Legal & General

The Basics

January 2025

Contents

Introduction

The information contained in this Basics manual supersedes all previous policies and procedures of Legal & General America, Inc (“LGA”). The Basics manual is not legally binding; it is provided for informational purposes only. Legal & General America retains the right to modify, suspend, interpret or cancel any provision at any time, at its complete and sole discretion without prior notice. For further information please visit www.lgamerica.com and click ‘Advisor’.

AppAssist Call Center

INTRODUCTION

At LGA, it's been our goal to simplify the life insurance process and make it easier to protect more families. While the landscape of life insurance and technology continues to evolve, our business will always be guided by the needs of our customers and partners. When you complete an application on our digital application and automated underwriting platform, eligible customers may be approved without the need for exams. Underwriting evidence is collected digitally, in real-time during the application process.

Legal & General America's (LGA) Digital application process, AppAssist, improves and streamlines the life application process for advisors and customers. Advisors drop a simple ticket, and AppAssist takes over the administrative burden of application fulfillment. This gives you more time for marketing, finding new clients and matching their needs with the right amount of coverage

AppAssist is a win-win for advisors and customers:

Great Service. Our call center is staffed by experienced professionals at LGA.

Convenience. The interview is scheduled at the customer's convenience.

Speed. Interviews are typically completed within 48 hours of ticket receipt and voice signature speeds up cycle time by three weeks.

COMPLETING THE APPLICATION

Flexible application process. There are three ways to submit an application:

Client driven
Let your clients go through the mobile-optimized application on their own time. They can complete the application in about 20 minutes.

Advisor assisted
Advisor-assisted applications help you reduce completion time by letting you and your client go through it together.

Phone interview
After you reserve an interview time, our in-house AppAssist team will conduct a 30-minute phone interview at your client's convenience and complete the application in real time.

RLI SUBMISSION

The Request for Life Insurance Interview (RLI) can be submitted via Partner Dashboard, e-Link, agency management system vendors.

The agent/broker can begin the Request for Life Insurance process using an Internet accessible format named e-Link™. e-Link™ is our online version of the Request for Life Insurance Interview form that will determine the appropriate underwriting class, estimate the quoted premium, provide product comparisons and transmit the RLI directly to the Call Center.

Each appointed agent will be required to initially register as a new user. Another great benefit of using e-Link™ is that general agencies will always get a copy of the request their agent/broker submits.

To use e-Link™, please visit https://www.lgaappassist.com/rlilogin.htm. We strongly encourage agencies to submit RLIs through our preferred method of e-Link™ whenever possible.

Another option is to submit the request online via the agency's own URL for e-Link. No pre-contracting is required.

Drop a ticket on the Partner Dashboard. Log in to the Partner Dashboard: partner.lgamerica.com Click on My Business > New Ticket to begin. Optional Risk Evaluation and Quote Calculator tools available at the top of the New Ticket screen.
AppAssist can also be accessed through third party vendors including iPipeline's E-App drop ticket or Aplifi's AFFIRM for life platform.

Dropping a Ticket: https://brandfolder.com/s/xsspv4frgq9g7z5zkfpznv28
How to Submit Business (video): https://vimeo.com/774414235
How to Submit Multiple Policies (Video):
https://vimeo.com/manage/videos/764305795/transcript?ts=115200
What to Expect (advisor guide):
https://www.lgamerica.com/docs/default-source/advisor/digital-tools/for-advisors-what-to-expect.pdf

CALL CENTER INTERVIEW

Once the Request for Life Insurance Interview (RLI) is received, it is routed to the Call Center within 4 business hours of receipt. The Call Center will make the initial call attempt on the date/time requested or within 2 hours if a specific date/time is not requested. If the Call Center is unable to reach the client, we will follow up until contact is made or the maximum number of attempts has been reached which are:

	Digital Platform Calls and Links	Digital Platform Link Only
Day 2	Email and Text	Email and Text
Day 4	Email and Text	Email and Text
Day 5	TeleAssist Call	
Day 7	Email and Text	Email and Text
Day 10	TeleAssist Call	
Day 13	TeleAssist Call	
Day 15	Email and Text	Email and Text
Day 30	Link Terminates	Link Terminates

Calls Made by Tele Assist | Digital Platform Contact Cadence

We will call on the 1st (or the indicated first call day and time submitted by the advisor), 5th, 10th and 13th days. On the 13th day, the call will not be pushed ahead to call again and the system will automatically cancel it from the Digital Application dashboard. The link is still valid for them to complete online. (Note: the system is counting Business Days)

Once the maximum number of call attempts is exhausted, the case is terminated, and the general agency is notified via the website. If the applicant cancels the interview or is canceled due to insurability, the general agency is notified via email. All status information is available online in real-time on Partner Dashboard, https://partner.lgamerica.com/. Agencies will be able to view electronic status updates throughout the entire process on a real-time basis from https://partner.lgamerica.com/ or from agency management system vendors which are updated five times daily.

Advisor Tips for Submitting a Ticket that is accessible online for the Applicant:

- **Legal Name** (Correct Spelling and no nicknames) First name(s), middle name(s), last name(s) then separate from last name is the Suffix
- **Gender** (Male or Female, this is how the insured was born not how they identify)
- **Date of Birth**
- **Street Address** (Primary Physical address Not mailing address)
- **Phone Number** (Insureds only)
- **Email Address** (Insured's only)

Advisor tip: Incomplete disclosure is the primary reason slowing the process down. Make sure your client has the following information handy:

- Proof of citizenship
- Driver's license and Social Security number
- Annual household income
- Health insurance policy number and provider
- Primary care physician's contact information
- Specialist physician contact information
- Basic information on recent medical exam

DIGITAL APPLICATION PROCESS

Step 1 of 10
Email notification

Once you submit a ticket, the client will receive an email from Banner Life | Legal & General America to finalize the application. The subject line will say, "Complete your life insurance application."

Step 2 of 10
Accessing the application

Your client will need to provide their last name, date of birth, and zip code. They will also be prompted to complete the two-factor authentication system which helps protect their sensitive data and personal information.

Step 3 of 10
Application confirmation

After creating their account and logging in, your client will be taken to a welcome page with all the data from their ticket, including the distribution partner, duration, premium, and basic personal information

Step 4 of 10
Agreeing to terms

Your client must agree to the following things before proceeding to the application and medical questionnaire:
Terms and conditions
HIPAA disclosure
Honesty statement

Step 5 of 10
About you

This section asks questions about your client's occupation, lifestyle, and activities. Topics in the menu will be checked off as questions are completed.

Step 6 of 10
Health history

The section also includes health-related questions that are integrated with data collection to assist our accelerated real-time decision-making process.

Step 7 of 10
Your policy

The application gathers information about beneficiaries, any additional coverage requests, and the purpose of insurance coverage. If there are multiple policies, this information will need to be provided for each policy.

Step 8 of 10
Application review

Once your client answers all application and medical questions, they have one last opportunity to review the application and make any necessary changes or update

Step 9 of 10
Signing the application

First, your client must check the box to confirm they have reviewed the application. Next, a "Sign application" button will become enabled. Clicking the button will serve as signing the application.

Step 10 of 10
Application packet preview

After your client digitally signs the application, they can now download, save, and access the complete application as a PDF file. The signed application packet can also be reviewed or downloaded by going into Inbound/Outbound Communication in Application Manager

APPLICATION PACKAGE

Voice Signed Application documents emailed to the Customer The customer will be sent an email within 48 hours with a link to access the application documents. If the customer needs

this email resent, you must email Case Management at OnlineApp@lgamerica.com and request they do it. Voice Signature applications are never printed.

eSignature because Voice Signature Offer Declined
The customer is instructed to go to the original email link and sign it electronically. The case will NOT show completed until the customer electronically signs and they must eSign prior to the link expiring.

Contact Us:

Digital AppAssist Team (Banner Life Insurance Company)
Hours: Monday-Friday 9:00am-10:00pm EST
Phone: 855-914-9115
Email: OnlineApp@lgamerica.com

Traditional AppAssist Team (William Penn Insurance Company of New York)
Hours: Monday-Friday 8:30am-10:00PM EST
Phone: 800-839-5960
Email: AIS@bannerlife.com

Additional Training resources are available:
Horizon ProNavigator BGA Guide | LGA Training Hub (lgamerica.com)

Claims

INTRODUCTION

The Claims Department is responsible for receiving and processing claims and distributing all claim payments resulting from the death of the insured. In addition, the Claims Department administers waiver of premium, disability income and Accelerated Death Benefit claims.

This section provides an overview of the Claims business area. However, if further clarification on procedures is needed, contact the Claims Department. The extension for Banner Life's Claim Department is 6974. The extension for William Penn's Claim Department is 3379.

DEATH CLAIMS

The agent/broker or general agency should notify the Claims Department as soon as they learn of the death of an insured or annuitant. Policy owners, beneficiaries or other interested parties may also contact the Claims Department directly or anyone may utilize the File A Claim online form located through the Claims link of our website, www.lgamerica.com.

Complete notice of death includes the following information:

- Date the agency received the notice
- Contact person (name and phone number of the family member who reported the death to your agency)
- Name and address of deceased
- Policy number
- Date of death
- Cause of death
- Beneficiary name and address (if available)
- Name and address of person to send the claim forms
- Country where death occurred, if outside of the United States

After we have reviewed our records and verified that the coverage is in force and the identity of the beneficiary(ies) named on the policy, we will communicate directly with the beneficiary to initiate the claim process and furnish them with the proper claim forms and requirements. We can send claim forms by mail, fax or email. We can only accept fax or email in return on Accelerated Claims up to the $50,000 face amount.

