the information clarified so we can process their application. We will recommend they contact the MIB Disclosure office if they question the accuracy of the information in MIB’s files. MIB is required to respond to requests for disclosure in 15 business days.
4. We will provide the MIB Disclosure office phone number even though the agent leaves this information when an application is written.
5. We will also follow-up with a letter (copy to agent) with the Disclosure office phone number, and we will give the client 60 days to contact MIB and provide us a copy of the documentation they receive from

MIB, confirming that the MIB record is correct, has been corrected, removed from their file, or that the information belongs to another person with the same name and date of birth as our proposed insured.

6. If we do not have a response in 60 days the application will be declined and the agent will be notified and AUD Letter and refund (if applicable) sent to the owner.
7. If the proposed insured responds with “No” they will not contact MIB, we will explain that we cannot continue processing the application until the information is clarified. We will ask if they want the application withdrawn, and if they say “yes”, we will proceed to notify the agent, explaining what we need and see if the agent wants to try and conserve the business.

• BRONZE PLAN

Our definition of a “**nursing facility**” is: A nursing home, group home, adult assisted living facility or any facility where your client is receiving assistance with medications or with activities of daily living such as eating, bathing, dressing, toileting, or moving about.

Note: If you have a client who resides in an adult assisted living facility or group home and he/she does not need assistance with medication or activities of daily living and can come and go at will, you are encouraged to initiate a Point of Sale Call while you are completing the application so that we can confirm these facts via interview. If you cannot place a Point of Sale Call or cannot reach us, attach a note to the application relating these facts and giving the name and phone number of the facility (and any other helpful contact information), and we will conduct an interview to confirm these facts.

Where these facts are confirmed, we will accept an application for an individual in an assisted living facility or a group home. See, however, page 9 “Field Underwriting”.

Home Health Care - The intent of this question is to eliminate those individuals with failing health because of a chronic condition that requires the services of professional Home Health care givers. This is not referring to someone helping out in the home as far as cleaning services, cooking meals, etc. Ask yourself this question - Is the Home Health Care provided for a condition which will affect the client’s mortality? If “yes”, then you should not submit the application.

If temporary Home Health Care is required because of a recent surgery, then the answer to the question may be “No”, with an explanation in the remarks section of the application, that temporary Home Health is needed because of a specific condition, such as, hip replacement, knee replacement, broken bones, etc. Putting this note in remarks will not delay processing, and may be very helpful in the future.

If your client receives assistance with house keeping, groceries, and cooking, then the Home Health Care question may be answered “no” because these services are provided by other agencies, not Home Health.

• BRONZE II PLAN

The three-tiered application for residents of states where the Bronze II product is available has no health questions for the Bronze II Plan, which is issued on a guaranteed issue basis. Please refer to Form S-373-A for a list of states where this product is approved.

• SILVER II PLAN

- A “yes” answer to any question disqualifies a person for the Plan. Silver II is available for non-smokers only.
- Please refer to Page 15 for our definition of “Treatment”.
- Proposed insureds who have had or been advised to have more than one procedure to unblock two or

more arteries do not qualify for Silver II.

- The Silver II is immediate coverage for people with health issues who are taking care of themselves. If a physician has recommended your client should take insulin for diabetes and he/she refuses to do so, you should not submit a Silver II application. People refusing the advice of their physician (for any reason) are not taking care of themselves, and do not qualify for the Silver II Plan.
- The same is true for someone who has been advised by their doctor to have by-pass surgery or other heart procedures and they refuse the doctor's advice - they are not taking care of themselves and should not be written on Silver II.

• SILVER AND GOLD PLANS

- A "yes" answer to any question, other than the tobacco use question, disqualifies a person from the Plan in which the "yes" answer appears. Please refer to page 5 and the Progressive Application explanation.
- Provides immediate coverage.
- Smoker/Non-Smoker rates apply
- Height and weight are required for the Gold Plan. (see chart on page 7)

SILVER, SILVER II, AND GOLD PLAN IMPAIRMENT UNDERWRITING GUIDE

This is a *guide* listing the most common diseases under each plan, and notes about our interpretation of certain conditions. It is not intended to be, nor is it, an exhaustive complete listing. If you have a question regarding a condition not on this list, please call Underwriting Support at 1-800-358-6337, Option 3 and we will be glad to assist you.

Alzheimer's/Dementia - A progressive irreversible decline in mental function marked by memory impairment, and often, a decrease in reasoning, judgment, comprehension, and intellectual abilities.

Aneurysm - Refers to any localized widening or outpouching of an artery, a vein, or the heart. All aneurysms are potentially dangerous since the wall of the widened (dilated) portion of the involved vessel can become weakened and may possibly rupture.

Angioplasty - Repair of damaged heart vessels - most commonly used to reopen narrowed or blocked vessels to restore blood flow. Most commonly referred to as "balloon procedure".

Amputation due to disease - Does not include amputation due to accident.

Angina - Severe pain around the heart caused by a relative deficiency of oxygen supply to the heart muscle. Nitroglycerin, Imdur and Ismo are frequently prescribed for this condition.

Atrial Fibrillation - An abnormality of the rhythm of the heart which results in ineffective blood flow. This condition can result in heart failure or stroke and often contributes to other diseases and conditions including congestive heart failure.

Bipolar Disorder - A disorder marked by manic or manic and depressive episodes. Involves severe pathologic mood swings from euphoria to sadness, with spontaneous recoveries, and a tendency to recur. This illness is associated with significant mortality because many patients die as a result of suicide.

Black Lung, Chronic Asthma, Chronic Bronchitis, Cystic Fibrosis, and Emphysema - These conditions are all considered to be **Chronic Obstructive Pulmonary Disease (COPD)**. This does not include acute bronchitis or mild seasonal asthma, caused by seasonal allergies, which does not require daily prescription medication or inhalers (versus over-the-counter treatments).

Cancer - Any cancer *including* Lymphoma and Leukemia; but *excluding* basal cell skin cancer.

Cardiomyopathy - Refers to the general diminished ability of the heart to function normally and effectively,

and can be caused by a number of different disease processes.

Carotid Artery Disease: Blockage of the arteries which supply blood to the neck and head.

Cerebral Palsy - An “umbrella” term for a group of non-progressive, but often changing, motor impairment syndromes secondary to lesions or anomalies of the brain arising in the early stages of its development.

Chronic Asthma - By definition, asthma is a chronic condition. For the purpose of writing Settlers Life Final Expense Applications (Silver and Gold), we have agreed to permit writing applications on individuals with mild, intermittent asthma. This would include mild seasonal allergies, which does not require daily prescription medication or inhalers (versus over-the-counter treatments).