To process the claim promptly, we will need the following:

- A completed Proof of Death Claimant's Statement completed by each beneficiary. Each form should include the original signature of the claimant.
- One original certified death certificate, with the final cause and manner of death, for all claims over $50,000. A photocopy of the final death certificate can be accepted on all claims on policies for $50,000 or less. We are unable to accept a death certificate with the cause of death listed as "Pending".
- A copy of the trust document (if applicable).

- Additional documentation will be needed if the beneficiary is: the estate of the insured, a minor, a corporation or an assignee. Additional documentation will also be required if the death of the insured occurs as a result of violence or occurs outside the United States or Canada.

The agent/broker or general agency may wish to assist in the claims process; however, the beneficiary is responsible for furnishing proof of loss.

Non-contestable death claims are payable upon the Claims Department's receipt and approval of the proof of death documents and any other required documentation. Under no circumstances should the agent/broker or general agency make any statement or comment, written or verbal, regarding the validity of any claim of Banner Life or William Penn's liability. Upon receiving the necessary information, we will mail the distribution directly to the beneficiary. We will send the distribution check directly to the agent/agency, only upon receipt of a written request from the beneficiary.

ACCELERATED CLAIMS

If the coverage is in force and the policy proceeds total $50,000 or less, a claim may be eligible for the Accelerated claims process. After reviewing the file, the Claims Department will be able to advise whether a claim is eligible and what is needed to properly evaluate the claim for the Accelerated process.

CONTESTABLE CLAIMS

It is an insurance company's responsibility to investigate claims and verify that payment is justified. Policy owners as well as the named beneficiary(ies) should expect that we will conduct a thorough investigation. In general, the company has a contractual right to contest a policy if the claimed loss (death, disability or other) occurs within two years from the Issue Date of the policy. In addition, reinstatements and face amount increases are also contestable for two years after their effective dates.

The purpose of the contestable claim investigation is to confirm that the information furnished to the company by the applicant was true and complete. Because contestable claims require careful evaluation based on all available information, it is necessary to obtain the insured's medical records, financial records and other historical records of the insured. As you would expect, in comparison to a non-contestable claim, obtaining the records for a contestable claim review will delay the resolution of the claim. In general, the contestable death claim review occurs no matter the cause of death, this includes those claims where death has resulted from violence or an accident. While we work to complete the contestable death claim review as quickly as possible, there is no prescribed time limit to conclude a contestable claim investigation as it is dependent upon the cooperation of the health care providers, other entities and the next of kin. In most states, any material misrepresentation on the application or supplements or amendments thereto will void the policy, regardless of a relationship to the cause of death.

The agent/broker's knowledge and recollection of the actions and circumstances pertaining to the completion of the application are important in evaluating a contestable claim. An agent/broker's statement may be required during the investigation. Assistance with the completion of a notarized statement will help to avoid delays in the resolution of the claim. This statement, in addition to all other information obtained through the claim investigation, will help us to promptly determine our position on the claim.

While an agent/broker or general agency should never comment about the validity of a claim, it is particularly important that such statement(s) are not made about contestable claims. For additional information, contact the Claims Department.

DISABILITY/WAIVER OF PREMIUM CLAIMS

If a policy owner with a waiver of premium benefit, a waiver of monthly deduction benefit or a total disability benefit on his/her policy notifies the agent/broker or general agency that the insured is disabled, we ask that the agent/broker or general agency notify us promptly. A phone call is sufficient.

A complete notice of disability includes the following information:

- Name and address of disabled insured
- Policy number
- Date disability commenced
- Date agency was notified of disability
- Cause of disability (if known)

We will notify the owner in writing of the benefit for which he/she is eligible and the necessary information and procedures to file a claim. The claimant should notify us of a claim as soon as possible. The required duration of the disability may vary by type of benefit and cause of disability.

If the policy is still within the Incontestability period as defined in the contract, the Company will need to conduct a contestable claim investigation before determining any eligibility for the waiver benefit.

Under no circumstances should the agent/broker or general agency make any statement(s) or comment(s), written or verbal, as to Banner Life or William Penn's liability or the validity of the claim.

We will communicate directly with the owner regarding the processing of his/her claim. If the owner is not the insured, it will be necessary for the insured to complete a written statement regarding his/her disability and to provide us with an authorization to obtain any medical records regarding his/her disability.

ACCELERATED DEATH BENEFIT CLAIMS

If a policy owner with an Accelerated Death Benefit on his/her policy notifies the agent/broker or general agency that the insured has a medical condition that may qualify under the policy's Accelerated Death Benefit Rider, we ask that the agent/broker or general agency notify us promptly. A phone call is sufficient.

A complete notice includes the following information:

- Name of the insured
- Policy number
- Medical condition (if known)
- Date agency was notified

We will notify the owner in writing of the benefit for which he/she is eligible and the necessary information and procedures to file a claim. The claimant should notify us of a claim as soon as possible.

If the policy is still within the Incontestability period as defined in the contract, the Company will need to conduct a contestable claim investigation before determining any eligibility for the accelerated death benefit.

Under no circumstances should the agent/broker or general agency make any statement(s) or comment(s), written or verbal, as to Banner Life or William Penn's liability or the validity of the claim.

We will communicate directly with the owner regarding the processing of his/her claim. If the owner is not the insured, it will be necessary for the insured to complete a written statement regarding his/her medical condition and to provide us with an authorization to obtain any medical records regarding his/her condition.

ACCIDENTAL DEATH CLAIMS

In addition to the general death claim requirements, in the event the insured has an active Accidental Death policy, the Company may need to obtain additional records/documents to confirm that insured's death was covered pursuant to the terms, conditions and provisions as outlined in the Accidental Death contract.

GENERAL INFORMATION ABOUT BENEFICIARY DESIGNATIONS

The beneficiary designation on an application or change form must be clearly stated so that we can carry out the wishes of the owner upon the insured's death. For assistance with a beneficiary designation, you may contact the Claims Department directly. For more information, please refer to the Customer Care, Submit and Underwriting Sections.

Commissions Handling

INTRODUCTION

The Commissions Department is responsible for managing commission calculations and payments. This section will answer most commission accounting questions. If further clarification on procedures is needed, please contact Commission Accounting.

STAFF

The best way to contact Commissions is by email:
commission@lgamerica.com

To contact Commissions by telephone, dial 1-888-585-9198 ex 2711

COMMISSION PAYMENTS

Commission payment and statement options are set up by completing the *Agent/Agency Commission Payment Profile form*. This form requests the frequency of payments, minimum balance to generate payment and option to receive commission reports by email. Web commission statements are available for all appointed agents/agencies.

Banner Life Form: BK-12
William Penn Form: BK-12WP

Commission payments are processed every business day. A variety of payment frequencies are offered to suit the preferences of your agents/brokers through EFT. If opting for EFT, a copy of a voided check will need to be submitted with the Agent/Agency Commission Payment Profile form. If a voided check copy cannot be provided, confirmation of the account information on bank letterhead can be accepted. EFT is only available for checking accounts.

To inquire about an agent's individual commission method and frequency, please contact the Licensing Department at agentlicensing@lgamerica.com.

Electronic Funds Transfer
EFTs are transferred to the bank on the day following the commission cycle. A corresponding email is sent to the address that we have on file for the agent if that option was selected. The funds generally will be available within 1-2 business days for each agent, depending on each individual bank's EFT procedures for processing the funds.

COMMISSION CUT OFF DATE

Commissions are processed and released every business day. The actual processing frequency will vary for each broker based upon their selection as reported on the Commission Payment Profile form (BK-12/BK-12WP).

The delivery requirements need to be recorded and the policy made active before the close of business on the broker's selected payday. If commission is expected for a particular policy and that does not appear on a commission statement, it is likely the policy is not active due to an outstanding delivery requirement. To ensure that commission is paid on the next commission cycle, please verify that the policy is activated prior to the commission processing date by

checking the status on the Partner Dashboard and resolving any outstanding issues with the appropriate business area. For inquiries regarding delivery requirements, please contact Policy Delivery.

COMMISSION ADDENDA

The current commission addendum on which an agent is placed is available in the Licensing section of the Partner Dashboard, partner.lgamerica.com, where it can be viewed, saved and printed. To locate the schedule, select the Licensing tab to search for the agent. Once you have selected the agent, click the Contract Information link on the left. The link to the schedule will appear beneath the Commission Schedule column under the Agent Hierarchy heading.

COMMISSION PAYMENTS AND APPLICATION-RECEIVED DATE

Commissions are determined by the application-received date and will pay according to contracting records in effect on the date we receive the application. To ensure commissions pay correctly, any agent changes should be made prior to submitting an application. Common changes include:

- Change of commission schedule
- Adding or deleting agents from hierarchy for overrides
- Adding or removing an assignment of commissions
- Placing an agent on advances

If an application is pending and an agent change is desired, it can be accomplished with special handling by our Licensing staff. Send a memo that includes the broker's name, broker number, policy number(s), the specific request desired and any required documents to the Licensing department. After the memo is sent in, it is important to make sure that the request is completed before the policy is activated. Keep in mind all applications received on or after the change date will be processed under the new terms.

COMMISSIONS ON REPLACEMENTS

When an in-force policy (life or annuity plans), is replaced or if its benefits are reduced in conjunction with the issuance of a new policy, it is considered an internal replacement. Partial or total surrenders, lapses with or without value, decreases in benefit amounts, or loans in excess of 25 percent of all applicable policy loan values are all considered a reduction in coverage for replacement purposes. If the activity takes place within six months before or after the date of application or effective date of the new policy, it is considered a replacement. Policies eligible for conversion are excluded from this definition.

Commissions may be reduced on new policies that are replacing existing policies. Existing policies include any with the Company or its subsidiaries. Commissions may also be reduced when the applicant is deemed to have a replacement history.
In situations where an agent other than the one who wrote the original policy writes the replacement, the new agent writing the case receives all applicable compensation and production credit for the case subject to any replacement adjustment.

Compensation varies based upon the type of plan being replaced and how long the policy has been in force. We review the circumstances for each replacement and determine the appropriate commission adjustment. Although each situation is individually reviewed, the following table provides insight into the typical adjustment:

Replaced Policy Plan Type	In-Force Period	New Policy Applicable Commission
Term and Accidental Death Plans	5 years or less	Commission on the increase on target premium
	More than 5 years	Full

The date is determined by the original policy effective date to the second policy application receive date. If the 2nd policy falls in line with the time frame above, then it will be considered a replacement policy.

YEAR-END COMMISSIONS PROCESSING

Our cut-off date for Miscellaneous Income Tax Reporting (1099) is the last business day in December. All commission will need to be paid by the last business day to be included for the year-end 1099 Misc.

The agent's individual cut-off date depends on when the agent has elected to be paid. For example, if the agent is paid monthly and the most recent scheduled date is 4th, all commissions applied by December 4th will be included in the 1099 Misc. for the year. The next pay date is January 4th of the following year.

The General Agent bonus is based upon all commissions processed through the last business day of December. The payment date for each agent in the hierarchy may be different. Consider a situation where the General Agent is paid on the standard schedule and the broker paid monthly with the most recent pay date of December 4th. A case is paid on the last business day in December. The General Agent's share of the commission will process on the last business day and will be included in the bonus for the year. The broker's share will process on January 4th and will be included in the bonus for the next year.

If any cut-off dates mentioned above fall on a non-business day, the cut-off date will be the prior business day.

Customer Care

INTRODUCTION

Customer and Administrative Service is responsible for processing title changes, policy changes, billing changes, address changes, premium payments, surrenders, loans and withdrawals, EFT set-ups and changes, incoming and outgoing 1035's, reinstatements, conversions, and responding to all inquiries on in-force policies. This section will answer most questions. However, if further clarification on procedures is needed, please call or e-mail the Customer Care Department.
Banner Life Customer Care - 800- 638-8428 or CustomerService@Bannerlife.com
William Penn Customer Care 888-585-9198 or Customerservice@Wpenn.com

TITLE CHANGES

This sub-section will discuss the different forms and procedures for the different title changes that may occur during the life of a policy. Forms may be obtained on the website at partner.lgamerica.com.

Beneficiary Changes
The beneficiary designation on an application or change form must be clearly stated so that Claims can carry out the wishes of the insured upon his/her death. Avoid using vague designations, such as wife, child, or children without using their names. When designating multiple beneficiaries, the distribution amounts must be listed as percentages totaling 100% of the total proceeds. Dollar amount allocation will be rejected.

The owner of the policy has the right to change the beneficiary, subject to the conditions of any previous assignment, unless he/she has waived such right. Therefore, to change the beneficiary, a written request must be sent to Customer and Administrative Service. Review the cover pages for proper designation examples and instruction for any supporting documentation if necessary. Digital issued policies without a comparable signature on file will be required to submit a current legal ID or driver license for owner signature authentication. It is not necessary to return the policy. Go to the section for Customer website for information on how the Policy Owner can update their beneficiaries directly on the website.

Banner Life Form: LP200

William Penn Form: LP200WP

The full name, address, and relationship of the proposed beneficiary must be given and must include either the social security number or the date of birth of the beneficiary. If a trust is being named beneficiary, enter the trust date in the date of birth field, please include the Trust Certificate Form (Banner Life LU1277 or William Penn LU1277WP)

The following jurisdictions have community property laws: Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, and Wisconsin. In general, requests to change the beneficiary originating in these jurisdictions should be signed by the owner of the policy and the spouse of the owner. The completed form should be sent to the attention of the Customer Care.

Name Changes
Any request to edit the name of the Insured and/or Policy Owner on an existing contract must be made in writing via a Name Change Form. Evidence of the legal name change must be presented with the name change request. An updated Passport, Driver license, State Issued ID or Social Security card are acceptable. A marriage certificate or divorce decree are not acceptable forms of evidence. It is *not* necessary to return the policy.

The completed form should be sent to the attention of the Customer and Administration Services Department.
A confirmation letter is mailed out to the policy owner once the name change is completed. Please note that the letter does not currently spell out the specific details of the change. The policy owner should keep this confirmation letter with their policy.

Banner Life Form: LP156

William Penn Form: LP156WP

Address Changes
Address changes can be made by written request on the *Address Change form* by email, or by phone request, providing the policy owner places the call and authorization is satisfactory.

Banner Life Form: LP155

William Penn Form: LP155WP

Transfer of Ownership
To transfer ownership of a policy, the current owner must complete the *Ownership Change form*; include the name, social security number, signature, address **and title**, if applicable of the new owner. The current owner must also sign the request, and then submit it to the Customer and Administrative Services Department for processing. If a trust is being named as the new owner, or if the policy is currently owned by a trust, a Trust Certification form (Banner Life LU1277 or William Penn LU1277WP) must be completed and submitted with the Ownership Change Form. The owner of the policy and the owner's spouse should sign requests originating in community property states. The policy is not required for this type of change, which will take effect upon approval by the Customer and Administrative Services Department. If the policy has a collateral Assignment attached, the Assignee must sign and approve all transfers of owners or first release the assignment.

Banner Life Form: LP154

William Penn Form: LP154WP

Collateral Assignments
Policies can be assigned as collateral by policy owners to cover any life insurance requirements that banks make with regard to loan or mortgage qualifications. In order to assign a policy as collateral it must be active and in force. No assignments are made until the policy is delivered and the proper paperwork is received. The following forms are required for a collateral assignment:

Banner Life: will accept either the *Collateral Security Agreement form (LP158)* or the standard *American Bankers Association (ABA) Collateral Assignment form*, which most banks supply.

William Penn: will accept the *Collateral Security Agreement form (LP158WP)*.

If the request is for multiple assignees, a letter signed by the owner must accompany the assignment form stating the order in which the assignees are to be paid. Forms should be sent directly to the Customer and Administrative Services Department. In states where community property laws apply, the owner of the policy and the owner's spouse should sign the request. A copy of the recorded assignment form will be sent to the bank and to the policy owner. We will not assign specific dollar amounts other than the policy value at the time of claim.

Once a policy has been assigned, all rights of ownership remain with the assignee until a written release of assignment is received. While the policy is assigned, the following changes cannot be processed without the signature(s) of the assignee: a loan, partial or full surrender, Internal replacement or ownership change.

Banner Life: will accept either the *Release of Assignment form (LP 99-M)* or the standard *ABA Release of Assignment form*.

William Penn: will accept a letter from the assignee. If the assignee is a corporation (i.e. a bank), then we will accept a letter on company letterhead and signed by an officer.

The Customer and Administrative Services Department processes the release of assignment and notifies the owner in writing.

DUPLICATE OR LOST POLICY REQUESTS

When a policy contract has been misplaced, a statement of insurance, which is often referred to as a *certificate of insurance*, is issued in most circumstances.

Banner Life: The policy owner must complete and sign the *Lost Policy section* of the *Policy Change form (LU-1071)*.

William Penn: The policy owner must complete and sign the *Multipurpose Policy Service Form (MPS-93)* and chose either the Policy Certificate or Duplicate Policy section.

A duplicate policy is issued if the original is irrecoverably lost or destroyed. Under these conditions, the home office issues a full duplicate policy upon receipt of the completed form. A fee of $25.00 is imposed when a request is made for a lost policy from a settlement or viatical company. Completed forms and fees should be sent to the Customer and Administrative Services Department. For digitally issued policies a duplicate policy will be sent via secured e-mail and a fee will not be required.

MODIFIED ENDOWMENT CONTRACT ACKNOWLEDGEMENT FORM

In illustrating the policy, if it becomes a Modified Endowment Contract (MEC), due to payment of premiums in excess of the seven-pay limitation, the client must acknowledge that he/she is aware of, and accepts, the MEC status of the policy. *The MEC Delivery Receipt form* or the appropriate section of the illustration acknowledging the MEC status must be signed at the point of sale.

If a copy of the acknowledgment form is on file on the first anniversary after the policy is funded over the seven-pay limit, Admin Service will not send the modified endowment letter to the client. This prevents a client from removing funds from a policy unnecessarily.

POLICY CHANGES

Policy changes are considered if permissible by the company guidelines and policy provisions. Face Decreases are not a provision of all policies issued after 2018. Please ensure to review the policy provisions. Changes should not be promised or figures quoted without home office authorization. While a request is under review, premium payments should be continued until a decision has been made.