Individuals with asthma, or bronchitis, requiring daily medications (including inhalers) should be viewed as having chronic asthma or chronic bronchitis and should not be written on the Gold or Silver Plan. If your client has chronic asthma and is taking care of himself/herself, you may consider the Silver II Plan.

Anyone who has been diagnosed with or treated for (including: medication, hospitalizations, breathing treatments, oxygen) Chronic Obstructive Pulmonary Disease (COPD) during the two year (Silver) or 5 year (Gold) period would not be eligible for that plan.

Chronic Obstructive Pulmonary Disease includes (but is not limited to) Black Lung, Chronic Asthma, Chronic Bronchitis, Cystic Fibrosis and Emphysema.

If your client indicates that he/she may have asthma or bronchitis, the following questions should help you determine if the condition is chronic:

1. Do you take prescription medication for this condition? If yes, how often? If the answer is daily and remains consistent, the condition is chronic.
2. Has your doctor ever told you that you have COPD? If yes, the condition is chronic.
3. Have you had any hospitalizations for asthma or bronchitis? If yes, the condition is probably chronic.

Chronic Obstructive Pulmonary Disease (COPD) - A disease process causing obstruction of air flow through the airways and out of the lungs which is usually permanent and progressive, and includes one or more of the following: Black Lung, Chronic Asthma, Chronic Bronchitis, Cystic Fibrosis, and Emphysema.

Circulatory Disorder - Any condition which results in decreased, impaired or abnormal circulation. Varicose veins will not be considered a circulatory disorder within our underwriting guidelines.

Congestive Heart Failure - Characterized by myocardial dysfunction that leads to impaired pump performance (diminished cardiac output) or progresses to complete heart failure and abnormal circulatory congestion. It is generally a chronic disorder associated with retention of salt and water by the kidneys.

Coronary Artery Disease - Narrowing of the coronary arteries, usually as a result of atherosclerosis. It is the single most common cause of death. Occurs more often in people who smoke or who have diabetes mellitus, hypertension, and adverse lipid profiles or a familial predisposition to coronary heart disease. Also referred to as CAD, ASHD, and ASCVD.

Defibrillator: Surgically implanted in patients at high risk for sudden cardiac (arrhythmia-induced) death. This device automatically detects and treats life-threatening arrhythmias.

Dementia - A progressive, irreversible decline in mental function.

Diabetes - Diabetes is not acceptable on the Gold Plan. Diabetes requiring insulin of any kind is not acceptable on the Silver Plan. If your client was diagnosed with diabetes before the age of 50, but he/she is using insulin, you should submit the Bronze or Bronze II Plan.

Diabetes with oral medication is acceptable on the Silver Plan, if the proposed insured does not have any of the complications of diabetes listed in the Silver Plan question. If a person is experiencing any of these complications, whether they are being treated with oral medication or insulin, you should write that person on a Bronze or Bronze II Plan.

Diabetes is acceptable on the Silver II Plan for non-smokers who developed insulin dependent diabetes after age 50 and have no complications of diabetes.

Down Syndrome - Sometimes referred to as Trisomy 21 (the clinical consequences of having three copies of chromosome 21). The condition is marked by mild to moderate mental retardation and certain physical characteristics, in addition to higher risks for cardiac valvular disease and a tendency to develop Alzheimer-like changes in the brain.

Insulin Dependent Diabetes - Does not include diabetes being treated with diet or oral medication. This would include insulin given in any form.

Kidney Dialysis - Procedure that is a substitute for many of the normal duties of the kidneys once the kidneys have failed.

Kidney Failure - Also referred to as Renal Failure and is a critical illness that involves interruption of kidney function due to obstruction, reduced circulation, or renal disease. Usually requires kidney dialysis.

Liver Disease - This includes Hepatitis, Cirrhosis, and Fibrosis.

- **Hepatitis** - Inflammation of the liver usually caused by exposure to an infectious agent (a hepatitis virus), a toxin (alcohol), or a drug (such as acetaminophen).
- **Cirrhosis** - A chronic liver disease characterized by liver scarring and areas of ineffective regeneration.
- **Fibrosis** - The replacement of normal organ tissue by scar tissue.

Mental Retardation - Below-average intellectual function that is evident before the age of 18 and is associated with impaired learning or communication; poor social, community, or interpersonal adjustment; or inability to function independently (to support oneself, to live safely and healthfully).

Multiple Sclerosis - A chronic disease of the central nervous system in which there is destruction of myelin and nerve axons within several regions of the brain and spinal cord at different times.

Muscular Dystrophy - One of nine distinct genetic syndromes that affect muscular strength and action causing difficulties with walking or maintaining posture, muscle spasms, and in some instances, neurological, behavioral, cardiac, or other functional limitations.

Parkinson's Disease - A common, chronic degenerative disease of the central nervous system that produces movement disorders and changes in cognition and mood.

Peripheral Vascular Disease - Any condition that causes partial or complete obstruction of the flow of blood from the arteries or veins from the heart to the limbs and/or internal organs.

Progressive Memory Loss - "Progressive Memory Loss" is a term we are seeing frequently in medical reports and is actually the diagnosis given by many doctors. Alzheimers/Dementia can be very difficult to diagnose and some doctors are prescribing the same medications that are used to treat these two conditions, but the diagnosis is "Progressive Memory Loss".

An agent might want to discuss these conditions with their client by asking - *Has your doctor diagnosed you as having Alzheimers, Dementia, or has your doctor explained that you have "Progressive Memory Loss" and prescribed medication to help this condition?*

These medications are generally prescribed for **Progressive Memory Loss, Alzheimers, and Dementia**. These medications would not be prescribed for someone experiencing the normal, occasional, memory loss that comes with aging.

1. **Aricept (Donepezil)**
2. **Cognex (Tacrine)**
3. **Exelon (Rivastigmine)**
4. **Namenda**
5. **Reminyl (Razadyne) (Galatamine)**

Spina Bifida - A birth defect in which there is a bony defect in the spinal column so that part of the spinal cord is exposed. People with Spina Bifida can suffer from bladder and bowel incontinence, learning problems and limited mobility.

Systemic Lupus - A chronic autoimmune inflammatory disease involving multiple organ systems and marked by periodic acute episodes.

Rheumatoid Arthritis - A chronic systemic disease marked by inflammation of multiple joints usually on both sides of the body. Systemic diseases marked by pleural effusions, pericarditis, pulmonary fibrosis, neuropathies, and ocular disorders can lead to symptoms from each of these organs.

Schizophrenia - A disorder that alters perception, thinking, language and communication, behavior, affect, social functioning and attention. Symptoms may include delusions, hallucinations and disorganized speech and behavior. Prognosis is variable.