> **Banner Life:** The *Policy Change form (LU-1071)* is used when the owner wishes to change the death benefit option from Type A (increasing) to Type B (level), change the planned modal premium, delete coverage for a rider or benefit, or change frequency of premium payment. The completed form must be sent to the Customer Service Department with all of the questions answered in full.
>
> **William Penn:** The *Policy Change form (1778).* This form should be used for changes that require underwriting approval and for other changes not requiring underwriting approval. The owner of the policy must sign, in ink, all forms requesting changes in the contract. The authorization must be properly signed and dated. ***The Medical Information Bureau and Fair Credit Reporting Act Notices must be detached and given to the proposed insured or applicant, as applicable.***

If the policy is owned by a partnership, the name of the partnership should be written above the signature space, followed by the signatures of all partners, each designated as *partner*. If the policy is owned by a corporation, the name of the corporation should be written above the signature space, followed by the signature and title of an officer authorized by the Board of Directors of the corporation to sign for the corporation. A certified copy of a resolution adopted by the Board of Directors, referring to the transaction and signature, should accompany the request for change. If the policy is assigned or contains an irrevocable beneficiary, the assignee or irrevocable beneficiary must join with the owner in requesting contractual changes.

Premium Classification Changes
If a policy was issued in a rated premium class, at the request of the policy owner, Underwriting will consider reducing or eliminating the rating after the policy has been in force for at least one year, if it appears that the risk has improved.

> **William Penn:** complete the *Policy Change Application (1778)* and indicate the request on the section for other information on the first page.

Send the form to the Customer and Administrative Services Department. Do *not* return the policy.

Changes in premium class which have been approved by underwriting become effective as of the due date of the next premium, or the next day of the month which corresponds to the day in the policy date, whichever is earlier.

Reduction and Removal of Ratings
After a policy has been in force for at least one year, it can be considered on an individual basis for a reduction or removal of ratings to include the changing of smoking status from smoker to non-smoker. Due to 1980 CSO guidelines as of 12/31/08, policy changes are limited to contractual provisions on UL policies. Please consult a Customer care representative if you have any questions.

William Penn: submit the *Policy Change Application (1778)* (smoker to non-smoker requires the Tobacco Questionnaire) with complete details to the Customer and Administrative Services Department.

Banner Life: The owner would send in a written correspondence requesting a rate reduction review including what has changed or reason for review. Send the form to the Customer and Administrative Services Department. Do not return the policy.

REINSTATEMENTS

A term policy may be reinstated, if it lapsed and was not surrendered any time within five years of the date of lapse. Evidence of insurability may be requested by the underwriter in order to approve the reinstatement. Payment of all premiums in arrears will be due once the policy is approved by the underwriter.

Universal life policies that terminate in accordance with the grace period provision may be reinstated within five years after the expiration of the grace period.

Reinstatement consideration requires the following:

- A Reinstatement Application must be submitted by the owner.
- Evidence of insurability, if required, is received and reviewed by the Underwriting Department.
- If the reinstatement is approved, all past due premiums must be paid plus the planned premiums for the three months after the reinstatement for policy to become activated.

The *Reinstatement Application* should be completed and returned to the Customer and Administrative Services Department. The Application and Hipaa form must be properly signed and dated. The Medical Information Bureau and Fair Credit Reporting Act Notices must be detached and given to the proposed insured or applicant, as applicable.

Banner Life Forms: State Specific; forms may be obtained on the website at partner.lgamerica.com. If state is not listed use form ICCLU1282.

William Penn Forms: LU1258WP, form LU1258FLWP for Florida or form LU1258NJWP for New Jersey

If the reinstatement requires additional medical information for the underwriting process, a letter is sent to the proposed insured informing him/her of such requirement. The insured is responsible for the fees associated with the additional medical requirements.

TERM CONVERSIONS

Banner Life: Conversions of existing term policies to Banner Life universal life policies are processed in Customer and Administrative Services using the appropriate *Term Conversion Application.*

- ICC09-LU1285 – AK, AL, CO, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MI, MN, MO, MS, NC, NE, NH, NJ, NM, NV, OH, OR, OK, PA, RI, SC, TN, TX, UT, VA, VT, WA, WI, WV, WY
- LU1285 – AR, AZ, DE, ND, SD

- LU1285-CA – CA
- LU1285-NODISC – CT
- LU1285-DC – DC
- LU1285-FL – FL
- ICC09-LU1285-MA – MA
- LU1285-MT – MT

William Penn: Conversions of existing term policies to William Penn universal life policies are processed in Customer and Administrative Services using the *Term Conversion Application (LU1285WP).*

The term conversion application needs to be signed and received in the home office three business days prior to the final conversion date.

Conversion Period:
Term policies can be converted for the duration of the guaranteed level premium period or up to attained age 70, whichever comes first. Policies issued at age 66 and over are convertible during the first five policy years.

LifeStep UL is the available conversion product.

To begin the conversion process:

- Specify LifeStep as the product, confirm convertibility, and complete the term conversion application in its entirety.
- Calculate and include, with the completed application, an initial modal premium.
- The original policy must be returned to the home office or a lost policy statement must be completed.
- Submit a signed sales illustration for LifeStep.
- Submit first modal premium.
- All sales agents must be current on their AML certification

Once Customer and Administrative Services receives the completed conversion application and initial premium the following steps will be taken:

- The information on the form is verified and receipt of the initial premium is confirmed.
- The new conversion contract is generated, and a new policy is sent to the general agent for delivery to the client.
- The original term policy is suspended, except in cases of partial conversions where the term policy is changed to the amount remaining after the conversion.
- Upon receipt of the completed delivery items and initial premium the original term policy is terminated, and the new policy is placed in force.
- Unused premium on the term policy will be refunded to the owner

INTERNAL POLICY REPLACEMENT

When a policy owner intends to replace an existing Banner Life/William Penn policy with a new Banner Life/William Penn policy, Part 1, section G of the application must indicate the replacement. The replacement will be processed and a refund issued for any unused premium when the new policy is placed in force. The policy owner must be the same on both policies in order for the new policy to replace the existing policy.

UNIVERSAL LIFE ANNUAL STATEMENT

Annual statements are automatically produced 15 days after each policy anniversary for universal life policies and sent to the policy owner. The purpose of this report is to communicate the month-by-month breakdown of premiums paid, expenses charged, interest granted, cost of insurance deducted, and the account value accumulated. The report also shows the policy year-end cash surrender value, which is the account value minus any applicable surrender charges and/or outstanding loan (if any).

INTEREST CREDITING RATES

When interest crediting rates change on universal life products, an advance notification is sent directly to all general agents. Current crediting rates are posted to the News Page of our website. Questions on interest crediting rates can be directed to the Customer Care Department.

IN-FORCE ILLUSTRATIONS (AFTER ISSUE)

After-issue illustration requests should be submitted to the Customer and Administrative Services Department after the first policy anniversary by completing the Illustration Request Form. The form can be submitted via fax, email, or mail service.

Banner Life Form: LP196

William Penn: LP196WP

Banner Life: Fax number is 301-294-6960 and the email address is CustomerService@bannerlife.com.

William Penn: Fax number is 516-229-3081 and the email address is CustomerService@wpenn.com.

The Customer and Administrative Services Department will provide in-force illustrations upon written request from the policy owner, agent or General Agent. Additional requests in the same Policy year are subject to an administrative fee.

MISSTATEMENT OF AGE OR SEX

If a misstatement of age or sex on an application is discovered, the Customer and Administrative Services Department makes the appropriate adjustment to either the death benefit amount or premium requirement, as deemed necessary.

POLICY OWNER BILLING

	INITIAL BILL	COURTESY REMINDER	UL INITIAL GRACE	LATE OFFER*	TERMINATION NOTICE
WHEN DOES THE NOTICE GET GENERATED?	23 DAYS BEFORE DUE DATE	15 DAYS AFTER DUE DATE	MONTH THAT VALUES ARE INSUFFICIENT TO SUPPORT POLICY	TERM – 30 DAYS AFTER DUE DATE UL – 60 DAYS AFTER INITIAL GRACE LETTER	TERM – 61 DAYS AFTER DUE DATE UL – 91 DAYS AFTER INITIAL GRACE LETTER
WHO RECEIVES THE NOTIFICATION?	PAYOR, ADDITIONAL PAYOR AND ASSIGNEE	BGA	PAYOR, OWNER, ADDITIONAL PAYOR/OWNER, ASSIGNEE BGA	PAYOR, OWNER, ADDITIONAL PAYOR/OWNER, ASSIGNEE BGA	PAYOR, OWNER, ADDITIONAL PAYOR/OWNER, ASSIGNEE BGA
WHAT FORMAT IS THE NOTIFICATION?	PAPER	EMAIL	CUSTOMER – PAPER BGA - EMAIL	CUSTOMER – PAPER BGA - EMAIL	CUSTOMER – PAPER BGA - EMAIL
	* Late Offer – Policy no longer provides coverage; however, policy can be reinstated without evidence of insurability, subject to certain conditions being met.				

SURRENDERS

The following forms should be submitted to Customer and Administrative Services in order to process a surrender:

Banner Life Forms: LP153 for a full surrender; LP160 for a partial surrender.

William Penn Forms: LP153WP for a full surrender; LP160WP for a partial surrender.

The original policy must be returned to process a full surrender. The owner of the policy and the owner's spouse should sign requests originating in states with community property laws. Tax information is required on the form in compliance with Internal Revenue Service guidelines concerning tax identification number certification and withholding procedures.

LOAN REQUESTS

The Customer and Administration Services Department processes a loan upon receipt of a completed and signed form.