Sickle Cell Anemia - Results from a defective hemoglobin molecule that causes red blood cells to roughen and become sickle-shaped. Such cells impair circulation, resulting in chronic ill health (fatigue, dyspnea on exertion, swollen joints), periodic crises, long-term complications, and premature death.

Sickle Cell Trait - is acceptable on Silver II, Silver or Gold.

Stent Placement - A material or device is inserted into narrowed or blocked arteries or vessels to restore and maintain blood flow.

Surgery for Heart Disease - Including (but not limited to) by-pass surgery, heart valve replacement, pacemaker implant and angioplasty. **Does not include heart catheterization when the results are negative for heart disease (no problems found – no medications prescribed).**

DEFINITION OF "TREATMENT"

Our final expense applications ask if the proposed insured has been diagnosed with, been treated for, or been prescribed medications for certain conditions within a two or five year time period.

We all understand that if we are currently taking medication for a particular medical impairment, we are being treated.

In addition to medication we should consider other types of treatment, such as diagnostic testing for an ongoing condition **where the results of the tests require prescribing a medication, or changing medications, advice to have surgery, physical therapy, or breathing treatments, etc. If a condition requires a person to adhere to a special diet, such as "diet controlled diabetes", this should be considered as treatment, and would disqualify this person for the "Gold" Plan.**

Here are some examples that may help clarify "treatment" during your field underwriting:

An individual who was diagnosed with and completed their treatments for cancer 8-10 years ago may have tests every 6-12 months to determine if the cancer is still in remission. If the test results indicate that the cancer is still in remission and the patient is advised to return in 6-12 months for another check-up, we would not consider this as treatment.

However, if the test results show that the cancer is back and the physician advises more surgery or treatments, then we would consider this as treatment because active advice has been given on a course of action.

Women with a history of breast cancer are frequently treated with Tamoxifen or a similar type medication for a period of 5 years after surgery for breast cancer. Effective July 1, 2010, we will accept individuals who are being treated with Tamoxifen, Evista, Exemestane or Femara, for the prevention of reoccurrence of breast cancer and Lupron, Zoladex, or Flutamide for the prevention of reoccurrence of prostate cancer. These are not acceptable if prescribed for advanced cancer. The diagnosis, in addition to any other treatment, must be beyond the two/five year timeframe for the Plan with no reoccurrence.

Another example would be an individual who had heart surgery prior to the time period on the application and has regular check-ups every 3-6 months. If the exam and tests show that this individual's condition is stable and no changes need to be made, then we would not consider these check-ups as treatment.

However, if these tests, lab work, x-rays, etc. show changes that require a heart catheterization and during this procedure a stent was placed in the heart, then we would consider this treatment for heart disease.

These examples will help you explain to your clients how we view treatment and assist in writing the appropriate plan of insurance.

As always, you may contact our Underwriting Agent Support Team for assistance.

H.I.P.A.A. AUTHORIZATION

As you are aware, in 1996 Congress enacted the Health Insurance Portability and Accountability Act ("HIPAA"). Recently, the U.S. Department of Health and Human Services published and distributed its Administrative Simplification Rule entitled "Standards for Privacy of Individually Identifiable Health Information", also known as the "Privacy Rule".

At Settlers Life, we take seriously our responsibility to abide by rules and regulations governing the privacy of the personal information of our policyholders, including their financial and health information. Although it has required us to change how we do business and even taken away some of our "small company personal character", we defer to the voice of the people as expressed by the U.S. Congress.

As a result of the Privacy Rule, many physicians, hospitals and other health care providers will refuse to provide us with attending physician statements ("APS's"), protected health information or other personally identifiable health information without a "H.I.P.A.A. Authorization Form" containing certain specific disclosures and authorizations that match their expectations of a proper release under the Privacy Rule.

Therefore, for your benefit, the benefit of Settlers Life, and the benefit of our joint clients, the "H.I.P.A.A. Authorization to Obtain & Release Health Information" must be completed for each proposed insured when you take an application for a Settlers Life plan (including Child Term Rider) - with the exception of the Bronze II plan. Please complete the form in its entirety, including proper signatures and date. Please use the H.I.P.A.A. form for multiple insureds on the Child Rider.

The form will only be used in those instances where our Underwriting Department must further investigate an application due to a "MIB hit" or other circumstance clearly calling for additional medical information. In the majority of applications submitted to Settlers Life the form will not be used, but where it is needed it will help speed up underwriting and issue and work to the benefit of your business, our business and the needs of our joint clients.

Your clients should be familiar with H.I.P.A.A. They will likely have signed H.I.P.A.A. waivers at their pharmacy and their physician's office. This form is consistent with what they have signed elsewhere. It confirms that we have the right to review their medical records – **but, again, only where we need to do so** - and

that we will only share that information with those people having a need to know and a right to know.

Please note that our new applications include an attached HIPAA form. If you have any questions or need additional copies of this form, please contact Agency Services at 800-877-6191, Option 3.

TELEPHONE INTERVIEWS

Proposed insureds must be competent and willing to complete a telephone interview with Settlers Life in order to contract for insurance with us. It is our company's general underwriting practice only to ask the questions as they are presented on the application and not to elaborate or probe deeper for additional information. However, we reserve the right to follow up on any application if we believe, based on our experience, that it is necessary to do so to prevent the company from assuming an unanticipated level of risk. Further, we cannot ignore spontaneous comments from applicants relating to our health questions. Consistent therewith, if the agent force is doing its job - screening in advance of completing an application and soliciting truthful, complete answers to our health questions - the occasions where we need to probe deeper will be rare.

1. **Point of Sale Calls** (calls generated by the agent while in the presence of the applicant) To expedite your business we recommend completing a POS call on all Gold, Silver, & Silver II plans and Child Riders.

Enhanced POS Interviews

Monday - Friday 8:00 A.M. until 10:00 P.M. E.S.T. > 1-888-416-2033

Saturday 9:00 A.M. until 2:00 P.M. E.S.T. > 1-888-416-2033

After 6:00 p.m. Monday-Friday and on Saturday, calls will be answered by MRS

Regular POS Interview

Monday - Friday 8:00 A.M. until 10:00 P.M. E.S.T. > 1-800-358-6337

Saturday 9:00 A.M. until 2:00 P.M. E.S.T. > 1-800-358-6337

After 8:00 p.m. Monday-Friday and on Saturday, calls will be answered by MRS

Phone interviews are required on all Gold, Silver, and Silver II plans and Child Riders. If you do not complete a POS interview, someone will contact your client to complete an interview. On weekends, after hours, or if all representatives are busy when you call, please leave your name, agent number, your client's name, phone number, and the plan of insurance you have written and one of the interviewers will call your client and complete the interview.

2. Applications with medical questions and proper signatures will be entered into MIB for analysis.
3. A MIB or Optum (prescription check) "hit" is only relevant where it relates to a question asked by us on the application.
4. If you are unable to complete a POS interview, please alert your client that a telephone interview may be initiated by the Underwriting Department. Let your client know that we will be asking the same medical questions that you asked when completing the application.
5. Please let us know if your client is **hearing impaired** or has a **speech impediment**. If we need additional information, we will send a medical questionnaire form instead of calling for a telephone interview.
6. Any application submitted to Settlers Life which is **incomplete** or has an age **discrepancy**, will prompt a telephone interview to obtain missing or clarify contradictory information. **Remember - Agents must NOT coach, prompt, or interrupt the interview process.**

Settlers Life reserves the right to conduct a telephone interview or to confirm the information provided on any application received.

TEN MOST COMMON MISTAKES MADE BY AGENTS:

1. **Total Premium is rounded up** instead of properly rounding each calculation and then adding for the total premium (numbers 5 and above must be rounded up). Use the premium rate calculator available at my.settlerslife.com to quickly determine premium amounts.
2. **Premium rates** are calculated incorrectly or premium and billing information on the application is incomplete.
3. **Street address is omitted** on the application and instead a P. O. Box is listed as residence address.
4. **Names** given on the application do not match the signatures.
5. **Owner's information and signature** are omitted.

6. **Information regarding physician is omitted**, requiring an additional phone call to the agent or client.
7. **Replacement question is unanswered, or replacement forms are not submitted with the application.**
8. **Beneficiary relationship** is omitted.
9. **Agent signature** is omitted.
10. Blocks provided on the application for **yes or no responses are left blank.**

Miscellaneous Marketing & Underwriting Information

The following pages are intended to give you Settlers Life's Underwriting Department's view on a variety of topics related to the sequence of events from meeting your client in the field to issuing and delivering the policy.

We encourage you to read through these pages and to learn our perspective on the application, underwriting and issue process.

The topics are arranged alphabetically to help you find them and refer to them when you are in the field:

Addresses - Applications with post office box addresses must also include the residence street address. It is very important that we have both addresses. If your client does not have a street address, a route number is acceptable. Section A in the application relates to the proposed insured only.

Advertising - All advertising material not provided by the company must be approved in writing by the company in advance of publication. Please contact Marketing or Compliance for more details.

Age - Premiums should be calculated based on the **actual age** of the proposed insured at the time of application. Be careful to consider the month, day and year when calculating age.

Age Backdating - Settlers Life permits backdating, up to six months, to save age. Please follow these procedures for backdating:

- Backdating is allowed for up to six months.
- Place a note in the Agent Remarks Section instructing to backdate policy effective date to save age and state the desired effective date.
- Date on the application should be the date you collect premiums.
- With the application, submit the current premium PLUS premium for the number of months being backdated.
- Since premiums are attached, applications must be mailed instead of faxed.

Age Discrepancies - If Settlers Life becomes aware of any age discrepancy, it is legally responsible for resolving the discrepancy immediately. Any new coverage applied for cannot be issued until the discrepancy is corrected. If adequate information cannot be obtained within thirty days, the application must be declined. If this happens during the application process, and we acquire the correct information, an amendment form is used to correct the age and the premium amount. The benefit is not adjusted.

Amendments - The Underwriting Department is not permitted to make requested or required changes or corrections on an application; therefore, separate written amendments to the application are sometimes necessary.

We do not require you to obtain the signatures of policyowners on "material" amendments.

New policy issue packets are mailed (including those with "material" amendments) directly to the policyowner – unless you asked us to send new policy issue packets to you for delivery.

This procedure is NOT effective in FLORIDA nor in MARYLAND. Those two states require ALL amendments to be agreed to in writing by the applicant/policyowner. If you are in a state where a delivery receipt is required when an agent delivers a policy (LA, PA, SD, WV) this new amendment procedure does

NOT change the applicable state delivery receipt requirements.

New policy packets are streamlined and easy to understand. The standard cover letter says: "Welcome!" If there is an amendment to the policy, the second page in the policy packet will say:

We made an amendment, but you don't have to sign, just check it out! OR
We made an amendment, you need to check it out, sign it and return one copy to us.

That separate page will also give the policyowner notice that if he/she does not return the signed amendment form, but makes the premium payments, that payment equals acceptance.

Bank Drafts - Our "Progressive Application" includes one authorization form which may be used for PAC (drafted from checking account), or drafts from Savings accounts. All drafts are handled as EFT (electronic funds transfer) and are drafted for the premium, not the amount due. Here are the requirements for each type of draft.

- 1. Drafts from Checking Accounts** - Complete the authorization form and attach a personal check marked "VOID".
- 2. Drafts from Savings Accounts** - Complete the authorization form and attach a deposit slip marked "VOID". **If a deposit slip is not available, please verify the routing and account numbers with an employee of the financial institution.**
- 3. Debit Cards** must be attached to ordinary checking accounts and be a part of the ACH banking system in order to be eligible for use with our PAC/EFT program. The following debit cards are not eligible for this program:
 - Direct Express® Debit Cards (MasterCard®) issued by Comerica Bank for SSA recipients who do not have checking accounts.
 - GE Money Bank® reloadable debit cards
 - MetaBank® Debit cards having a routing number of "073972181" or an account # beginning with a "7" as these are prepaid, reloadable debit cards and most are not available for ACH debits.

This listing is not inclusive, as additional outlets for prepaid debit cards continue to be introduced. Before accepting debit cards, it is important that agents verify that cards are attached to ordinary checking accounts.

If we receive a bank draft authorization or payment against a "prepaid or reloadable" debit card, the agent or applicant/policyholder will be contacted to establish an alternate payment method. This can result in significant processing delays and inconvenience for all parties. If you have any questions, please contact your Underwriting Support Team at 1-800-358-6337, Option 3.

Credit Card payments are not accepted for initial payment.

- 4. Draft of Initial Payment** - If your client requests that we draft the first (initial payment) from a checking or savings account, please indicate this by checking the appropriate box in the Premium and Billing Information section on the application. Complete the authorization form and attach a personal check marked "VOID", deposit slip, or verify the routing and account numbers with the financial institution. **Note: Commissions will be paid after the initial draft takes place. If you request a specific bill day, the first draft will be on that day (3rd, 8th, 15th, or 22nd). If no specific date is requested, the draft will take place on the day we issue the application.**

Our authorization form asks for routing number and account number. Settlers Life incurs a charge for returned EFT drafts, so please do not guess. We encourage you and your client to contact the financial institution and fill out the form correctly. Space is provided for the name and phone number of the employee at the financial institution verifying the information.