Banner Life: LP157

William Penn Form: LP157WP

Loan requests will not be accepted by a phone call. The owner of the policy and the owner's spouse should sign requests originating in states with community property laws. Loans are available on a life insurance policy's cash surrender value while the policy is in force. A loan is made on the security of the policy by assignment of the policy to Customer Care. A loan can be made for any amount that, with interest, does not exceed the cash surrender value on the next premium due date or policy anniversary. Though most loans are granted promptly, Customer and Administrative Services reserves the right to defer the granting of a loan for a period not exceeding six months from the date the application is received at the home office. Loan interest on universal life policies is payable in advance from the date of the loan to the next policy anniversary at the annual interest rate of 7.4 percent. Interest is payable in advance at the beginning of each policy year. If interest is not paid when due, it is added to the loan and will bear interest at the same rate.

CUSTOMER COMPLAINTS

Any written or oral statement made by a policy owner (or representative on behalf of a policy owner) that alleges improper activities by Banner Life, William Penn, or its contracted agents in connection with the solicitation or execution of an insurance transaction must immediately be brought to the attention of the Banner Life/William Penn's Compliance Office.

If a complaint or request for information regarding a Banner Life or William Penn policy is sent directly to an agency or agent from a state insurance department, a copy of the complaint and the response sent to the state insurance department must be forwarded immediately to Customer and Administrative Services who in turn forwards it to the corporate Compliance Office.

Every complaint is recorded in the compliance log and assigned to a processor. When the complaint is assigned, the processor faxes the complaint to the agency if determined this action is necessary. If agent misrepresentation or client suitability is involved, the writing agent must provide a written statement by fax within three days regarding the allegations in the complaint. If the writing agent is not available, the agency must provide a written statement based on the information in its files. If the complaint involves any other subject, it is provided to the agency for their use and information. The Customer and Administrative Services representative processing the complaint response will also contact the client to resolve any misunderstanding or confusion about the written complaint.

The Complaint Committee, which includes representatives of the Legal, Underwriting, Sales, Customer and Administrative Services , and Compliance Departments, reviews the complaint, the policy file documentation, records of any communications made to the client, and the agent's statement in order to determine the most appropriate action for the client and the agent.

After the Complaint Committee makes a final decision, a response is drafted and is sent to the originator of the complaint, with copies sent to the agency, policy owner file and all other parties involved. (NOTE: All Customer and Administrative Services forms are available on the websites at www.lgamerica.com or partner.lgamerica.com.

IN FORCE POLICY DATA

The following in force policy information can be accessed on our Partner Dashboard:

Policy Information:
Policy Number, Policy Status, Effective Date, Insured Name, Insured DOB, Broker Name, Product, Face Amount, Conversion Expiration Date, Underwriting Class

Billing Information:
Billing Frequency, Billing Amount and Paid To Date

Beneficiary Information:
Primary Beneficiary, Contingent Beneficiary, Beneficiary Percentages, Next Bill Date, Last Bill Generation Date

Contact Information for the Insured, Payor and Policy Owner

In addition to the in force information above (minus the conversion expiration date), universal life policies will display: Account Value, Surrender Value, Max Loan Amount and Loan Balance.

Users can search for in force business by: insured/business name, policy number, broker/business name and broker number. Issued start dates and issued stop dates can be used in conjunction with a search if requested.

The in force policy information can be viewed, saved or printed in PDF format as well.

Customer Website
Once the policy is Active and in force, the Policy Owner can view their policy information online at lgamerica.com

The first step to viewing their policy is to register. The Policy Owner will register with the e-mail address they use and their policy number. After completing a 3rd party authentication process, the policy owner can set up a password and their online profile.

The follow features can be accessed on the Customer Website:

- Policy Overview
- Print policy (Policies issued after 2014)
- Direct Bill Customers can make their one-time payment
- Beneficiaries updated for Non-Business owned or Trust owned policies (Excludes Massachusetts issued policies)
- Update mailing address
- Set up text reminders for Direct Bill
- Download policy change form
- Upload a completed form
- Send an online message to Customer and Administrative services

Document Processing Center (DPC)

INTRODUCTION

The Document Processing Center (DPC) is responsible for receiving, prepping, scanning and indexing all policy related documentation, including initial premium payments.

DOCUMENT PROCESSING OVERVIEW

Mail from the United States Postal Service and independent courier services are received and then date and time stamped at several intervals throughout the day. Documents are also received via fax, electronic image download and email boxes. DPC receives approximately 160,000 documents per month. Types of documents include new business applications, delivery requirements, follow up documentation requested by underwriters, customer care and agent licensing documents.

These documents are sorted, prepped and scanned in preparation for indexing. DPC indexes a wide variety of new business and customer care documents, while PAC and agent licensing documents are filtered to queues to be completed by their respective staff. As documents are indexed, requirements are reviewed and met. A task is then sent to New Business to begin the document review process for underwriting. It should be noted that requirements that are sent with policy applications may show outstanding on the website until our New Business Department completes a review of the documents. If a document cannot be linked to a policy, an unmatched mail name record is created. Once an application is received, the images attached to the name record are merged with the policy number.

All checks are logged and scanned immediately at the time the mail is opened. Funds not meeting our processing or anti-money laundering guidelines will be returned.

Examples of reasons for returned funds include:

- Incorrect payee listed. All funds must be made payable exclusively to Banner Life or William Penn Life, with the exception of endorsed trustee checks
- Check is not signed or correctly dated
- Written and numeric amounts do not match
- 3rd party or agency checks
- Cash equivalents, including money orders and cashier's checks
- Starter checks, with the exception of trust-owned policies
- Funds received outside of the Cash With Application (CWA) binding limit (five business days from date application is set up)

Original Documents
All original documents must be stored and maintained for at least **60 days** from the date the document is first transmitted to the home office. General Agencies will be responsible for the total destruction of original documents and must ensure that all information contained therein cannot be read or reconstructed. The destruction of documents should be performed by an employee of the General Agency or by a third-party vendor who is contractually bound by the

General Agency's privacy policy with respect to sensitive information. We may, upon reasonable notice, conduct an onsite review of the agency's document destruction practices.

EXTERNAL IMAGING CRITERIA AND GUIDELINES

The Document Processing Center is currently working with two independent document imaging service providers, ExamOne and PaperClip. These vendors can help an agency unfamiliar with imaging begin the set up process, including familiarizing an agency with NAILBA standards for document coding, error thresholds, and general practices to help reduce the common problems associated with the imaging process. Agencies that would like to begin imaging to Banner Life or William Penn should contact their internal wholesaler.

- Image Properties
  - Resolution: 300 x 300 DPI
  - Page size: 8.5"x 11"
  - Compression: Tiff Group 4 Fax
  - Color: Black and white

- The TXT files should contain the following index information:
  - Proposed insured first & last name
  - Social Security Number
  - Date of Birth
  - Policy number (if available)

- Authorized departmental images:
  - Applications
  - New Business (pending or issued within 60 days)
  - Delivery Requirements
  - Customer Care
  - Licensing

- NAILBA standard document codes for indexing are listed in the table below. For proper setup of a new application, please see below note regarding APPI rules.
  - APPI – index only used for a 1st time application that needs a policy number
    - APPI image must include pages 1, 2, 3, 5, 12 and the HIPAA for Banner Life and pages 1, 2, 3, 4, 5, 11 and the HIPAA for William Penn.
    - If any of these pages are missing, it will delay the processing and the application may result in being rejected.

Required NAILBA Document Types for Imaging

NAILBA Document Type	Definition	NAILBA Description
APPI	Life Application Part 1 and related documents	Includes Application Part 1, Work Sheet, Temporary Insurance Agreement (TIA), Agent's Report, Release of Health Related Information (HIPAA) form
DELIVREQ	Mail / Delivery Requirements and related documents	Correspondence and documents for delivery of policy, including Delivery Requirement Cover Letter, Policy Delivery Acknowledgement (PDA) / Receipt, Backdate Notice, Returned Original Policy, Good Health Statement, Amendment to Application

WE HAVE NO OTHER NAILBA CODE REQUIREMENTS; HOWEVER, EACH AGENCY MAY USE THE NAILBA DOCUMENT CODE THAT THEY CHOOSE OTHER THAN APPI OR DELVREQS FOR PURPOSES OTHER THAN STATED ABOVE.

CHECK 21

This processing alternative is the outgrowth of the federal law called “Check 21” that was designed to enable banks to handle checks electronically, making check processing faster and more efficient. Electronic check processing uses technology that has been developed and tested to process check information securely.