Beneficiaries - A primary beneficiary must always be named on the application in the space provided. A contingent beneficiary should be named, if possible. If sufficient space is not provided for the contingent beneficiary designation(s), you may insert this in the agent remarks section or on a separate sheet attached to the application. If more than one primary or contingent beneficiary is named, please designate how the funds should be paid by using common terms such as "and" or "share equally" or by stating a percentage. It is helpful to use "primary" and "contingent" or "first____ but if not living then ____". Do not use "or", the phrase "and/or", or simply list two names without further explanation.

Settlers Life Premium Billing Cycles & Effective Dates

If a specific premium billing cycle is not requested on your new business application, the effective date of the policy will be the date it is approved for issue, except policies approved on the 29, 30 & 31 will be effective the 1st of the next month and the billing cycle becomes the one within which that date occurs.

Settlers Life has four premium billing cycles:

1st 8th 15th 22nd

Example #1:

May 3rd - App is written, first premium is collected
 May 9th - Settlers receives app
 May 10th - App is approved for issue
Effective date of policy will be May 10th
 Policy goes into 8th billing cycle.

WHEN A SPECIFIC PREMIUM BILLING CYCLE IS REQUESTED, IT ULTIMATELY MAY AFFECT THE POLICY EFFECTIVE DATE

Example #2:

May 10th - Settlers receives app,
22nd billing cycle is requested
 May 15th - App is approved for issue
Effective date of policy will be May 22nd
 because the 22nd billing cycle was requested.
 Policies with future effective dates include a special notice which contains the following message:
"Please note: The Effective Date of your policy is shown on the Policy Schedule. While you may receive your policy before that date, no coverage is in force prior to the Policy Effective date."

Example #3:

May 4th - App is written, "PAC with first premium to be drafted", **1st billing cycle is requested**
 May 9th - Settlers receives app
 May 12th - App is approved for issue (we are working beyond the 1st billing cycle and are currently in the 8th billing cycle)
Effective date of the policy will be June 3rd and the first draft will occur **June 3rd** to comply with 1st billing cycle request

Example #4:

May 4th - App is written, "PAC with first premium to be drafted", **1st billing cycle is requested**
 May 4th - Settlers receives app via fax
 May 5th - App is approved for issue.
Effective date of the policy will be May 5th
 because we are currently working in the 1st cycle and the premium will process. IF you told your client the money would not be withdrawn from their account until **June 3rd**, you need to indicate in the "Remarks" section of the app so we will know to delay the effective date for the policy. (As in Example #3)

Example #5:

May 4th - App is written, "PAC with first premium to be drafted", **1st billing cycle is requested** and "Remarks" section indicates that you told your client the policy will be effective and draft in May
 May 9th - Settlers receives app
 May 12th - App is approved for issue
 We may be able to honor your request provided the requested date is not prior to the app date. With this scenario and instructions we could **make the policy effective May 7th** (instead of **June 3rd**), it would be in the 1st billing cycle and would draft immediately.

Sun	Mon	Tue	Wed	Thu	Fri	Sat
April 25	April 26	April 27	April 28	April 29	April 30	May 1
← 22 nd billing cycle → Includes any apps approved for issue on the 22 nd thru the 28 th of the month				←		
May 2	May 3	May 4	May 5	May 6	May 7	May 8
← 1 st billing cycle → Includes any apps approved for issue after the 28 th of any month thru the 7 th of the following month						←
	Draft Date for Policies with PAC Premium					Draft Date for Policies with PAC Premium
May 9	May 10	May 11	May 12	May 13	May 14	May 15
← 8 th billing cycle → Includes any apps approved for issue on the 8 th thru the 14 th of the month						←
						Draft Date for Policies with PAC Premium
May 16	May 17	May 18	May 19	May 20	May 21	May 22
← 15 th billing cycle → Includes any apps approved for issue on the 15 th thru the 21 st of the month						←
						Draft Date for Policies with PAC Premium
May 23	May 24	May 25	May 26	May 27	May 28	May 29
← 22 nd billing cycle → Includes any apps approved for issue on the 22 nd thru the 28 th of the month						←
May 30	May 31	June 1	June 2	June 3	June 4	June 5
← 1 st billing cycle → Includes any apps approved for issue after the 28 th of any month thru the 7 th of the following month						←
				Draft Date for Policies with PAC Premium		

IMPORTANT REMINDERS Regarding Specified Premium Billing Cycles

If your client requests a specific draft date and/ or effective date **be sure to include such instructions in the "Remarks" section of the application.** Otherwise, if **we are working in the requested cycle when the application is approved for issue**, the application will take the current cycle and the effective date will be the date it is approved for issue.

If specific instructions are not provided or we are not currently working in the cycle requested on the application, we will always go forward to the next requested cycle to avoid drafting from your client's account before he/she expects us to do so. This is true, even if the first premium comes in with the application.

Generally speaking, Funeral Homes or Funeral Directors may not be named as beneficiary or contingent beneficiary on an application. If you believe this is permitted by the state in which you are writing, please contact Compliance at Settlers Life (276-645-4313) prior to writing the application to confirm.

Billing Cycles - Settlers Life currently has four billing cycles available. They are the 1st, 8th, 15th, and the 22nd. If your client wishes to request a particular billing cycle, please indicate by checking the appropriate box on the application. If the 1st cycle is chosen and the payment method is PAC, we will draft the account on the 3rd, not the 1st. **Your client is not required to specify a certain billing cycle, and if no cycle is requested, the billing will fall in the cycle in which we are currently working. Please be aware that a request for a specific billing cycle may affect the actual effective date of the policy. Please refer to the chart on the previous page for further explanation of our billing cycles.**

Child Term Life Rider - Level term insurance covering insured's eligible children which may be converted to a permanent policy without evidence of insurability.

1. The rider can only be attached to a Gold, Silver, or Silver II Plan on a parent of the children, or in rare cases may be attached to the Gold, Silver or Silver II Plan of the grandparent who has been granted court appointed legal guardianship of a grandchild.
2. The children eligible for coverage on the rider must be natural born children or adopted children, between ages 15 days through 17 years (ages live birth through 17 years in Texas). The minimum age for the parent is 18. In cases involving legal guardianship and adoption, we require a copy of the court documents.
3. The **benefit amount** of the rider may be from \$5,000 - \$25,000, in units of \$5,000 and **cannot exceed the benefit amount of the base plan.**
4. All children will be covered for the same face amount. One premium will cover all children.
5. Future born children will be automatically covered on the child rider and future adopted children, with a copy of the adoption papers.
6. In most cases, a parent of the children on the child term life rider will be the owner of the base (Silver II, Silver or Gold) policy and therefore, the owner on the child rider. A grandparent of the children covered on the child rider, or in other words the parent of the proposed insured on the base plan may be the owner of the base plan, therefore, the owner of the child rider.
7. Coverage for each child ends on the policy anniversary following each child's 25th birthday.
8. At the death of the primary insured, covered children's coverage remains in force with no premiums due.
9. *Conversion option: Owner may convert all or part of the face amount up until their 25th birthday without evidence of insurability. **Call for further details.***

Riders cannot be added after the policy is issued.

Corrections - Each application is attached to the policy when it is issued. It becomes a part of the contract under which the relationship between the policyholder and the company is governed. To avoid any disputes over who added an entry, who changed an entry, whether or not a correction was authorized, and other such arguments - and to avoid difficulties in the future for Settlers Life or for you - please follow these simple rules:

1. Do not make any marks or entries on an application unless they relate to the application and contract that is being created with the company.
2. If you make a mistake, DO NOT USE "white out".
3. If you make a mistake, CROSS IT OUT NEATLY, and MAKE SURE THAT YOU AND THE INSURED AND THE OWNER/APPLICANT INITIAL THE CORRECTION.
4. Please make sure all blocks are checked and all questions answered. Underwriters are not allowed to make any additions to applications.

If it is a big error, even though it may be somewhat embarrassing, please start over. Better to start over while you are there in the client's home, than two days later when we call. Better to start over than to have a serious question develop at claim time, and the insured is no longer around to explain.

Counter-offers - If you write your client on a Gold Plan with all questions answered "No" and the height/weight requirements are met, but we receive information from MIB which could change the answer to "Yes", we will investigate further by doing a recorded phone interview and follow procedures outlined on page 11. **If this additional information indicates your client does not qualify for the Gold Plan, but does qualify for a Silver Plan, we will send you the policy for delivery. If you are advised by one of our interviewers to submit a different plan for your client and you disregard this advice, we reserve the right to NOT counter offer to another plan. Also, material misrepresentation may result in a decline with no counter-offer.** If we do mail you a counter-offer, on the outside of the policy envelope, you will find a **letter of instructions**, addressed to you, to guide you through the counter-offer process. The letter of instructions will explain that two copies of an amendment form and are enclosed with the policy. Both copies of the amendment form must be signed. One copy of the signed amendment form must be returned to the Underwriting Department. The other copy of the amendment form should remain with the client's policy.

The letter of instructions will also explain the procedures if your client chooses not to accept the counter-offer.

We will also enclose a self-addressed, postage paid envelope for your convenience in returning the proper form to us. **There is a 15 day time limit on returning the proper form if the amendment is accepted or rejected. If we do not receive the proper paperwork or rejected policy within this 15 day time period, the policy will automatically be rescinded and all premiums refunded.**

A Note regarding the "counter-offer" process:

We may not always counter offer to the Bronze or Bronze II Plans. If we choose to counter-offer, you will be notified in advance.

Declines - If the Underwriting Department makes an adverse underwriting decision, the person declined has the right to know the reason for the adverse decision, and the right to review the information on which the decision was based. This information must be requested in writing, and signed by the Proposed Insured (if 18 or older). We may choose to send medical information to either the person involved, or to a medical professional designated by that person. **Due to various federal and state laws regarding the handling of personal information and the right to privacy, Settlers Life may not be able to tell you, the agent, the specific reason the application was declined. In those instances, only if the proposed insured properly provides us with permission may we release the information to you.** Only if the proposed insured writes us for the reason for declination and requests that we release this information to you, can we do so.

Effective Date - The Policy will be in effect when all eligibility requirements have been met as confirmed by the Effective Date stated in the Policy on the Policy Schedule. The proposed insured is automatically the owner of the policy unless a specific alternate ownership designation is made.

Faxed Applications - Settlers Life's rules and procedures for the submittal of applications by fax are as follows:

1. The faxed application documents must have been written on original printed documents distributed by Settlers Life. No copies or faxed application documents should be used to complete the original application.
2. **The submittal of faxed applications is limited to applications in which the initial payment is to be made via pre-authorized checking (PAC) or savings account withdrawal.**
3. The faxed application documents must begin with a fax cover sheet containing the transmitting agent's name, address, phone number, and the number of pages which are being transmitted (counting the fax

cover sheet).

4. **VERY IMPORTANT:** Please indicate in the “Agent’s Remarks” section of page three of the Application that the application was faxed, including the date on which it was faxed.
5. The faxed application documents must include (i) the Application, and (ii) the Child Term Life Rider Application (if applicable).
6. The faxed Application must include pages one through four of the Application (Page one – bio and health questions, Page two – premium information and signatures, Page three – agent remarks and PAC authorization, Page four – HIPAA authorization).
7. **How to fax the multi-fold Application:** Please separate pages one and two of the original application documents from pages three and four. Make a photo copy of pages one and three. Arrange the fax transmittal documents so that the company receives the photo copy of page one, the original of page two, the photo copy of page three and the original of page four. This will maximize the legibility of pages two and four on which important signatures have been entered.
8. **How to fax the two sided Child Term Life Rider Application:** Please make a photo copy of page one. Arrange the fax transmittal documents so that the company receives the photo copy of page one, and the original of page two. This will maximize the legibility of page two on which important signatures have been entered.
9. **All faxed forms should be sent to the attention of Underwriting Agent Support at 1-888-275-2644. This is the only phone number available for submittal of applications by fax.**
10. **DO NOT** mail the original application to us. If you mail the original application, this will create a duplicate in our system; therefore delaying the processing of your applications submitted. However, we do require that you maintain the original application on file for six (6) months.
11. All information material to the cash control and underwriting process at Settlers Life must be legible and complete. If it is not, you will be contacted by us to make the necessary corrections and fax back to us.

Foreign Nationals - At this time, Settlers Life is unable to write business on individuals who cannot understand English. We are not equipped to handle customer service with non-English speaking individuals.

Free Look - The insured may cancel a policy for any reason within a specified period of time following the date of delivery and a full refund will be made. The free look period will be shown in each plan’s policy provisions.