Checks from new policy owners that are scanned according to specifications and forwarded with Check21 bar code sheets (retrieved from Exam One or PaperClip) can be processed electronically for deposit. Your agency will no longer have to mail physical checks. Agencies that would like to begin using Check 21 should contact their internal wholesaler. You can also find resources at https://www.lgamerica.com/docs/default-source/advisor/digital-tools/check-21-training.pdf
The following requirements apply only to checks transmitted via imaging for the purpose of depositing a check from an image:

- Image Properties
  - Resolution: 300 x 300 DPI
  - Page size: 8.5” x 11”
  - Compression: Tiff Group 4 Fax
  - Color: Black and white
- The TXT files should contain the following index information:
  - Proposed insured first & last name
  - Social Security Number
  - Date of Birth
  - Policy number (if available)

- Check images must contain two 8.5” x 11” pages as follows:
    - Front of check imaged horizontally to top left corner of page 1 of image.
    - Back of check imaged horizontally to top left corner of page 2 of image.
- Only two pages will be accepted. Additional pages will disqualify the image.
- Do not write on either page outside of the borders of the check image itself.
    - Check images will be cropped for processing. Additional information written on the page outside of the check borders will disqualify the image.
    - Policy number should be listed on the check if known.
- Check image must be sent using the NAILBA doc type/barcode Check21.
    - If another doc type is used (MONEYDOC, AGENCY CHECK, etc.) or if a PDF or TIFF is sent directly to us, the image will be indexed to the case, but the funds will NOT be allocated to the policy. We will expect the physical check is forthcoming in those cases.
    - Please contact your imaging vendor to determine the proper procedures regarding the setup of your CHECK21 barcode.
- Live checks should be retained in the General Agency office in a locked storage mechanism for 30 days before being destroyed through a secure shredding process.
- We recommend that each agency mark the back of the check with a unique indicator denoting that the check has been transmitted for processing. This will prevent the live check from being mailed to Banner Life or William Penn or duplication of check images being transmitted.
    - The indicator should be placed on the back of the check so as to not compromise the integrity of the check in the event that the live check needs to be mailed to Banner Life or William Penn for deposit due to image quality concerns.

The following requirements apply only to live checks that are being mailed in to the home office for processing:

- The checks should be sent in an overnight package along with a check log listing each check included.
    - A check log needs to be completed for all new applications that include money to bind coverage and for cases that are approved and have premium due as an outstanding requirement. These checks can be listed on the same check log.
    - Please provide the following information on the log;
        - New Application Checks – provide client name, social security number (SSN) and check amount.
        - Delivery Requirement Checks – provide policy number, client name and check amount.
    - Write attention ‘DPC checks’ on the front of the envelope.
    - Copies of VOID checks can be imaged and should remain with the original PAC documents. Please do not attach void checks to the check log.

Licensing

INTRODUCTION

The Licensing Department is responsible for setting up new agent contracts and appointments, managing agent accounts, changing addresses, and for processing state appointment renewals, commission payment profile (EFT) requests, agent transfers, agent terminations, agent of record changes on active policies, Anti-Money Laundering and commission assignments. This section will answer most of your licensing questions. However, if further clarification on procedures is needed, please contact the Licensing Department.

LICENSING SECTION OF THE WEBSITE

The Licensing page on the website provides interactive management tools such as status of licensing contracts, commission schedules, pending licensing requirements, direct communication with the Licensing Department via e-mail and the ability to search for agents by name, number, appointed states and appointed date. For more detailed information about the Licensing section of the website please review the “Website” section.

INSURANCE LICENSING

State Licensing
To act as an insurance agent/broker, a valid insurance license with ‘Life’ line of authority must be maintained and the agent/broker must be licensed in the **policy owner’s resident state**. Obtaining a license requires successful completion of a pre-licensing course and an exam for the specific line(s) of insurance that the agent/broker plans to sell. An insurance license must be kept current. States require periodic license renewal and most require continuing education.

A current valid license is the personal responsibility of each agent/broker.

Just-in-Time State Appointments
Legal & General America has adopted the industry standard of Just-in-Time state appointments for brokers. This means the state appointment will be initiated once a new business application is submitted. Appointment confirmation from the state is needed before a policy can be issued. In order to maintain an active license, the agent must comply with state license requirements and continuing education. It is the agent’s/broker’s responsibility to ensure that they comply with statutes. For specific state information please contact the State Department of Insurance.

For commission purposes it is important to remember that when required by the state, all entities in the hierarchy must be appointed for business solicited in the state. Commission cannot be paid to any entity in the hierarchy until a current license is submitted to the Licensing Department. It is the general agent and agent’s/broker’s responsibility that all entities in the agent’s/broker’s hierarchy maintain a current license. Please contact the Licensing Department staff regarding individual state requirements. If the general agency is not licensed in the state where the agent/broker solicits business but the principal is, then the principal can request appointment as a separate general agency by completing the appropriate general agency contracting paperwork.

The agent/broker will also need to submit contracting paperwork to have an agent number assigned under the principal’s new general agency.

PLMA – Producers Licensing Model Act
The Producer Licensing Model Act (PLMA) is a model legislation developed by the National Association of Insurance Commissioners (NAIC) and is currently adopted in some form by most states.

For those states that have not adopted a version of the PLMA (referred to as "Non-PLMA states"), the writing agent and the entire upline hierarchy must be licensed and appointed in that state to receive override and bonus compensation in that state. To eliminate rejected applications, the system has been updated to perform an agent validation on Non-PLMA state policies and override the hierarchy for commission purposes.

Currently, there are 16 "Non-PLMA states" that require all levels of the hierarchy to be licensed:

- CA, FL*, GA, KY, LA, MA**, MT, NM, NC, PA, SC, SD, TX, VA, WV, WI*

  *Florida and Wisconsin allow corporations to receive overrides and commissions as long as the principal is licensed and appointed.

  **Massachusetts requires an administrative address in Massachusetts to obtain a non-resident corporate license. An address in Massachusetts is not required for sole proprietors and partnerships.

Pre-Appointment States
Banner Life and William Penn do not have any pre-appointment states. An agent/broker can submit business prior to being appointed and contracted, however, a valid insurance license must be maintained in the policy owner's state. Additionally, in order to comply with each state's appointment notification laws, we must receive contract paperwork within the allotted time frame set forth by each individual state. The insurance agent/broker must be licensed in the policy owner's resident state.

Must be active with Banner Life in				
14 days	**15 days**	**30 days**	**45 days**	**No Appointment**
CALIFORNIA	ALABAMA	**ALASKA	FLORIDA	ARIZONA
	ARKANSAS	DISTRICT OF COLUMBIA		COLORADO
	CONNECTICUT	IOWA		ILLINOIS
	DELAWARE	KANSAS		INDIANA
	HAWAII	MISSOURI		RHODE ISLAND
	IDAHO	***MARYLAND		OREGON
	KENTUCKY	NORTH DAKOTA		
	LOUISIANA	OHIO		
	MAINE	PENNSYLVANIA		
	MASSACHUSETTS	TEXAS		
	MICHIGAN	VIRGINIA		
	MINNESOTA			
	MISSISSIPPI			
	GEORGIA			
	NEBRASKA			
	NEVADA			
	NEW HAMPSHIRE			
	NEW JERSEY			
	NEW MEXICO			
	NEW YORK			

NORTH CAROLINA
OKLAHOMA
SOUTH CAROLINA
SOUTH DAKOTA
TENNESSEE
UTAH
VERMONT
WEST VIRGINIA
WISCONSIN
MONTANA
WASHINGTON
WYOMING

**** ALASKA- must be contracted within 30 days of the date of new business received**

*****MARYLAND - Confirmation Letter indicating the agent is active in Maryland must be sent within 30 days of the date of new business is received**

LICENSE/APPOINTMENT/CONTRACT TURN-AROUND TIME

The average turn-around time for processing contract paperwork is 48 business hours from receipt of documents.at Banner Life and 24 business hours at William Penn. Processing can be expedited by prompt delivery of all licensing requirements. Once all the licensing requirements have been met a request for appointment will be sent to the applicable state. Once the agent contract has been terminated new contract paperwork is required.

Banner Life: If the agent/broker appointment documents are received and any of the following information is missing, the Licensing Department will return the entire package to the general agency for completion:

- If any of the following information is missing from the Biographical Information form (BK-10): social security number, tax identification number and hierarchy information
- If contract paperwork is received with a different principal than the current contract indicates and a letter of release from the current principal or company officer was not submitted
- If a name change is received without supporting documentation (legal document, new contract paperwork, letter indicating that they will be responsible for all back withholdings and charge backs)

Banner Life: If any of the following information is missing from the agent/broker appointment documents, the Licensing Department will continue the licensing process and post this information on the website:

- Adoption authorization information
- Commission schedule information
- Assignment of Commission form BK-6 when the biographical form BK-10 indicates intent to assign commission
- Incomplete Assignment of Commission form
- W-9 form
- Copies of licenses
- Background check information

- Incomplete assignment of commission form
- Marketing approval required for BMGA1 and BGA's
- Letter of AML certification
- Errors and Omissions insurance if required
- Letter of explanation, if requested for background history
- Assignee not contracted under same general agency code
- Completed Commission Payment Profile Form (BK-12), if EFT is requested

Under Just-in-Time appointments, we will process all requirements at the time the broker contract application is received with the exception of a background check if required and the state appointment. The processing of background checks and state appointments will occur after a life application is received.

If the broker contract application is pending and a life application has not been received, we will keep the broker file open for 60 days and if in that time requirements remain outstanding we will close the file. A termination letter will be mailed to the agent/broker and their general agency. If all requirements are received (excluding background check) we will keep the broker file open as explained above under Just-in-Time.

Pending contracting requirements are emailed to the person listed on the cover sheet of the broker contract application. An email will be sent every 5 days on all outstanding licensing requirements.