Funeral Home Checks - If you are an agent employed by or working with a funeral home and the funeral home is not a licensed and appointed agent for Settlers Life, we cannot accept a check from the funeral home. You, as the company’s agent, may still submit a check, but it must comply with the rule for Personal Checks from Agents. ***If you forward an improper funeral home check, the check will be returned to you, and your new business turn-in will be pended until an alternate method of payment is received.***

Grandparents - Grandparents may insure their minor grandchildren without a parent’s consent; however, **the grandparent must be personally aware of the child’s health** and if we need an APS, a medical release signed by one of the child’s parents will be necessary. **The child must also be a resident of a state where Settlers Life is licensed to conduct business. For benefits \$15,000 and greater, the agent must see the child.** The grandparent should sign the application as owner and be named as owner on the front of the application. **Do not** sign the minor child’s name as the proposed insured. The Gold or Silver Plan should be used. The Child Term Life Rider is not available for grandparents insuring their grandchildren, except with court appointed legal guardianship or adoption. A copy of the legal papers must be provided.

Minors - In situations where a minor is applying for insurance, the agent must see the minor and witness signing just like any adult application. In situations where an adult is applying for insurance on a minor, the applicant must have insurable interest. The agent may write up to \$15,000 coverage without seeing the minor

child.

Notice of Insurance Information Practices - Federal and State laws require you to leave the proposed insured/applicant a copy of this form whenever an application is written.

Payroll Deductions and PAC Groups - Instructions for installation of payroll deduction and PAC groups, as well as the required forms, are available from Agency Services. Please call 1-800-877-6191.

Pending/Declines – If one of your applications is declined, the Underwriting Department will notify you of the action. Pending/Decline information is posted on the Agent Reports Website. You are also notified of declines via Agent Action Reports. **If missing information or corrections are needed on the application, we require that this information be completed and returned to us within 30 days, or the application will be declined. Information added or changed after the proposed insured and owner signatures have been obtained should be initialed by both you and the owner/proposed insured.**

Keep your contact information current. Underwriting Agent Support may need to contact you during the underwriting of your applications, so please let us know anytime we need to change an address or phone number.

Personal Checks From Agents - We will no longer accept an agent's personal check for new business turn-in. We will continue to accept agency checks. If you have a business account and it is indicated on your check by the bank as an Insurance Business Account, Underwriting will accept those checks. We will also accept money orders and cashier's checks. ***If you forward a personal check, the check will be returned to you, and your new business turn-in will be pended until an alternate method of payment is received.***

Policy Delivery - In the interest of properly serving our clients, it is recommended that you personally deliver a policy. In the event that is not possible, or you choose not to do so, policies can be mailed directly from our office. You may indicate your preference for policy delivery on the Agent Appointment Request (Form S-316) you complete when contracting with Settlers Life. Policies will automatically be issued as you requested on the form, unless you indicate differently on the application. Any request to change the mode of delivery on a regular basis should be directed to the Agency Services Department. The exception to this guideline would be if the policy is a counter-offer or requires an amendment with signature, in which case, you would need to deliver the policy.

The time limit for policy delivery is 10 working days from the date the policy is mailed to you from our office. A letter thanking the policyholder for his/her business accompanies each policy issued. Special computer-generated letters are included with every policy, whether it is mailed directly to the policyholder or delivered by an agent.

North Carolina Premium and Benefit Disclosure – Policies with face amounts of \$15,000 or less, upon which the total of premiums paid may one day exceed the policy benefit amount, will include a North Carolina Premium and Benefit Disclosure, Form S-502, as required by North Carolina Law.

West Virginia Notice of Policyholder - Where required by the specifics of the particular policy (policies of \$25,000 or less where the total of premium paid may one day exceed the policy benefit amount), Settlers Life will include one copy of the special West Virginia Notice of Policyholder with each qualifying policy when issued by Settlers Life. If you are delivering the policy, please make sure this Notice is delivered with the Policy.

Iowa Small Face Amount Disclosure - Policies with face amounts of \$15,000 or less, upon which the total of premiums paid may one day exceed the policy benefit amount, will include an Iowa Disclosure form for Small Face Amount Policies, Form S-503, as required by Iowa law.

Policy Face Reduction-A one-time face reduction is available for all active premium-paying whole life insurance policies issued 1/1/2009 or thereafter, prior to the lapse of the policy. If the client requests this service through Policyholder Services, the agent will be contacted via e-mail to check their agent action report and requested to call upon the client to conserve the business. Or, agent can review the Agent's Weekly Past Due Policies Report to identify all policies with premiums due 10 or more days after the most recent premium due date (within the policy's 31 day grace period). The policy information remains on the report until the

policy terminates (day 69) or premium payment is made to bring the policy into a current payment status. Agent may confirm current financial activity and paid to date for a policy by looking up specific Policy Information on my.settlerslife.com. Where an appropriate case exists, printable forms are available at my.settlerslife.com > Agent Supplies > Service forms section.

To obtain rate calculations for policies issued on or after 1/1/2009 but prior to 9/1/2011, the agent will need to contact Policyholder Services (1-800-877-6191, Opt. 7) for assistance.

The Request for Reduction of Policy Face Amount Form must be completed, signed and returned to Policyholder Services with delinquent payment and original policy. Policyholder Services MUST receive the request and delinquent payment prior to lapse of the policy (no later than the 60th day of being delinquent).

The Face Amount Reduction will be processed and Policy owner will be sent an amended policy with payment of any difference in cash surrender value.

A Policy face reduction will be a permanent, one-time event.

Post-dated Checks – We do not accept post-dated checks.

You are responsible for immediately contacting the client and making arrangements to return the post-dated check to the client. You may use this opportunity to write a new application and collect an alternate, acceptable method of payment. In either situation (returning check to you or returning check directly to client) it is our intent to provide you with an opportunity to contact the client and explain the circumstances to the client.

Note: Third party checks are unacceptable.

Premium Payments - The minimum premium for new accounts with direct monthly billing is \$8.00. This \$8.00 minimum rule does not apply when adding policies to an existing family bill. If the policy's monthly premium is less than \$8.00, then another method of payment must be utilized, such as quarterly, semi-annual, annual or PAC. If the premium collected on an application is over \$1.99 short, you will be contacted by Underwriting Agent Support and your application will be pended until the additional premium is received.

Settlers Life does NOT permit an agent to make a premium payment on behalf of an applicant or policyholder. It does not matter whether that payment would be made with or without a written repayment agreement; it is not permitted at Settlers Life.

Privacy - Settlers Life abides by the GLBA (Gramm-Leach-Bliley Act) and requires that all of our agent contract agreements (Producer Agreements) contain a confidentiality provision. In order for us to comply with these requirements, it is necessary that we ask you to comply with a confidentiality provision and that you agree and acknowledge that it is added as an addendum to any and all Producer Agreement(s) between you and Settlers Life Insurance Company.