William Penn: If the agent/broker appointment documents are received and any of the following information is missing, the Licensing Department will return the entire package to the general agency for completion:

- If any of the following information is missing from the Biographical Information form (BK-10-WP): social security number, tax identification number and hierarchy information
- If contract paperwork is received with a different principal than the current contract indicates and a letter of release from the current principal or company officer was not submitted
- If a name change is received without supporting documentation (legal document, new contract paperwork, letter indicating that they will be responsible for all back withholding)
- If contract paperwork is received for an agent/broker who was terminated for non-production and the cover memo does not give adequate information to identify pending business (a cover memo should be included with new contract paperwork with the insured's name and last four digits of the social security number)
- If contract paperwork was submitted directly from the agent/broker and the general agency cannot be determined

William Penn: If any of the following information is missing from the agent/broker appointment documents, the Licensing Department will continue the licensing process and post this information on the website:

- Adoption authorization information
- Commission schedule information
- Assigning of commission information
- W-9 form
- Copies of licenses
- Background check information
- Incomplete assignment of commission form
- Marketing approval required for BGA's
- Miscellaneous
- Reg 187 (The Best Interest Suitability Act)
- Errors and Omissions insurance

The contract will remain in pending status until complete paperwork is received. All pending agent/broker files that have requirements outstanding for more than 60 days will be closed. An e-mail is sent to the general agency informing them that the file has been closed.

BIOGRAPHICAL INFORMATION FORM

Every agent requesting to be contracted is required to complete and sign the Biographical Information for Contract Applicant. By signing this form, the applicant is certifying the information provided is complete and accurate. This also provides authorization to conduct a more detailed background investigation, if necessary.

Banner Life Form: BK-10

William Penn Form: BK-10-WP

Currently, the states which require Banner Life insurers to conduct an outside background investigation are as follows:

Alabama	Arkansas	California
District of Columbia	Florida	Georgia
Kansas	Kentucky	Minnesota
Mississippi	Nevada	New Jersey
North Carolina	North Dakota	Ohio
Oklahoma	Pennsylvania	South Carolina
Tennessee	Texas	Virginia
West Virginia	Wisconsin	Wyoming

Background checks will also be required if:

- Any of the questions in Section IV of the Biographical Form (BK-10) are answered Yes.
- The agent is requesting advanced commissions.

If an agent answers in the affirmative to any questions on this form, or if the background investigative report reveals a history of financial mismanagement, criminal activities or poor business practices, then the agent should provide a detailed explanation pertaining to the incident(s) in question, along with any and all supporting documentation. *An agent can obtain a*

copy of his/her background investigation report or address questions related to the content of this report to Business Information Group Customer Service (800) 260-1680

The BGA or BMGA1 recommending the applicant for contracting must also sign the Biographical information form. A BDGA, BEGA or BMGA can sign the adoption authorization for reporting agencies and brokers, however, the BGA or BMGA1 needs to sign page 2 of the Biographical information form.

It is very important that the information about the agent/broker hierarchy structure and commission addendum is included on page 2 of the Biographical form so that commission information is set up in the system and paid correctly. An incorrect or incomplete form will delay the licensing process.

W-9 REQUEST FOR TAXPAYER I.D. NUMBER AND CERTIFICATION

The W-9 form is required for any entities that are entitled to receive commission. If commissions are assigned, a 1099 will not be issued to the writing agent. Further, if commissions are assigned to another agent/agency it is important that the name on the W-9 form matches the name on the Biographical Information form.

A W-9 is not required for agents on the Agent Broker Non Commission Agreement (ABNCA) level.

Banner Life Form: ABNCA Adoption Authorization

William Penn Form: WP ABNCA Adoption Authorization

COMMISSION PAYMENT PROFILE FORM

To establish an electronic funds transfer, an agent/broker is required to complete and sign a Commission Payment Profile form. By signing this form, the applicant is certifying the information provided is complete and accurate. This also provides authorization to deposit commission earnings automatically to the account specified on this form or to withdraw funds from the account, if funds were deposited in error. By completing this form, the agent can select the payment frequency and the minimum balance to generate payment. In addition, a copy of a voided check, checking account information on bank letterhead or a deposit slip has to be submitted. EFT requests will be processed from the checking account with a voided check or deposit slip. *When requesting direct deposit, please do not copy the voided check on the Commission Payment Profile form.*

Banner Life Form: BK-12

William Penn Form: BK-12-WP

PAYMENT OF FEES

Banner Life and William Penn pay the resident and resident state appointment fees, including all resident state appointment renewal fees. Banner Life also pays for the initial non-resident license/appointment fee. Exam fees, first time licensing fees and fees for continuing education requirements are the responsibility of the agent/broker.
Applications and fees differ from state to state. If clarification is needed contact the State Department of Insurance for current fee amounts. As a BGA, all agents/brokers in your organization are responsible for meeting the licensing requirements mandated by the state, including continuing education and maintaining Errors & Omissions insurance.

CORPORATE LICENSES

Most states issue corporate licenses to residents and non-residents, therefore, if commission should be paid to the corporation, please submit a copy of the corporate license. For current information on the states in which these rules apply, please contact the State Department of Insurance.

Some states do not issue corporate licenses to residents or non-residents. However, they do allow commissions to be paid to a corporation. For current information on the states in which these rules apply, please contact the State Department of Insurance.

In some states, non-resident corporate licenses are not issued unless a corporation has a resident office in that state. Some agencies bypass this rule by making arrangements with a law firm. The address of the law firm becomes your formal address of record for insurance department communications for that state. For current information on what states these rules apply to, please contact the State Department of Insurance.

If an agent/broker is “doing business as” and wants to receive commission in the corporation’s name, then a copy of the license, indicating the agent is doing business as a corporation should be submitted. For current information on the states in which these rules apply, please contact the State Department of Insurance.

There are some state regulations on partnership licenses. You can change from a corporate contract to a personal contract only once. You cannot switch back and forth for each piece of business. When changing from a corporate to an individual contract, new contract paperwork is needed.

If additional information is needed, the Licensing Department can assist you.

MULTIPLE AGENCY APPOINTMENTS

A multiple licensing approach allows agents/brokers to establish relationships with the BGA based upon services provided and allows agencies to provide expertise and services as individual cases and situations merit. An agent/broker may maintain an active appointment with any number of brokerage general agencies.

With multiple agent/broker appointments, the following administrative procedures apply:

- Each agent/broker has a separate agent/broker number for each agency with which he/she is contracted. The general agency is responsible for making sure the application includes the correct number so the policy is coded accurately and compensation is paid correctly. The general agency where the agent/broker currently maintains an agreement will not be notified of the additional appointment.

Banner Life: If the BDGA, BEGA or BMGA seeks another appointment they should either:

- Submit new agent agreements for each agent or sub-agency; or
- Should the BDGA, BEGA or BMGA want to transfer downline agents to a different BMGA/BGA obtain a written release to transfer all agents and sub-agencies from the BGA they are leaving. The new BGA needs to accept each agent or sub-agency. Upon receiving written release, your internal wholesaler can provide a hierarchy list of agents to assist with the transfer. The new BGA has to sign the hierarchy list to accept the transfer.

A BMGA1 may not maintain other active appointments. A BEGA may maintain another appointment as a BMGA, BDGA or A/B with another BGA. The BMGA1 requires Distribution approval.

William Penn: If the agent seeks another appointment they should submit/complete new licensing and contracting forms through an existing general agency.

INSTITUTIONAL ACCOUNT APPOINTMENT PROCESS

As traditional sources have waned recently, financial institutions have served as a source of growth in the life insurance market. Institutional Accounts are maintained with regional and national life insurance agencies. These arrangements are unique in that their agreements allow for their representatives or employees to have multiple appointments with general agencies. These accounts want their brokers to have freedom to write business through the general agency of their choice while allowing for the institutional account to be included in the hierarchy for compensation purposes. The Financial Institution Agreement (IGA) allows general agencies to endorse the institution, making the account a sub-agency without obtaining additional agreements from the institution.

Institutional accounts are generally affiliates and subsidiaries of Institutional Broker Dealers (IBDs), wire houses, banks and property and casualty agencies. The typical institution is a mature and established agency with a large employee sales staff. They have in place strong continuing education programs, ongoing anti-money laundering (AML) training, compliance policies and procedures with continuing review of staff background and errors and omissions insurance that covers financial advisor activity.

Legal & General America enters into a selling agreement with the account. Our Institutional Sales staff will interact with the institution's management to maintain our presence and ensure that our products are available for sale within that institution. We will negotiate compensation and select administrative support.

Each general agency that works with the account will need to establish a separate selling agreement which defines the services provided. An agency communicates their agreement with the account upon submitting the Financial Institution Registered Representative Appointment Application for a representative or employee of the institution.

These forms and other materials for financial institutions can be found on the website under Marketing Materials>Financial Institution.

- **Once your agency has been approved by an institution,** it's simple to appoint advisors from that firm. Use the simplified BK23 form (BK23WP for William Penn). An annotated copy of the BK23 can be found here.

- **If the institution is not already in your hierarchy,** we'll know to add it if you write "pending" in the agency number field of the BK23.

The BK23 form correlates advisor names, cases, and firms and is the only way to assure that proper compensation is paid. Because the institution is responsible for conducting background checks, providing errors and omissions coverage, conducting anti-money laundering training and continuing education, this one-page form streamlines the process for appointing institutional representatives and employees, and does not require a signature. **Note: The BK23 forms cannot be used for traditional broker appointments.**

If the institution has not yet been contracted under our new IGA agreement, even if it may have been under a prior agreement:

- Our new **IGA agreements** for both Banner Life and William Penn must be signed by a principal of the institution. You can initiate the process to solicit this signature on the IGA agreement or ask us to do so. Just send the contact information to your regional vice president.
- A new **Institutional Appointment form BK24** (BK24WP for William Penn) must be completed by the institution principal responsible for compensation payments. Please contact your regional vice president for an unsecured copy of the form.
- After the IGA agreements and BK24s are completed and signed and the compensation level defined, you will only need to submit a BK23 to appoint an advisor. Compensation does not vary within the institution; every approved BGA is compensated the same by LGA.