Receipt/Dating - The first month's premium should always be submitted with the application, unless your client requests that we draft the first premium. All applications must be dated the day they are actually signed by the proposed insured/applicant and the full initial premium is collected or PAC authorization completed for initial draft. The premium receipt must be left with the applicant/owner at that time.

Reinstatements - Standard reinstatements fully restore the policy as originally issued. The original effective date is maintained, as is the issue age and premium rate. However, the contestability period runs for a two year period of time from the date of the reinstatement. Furthermore - we reserve the right to underwrite the reinstatement application and the reinstatement is NOT in force until we approve the reinstatement application.

1. Accurately and correctly complete the form entitled "APPLICATION FOR REINSTATEMENT OF LIFE INSURANCE" ("State Specific" Form S-821 [7/2006], or later revision date, if applicable).
2. The Owner (and Insured, if different), must each sign the reinstatement form, plus you the agent must sign as witness.
3. Obtain a properly completed "**HIPAA Underwriting Authorization Form**".
4. Collect a check or money order equal to the outstanding premium amount. You may call our Policyholders Services Department at 800-542-8711 to confirm the amount due.

5. Complete the “Reinstatement Application Premium Receipt” on Settlers Life Form S-82122 Notice and leave the entire completed form with the policyowner.
6. Submit the Reinstatement Application, the premium payment, and the HIPAA Authorization Form to our Policyholder Services Department for immediate processing.

Replacements – Refer to Form S-373A for replacement guidelines for each state. Contact Agency Services for proper replacement forms.

Signatures and Dates - Agents should not permit clients to sign blank forms or to predate, backdate, or postdate applications. Agents should never sign, copy, paste, trace, or alter an applicant’s or proposed insured’s name on any document.

Signing With a Mark – Occasionally you may encounter a situation where individuals are not able to sign their own names and instead make a “mark”. You may also encounter situations where one person in a family can read and write, but others cannot, even though the others would like to purchase insurance. Here are some simple rules to apply to these situations:

1. Signing with a “mark” is generally acceptable; however, the individual should make his/her mark on the signature line and the agent should then print right next to the mark the person’s name, then the words “witnessed by” followed by the agent’s initials. Example: “x” by John Doe witnessed by MWL.
2. If possible, having a second person witness the mark is best. We also suggest that you include a note with (but not on) the application if there are any unusual circumstances which Underwriting might appreciate understanding when it reviews the application (e.g. “Mr. Bond made his mark because he cannot read or write, but he is otherwise fully competent and understood what he was signing.”) If the person cannot read well enough to understand the application and its terms and conditions, you should read the application to him/her. Don’t let other family members or your own haste permit the applicant or the insured to skip over parts of the application. Make sure they understand what they are signing. If an individual signs a contract, but did not understand what it was for, there is no “meeting of the minds” and there is no contract.

Printed Signatures – Printed signatures are acceptable, but please indicate in the Remarks section that this is your client’s legal signature, and beware - this is a red flag for fraud. Ask if your client prints his/her name on checks, legal documents, etc? How is his/her name signed on the identity documents he/she showed you?

Splitting Commissions – The following procedures should be followed if you are splitting commissions with another agent:

1. You and the other agent should complete the Request to Split Commissions Form S-134 and attach it to the application, OR
2. Indicate in the “Remarks” section of the application how the commissions should be split.
3. Only the writing agent needs to sign the application, unless you are both present when the application is written. If both agents sign the application, the first agent signing the application will be the agent of record in our system.

Stale Date – Settlers Life will not issue applications received with a “Stale Date” (30 days from date written). **Any new business application received beyond 30 days of the date written will be declined and the money refunded.**

Withdrawal of an Application – If you have written an application **and** collected money and your client changes his/her mind about submitting the application **before** you send the business to us, you may consider this a “Request to Withdraw the Application”. **To properly effect this withdrawal**, you must mark the application as **“withdrawn at request of applicant”** (preferably in big bold red marker ink), **add the date**, and **add your signature**. Keep one copy for your records, send one copy to us, (Attention: Underwriting), and send one copy back to the client with his/her check or money order. Please mark any returned check as “Void”.

Making and keeping and mailing the copies may seem like a chore, but they are for your protection and the protection of the company. You do not want that client later saying that they never withdrew and that you never returned anything. Additionally, you should ask the client to sign your copy of the “withdrawn application” under your signature.

If we have already received the application **and** begun the underwriting process **before** your client changes his/her mind about applying for insurance, we will notify you of the request to withdraw. We may also send your client's voided check or our refund check to you so that you may return it to the client. **You are responsible for doing so immediately upon receipt** of the notice of "withdrawn application".

GET CONNECTED AT OUR "AGENT CONNECTION" WEBSITE
my.settlerslife.com is your address for continued success.

Manage and monitor your day-to-day performance and duties. Using our "Agent Connection" Website will help you:

1. Access your source for AML & Agent Training.
2. Stay abreast of items requiring agent action.
3. Monitor your pending new business.
4. Evaluate your sales and persistency with the weekly new business report.
5. Obtain immediate access to your commission report.
6. View your agent contract information.
7. Track your ongoing persistency with the Past Due and Lapsed reports.
8. Order agent supplies.
9. Use printable forms in a PDF format.
10. Enjoy easier communication with staff with the use of direct e-mail.
11. Obtain product information and state availability.
12. Access information regarding other programs offered to our field force.

Call our Marketing Department if you have further questions.

Future Addenda

SETTLERS LIFE INSURANCE COMPANY

TOLL-FREE NUMBERS

AGENCY SERVICES	1-(800) 877-6191
UNDERWRITING	1-(800) 358-6337
POINT OF SALE SUPPORT:	
<u>Enhanced POS Interviews</u>	
Mon. - Fri. 8:00am-10:00pm E.S.T.	1-(888) 416-2033
Sat. 9:00am-2:00pm E.S.T.	
After 6:00pm M-F and on Sat calls will be answered by MRS	
<u>Regular POS Interviews</u>	
Mon. - Fri. 8:00pm-10:00pm E.S.T.	1-(800) 358-6337
Sat. 9:00am-2:00pm E.S.T.	
After 8:00pm M-F and on Sat calls will be answered by MRS	
POLICYHOLDER SERVICES	1-(800) 877-6191
CLAIMS DEPARTMENT	1-(800) 877-6191
MARKETING DEPARTMENT	1-(800) 877-6191
FAXED APPLICATIONS	1-(888) 275-2644

SETTLERS LIFE INSURANCE COMPANY

Administrative Office:

1969 Lee Highway . P.O. Box 8600 . Bristol, VA 24203-8600

Toll Free (800)358-6337

my.settlerslife.com