General agencies with questions regarding institutional accounts and forms should contact their internal wholesaler for assistance.

AGENT/BROKER SELECTION CRITERIA

The applicant agent's background history will be reviewed for financial responsibility, criminal activity, and business practices. Each candidate will be measured against established selection criteria. Those that do not meet these standards will not be offered an appointment. The Agent/Broker Selection Criteria can be reviewed under the Sales Compliance section.

CONTRACTING AGREEMENTS (BANNER LIFE)

Banner Life currently offers a variety of agreements to the Brokerage General Agent (BGA):

- Brokerage Executive General Agent Agreement (BEGA)
- Brokerage Marketing General Agent Agreement (BMGA)
- Brokerage Development General Agent Agreement (BDGA)
- Financial Institution Agency Agreement (IGA)
- Agent/Broker Agreement (A/B)
- Agent Broker Non-Commission Agreement (ABNCA)

These agreements are for agencies and agents/brokers to contract with and work under the general agency selling Banner Life products.

Every contract requires the signature of the person being licensed/contracted as the state mandates (or signing on behalf of a corporation), as well as the signature of a witness to this signing, if applicable. Every contract also requires the signature of the GA recommending the individual/entity for appointment. Contracts cannot be altered or modified in any way.

For the following 34 states and the District of Columbia, the BGA, BMGA1, BEGA, BMGA, BDGA and assignee are able to receive override and assigned commissions without maintaining an active license and appointment in the state, as long as they are not involved in the sale, solicitation, or negotiation of the life insurance application.

Alabama	Alaska	Arizona	Arkansas
District of Columbia	Colorado	Connecticut	Delaware
Indiana	Hawaii	Idaho	Illinois
Minnesota	Iowa	Louisiana	Kansas
Nevada	Maine	Maryland	Michigan
Ohio	Mississippi	Missouri	Nebraska
Washington	New Hampshire	New Jersey	North Dakota
	Oklahoma	Oregon	Rhode Island
	Wyoming	Tennessee	Vermont

Brokerage Executive General Agent Agreement
The BEGAs base compensation is equal to 100 percent of the BGA compensation.
The BEGA can appoint BDGAs and agent/brokers. The BEGA receives override commissions and renewals on the business produced by reporting agents. The amount of the override commissions and renewals the BEGA receives will vary based upon the commission schedule given to the reporting agents. Please refer to the BEGA commission schedule for information on commission levels, renewal commissions on our UL products, and excess commissions on our UL products.

Brokerage Marketing General Agent Agreement
The BMGA can appoint BDGAs, and agent/brokers. The BMGA receives override commissions and renewals on the business produced by reporting agents. The amount of the override commissions and renewals the BMGA receives will vary based upon the commission schedule given to the reporting agents. Please refer to the BMGA commission schedule for information on commission levels, renewal commissions on our UL products, and excess commissions on our UL products.

Brokerage Development General Agent Agreement
The BDGA can appoint agent/brokers. The BDGA receives override commissions and renewals on the business produced by reporting agents. The amount of the override commissions and renewals the BDGA receives will vary based upon the commission schedule given to the reporting agents. Please refer to the BDGA commission schedule for information on commission levels, renewal commissions on our UL products, and excess commissions on our UL products.

Agent/Broker Agreement
Also available is the Agent/Broker Agreement form (AB-20). Please refer to the agent/broker commission schedules for information on commission levels, renewal commissions on UL products and excess commissions on UL products.

Agent/Broker Appointment Agreement (Non-Commission)
Finally, there is the Non-Commission Agent/Broker Appointment Agreement (ABNCA). Under this agreement commissions are paid directly to the individual or agency to whom the agent reports. This agent or agency is then responsible for compensating the agent. This agreement offers an alternative to commissions.

CONTRACTING AGREEMENTS (WILLIAM PENN)

William Penn currently offers three agreements for use by the General Agent (GA):

- Associated General Agent Agreement (AGA)
- Financial Institution Agency Agreement (IGA)
- Agent/Broker Agreement (2976)

These agreements are for agencies and agents/brokers to contract with and work under the general agency selling William Penn products.

Every contract requires the signature of the person being licensed and contracted as the state mandates (or signing on behalf of a corporation). Every contract also requires the signature of the GA recommending the individual/entity for appointment. Contracts cannot be altered or modified in any way.

Override Commission Requirements
As a GA or AGA, a license and appointment is needed in the state of New York to be paid override commissions.

Associate General Agent Agreement
The AGA receives override commissions on the business that reporting agents produce. The amount of the override commission and renewals the AGA receives vary based on the commission schedule agreed to by the GA and AGA. Refer to schedules A and B.

Agent/Broker Agreement
Also available is the Agent/Broker Agreement form (2976). Please refer to the agent/broker commission schedules for information on commission levels, renewal and excess commissions on UL products.

CONTRACT PAPERWORK TO BE SUBMITTED (BANNER LIFE)

Banner Life: Brokerage Executive General Agent
This person/entity can receive override commissions on brokerage development general agent and agent/broker contracts.

- Signed Brokerage Executive General Agent Agreement Adoption Authorization form
- Completed and signed BK-10 Biographical Information form
- Completed and signed W-9 form
- Copy of all current licenses (resident and non-resident), or
- Completed and signed BK-12 Commission Payment Profile form (if applicable)
- Completed and signed BK-6 Agent/Broker Assignment of First Year and Renewal Commissions form (if applicable)
- Completed and signed BK-2 Agent/Agency Termination Request (if applicable)
- Proof of Errors and Omission Coverage

Brokerage Marketing General Agent
This person/entity can receive override commissions on brokerage development general agent and agent/broker contracts.

- Signed Brokerage Marketing General Agent Agreement Adoption Authorization form
- Completed and signed BK-10 Biographical Information form
- Completed and signed W-9 form
- Copy of all current licenses (resident and non-resident), or
- Completed and signed BK-12 Commission Payment Profile form (if applicable)
- Completed and signed BK-6 Agent/Broker Assignment of First Year and Renewal Commissions (if applicable)

- Completed and signed BK-2 Agent/Agency Termination Request (if applicable)
- Proof of Errors and Omission Coverage

Brokerage Development General Agent
This person/entity can receive override commissions only on agent/broker contracts.

- Signed Brokerage Development General Agent Agreement Adoption Authorization form
- Completed and signed BK-10 Biographical Information form
- Completed and signed W-9 form
- Copy of all current licenses (resident and non-resident), or
- Completed and signed BK-12 Commission Payment Profile form (if applicable)
- Completed and signed BK-6 Agent/Broker Assignment of First Year and Renewal Commissions (if applicable)
- Completed and signed BK-2 Agent/Agency Termination Request (if applicable)

Agent/Broker Agreement
Paid writing agent commission.

- Signed Agent/Broker Agreement Adoption Authorization form (AB-30)
- Completed and signed BK-10 Biographical Information form
- Completed and signed W-9 form
- Copy of all current licenses (resident and non-resident), or
- Completed and signed BK-12 Commission Payment Profile form (if applicable)
- Completed and signed BK-6 Agent/Broker Assignment of First Year and Renewal Commissions (if applicable)
- Completed and signed BK-2 Agent/Agency Termination Request (if applicable)

Please note: Proof of E&O coverage is required only for Utah residents and if the agent wants to be on advance commissions.

Agent/Broker Agreement (Non-Commission)
For use when the agent/broker will not receive compensation from Banner Life.

- Signed Agent/Broker Agreement Adoption Authorization form (ABNCA AdoptAuth)
- Completed and signed BK-10 Biographical Information form
- Copy of all current licenses (resident and non-resident), or
- Completed and signed BK-2 Agent/Agency Termination Request (if applicable)

(NOTE: The non-commission Agent/Broker Adoption Authorization form (ABNCA AdoptAuth), the Biographical Information form (BK-10), the Commission Payment Profile form (BK-12), the Agent/Broker Assignment of First Year and Renewal Commissions form (BK-6) and the Agent/Agency Termination Request (BK-2) can be downloaded from the Partner Dashboard website).

CONTRACT PAPERWORK TO BE SUBMITTED (WILLIAM PENN)

William Penn: Associate General Agent
This entity can receive override commissions only on agent/broker contracts.

- Signed Associate General Agent Agreement with signed Schedule A and/or B
- Signed Agent/Broker Agreement (2976)
- Completed and signed BK-10-WP Biographical Information form
- Completed and signed W-9 form
- Copy of all current New York State license
- Completed and signed BK-12-WP Commission Payment Profile form (if applicable)
- Completed and signed BK-6-WP Agent/Broker assignment of First Year and Renewal Commissions (if applicable)

Agent/Broker Agreement
Paid writing agent commission.

- Signed Agent/Broker Agreement Adoption Authorization 2976
- Completed and signed BK-10-WP Biographical Information form
- Completed and signed W-9 form
- Copy of all current New York State license, or
- Completed and signed BK-12-WP Commission Payment Profile form (if applicable)
- Completed and signed BK-6-WPAgent/Broker Assignment of First Year and Renewal Commissions (if applicable)

Agent/Broker Agreement (Non-Commission)
For use when the agent/broker will not receive compensation from William Penn.

- Signed Agent/Broker Agreement Adoption Authorization form (WPABNCAAdopAuth)
- Completed and signed BK-10-WP Biographical Information form
- Copy of all current New York State license

(NOTE: The non-commission Agent/Broker Adoption Authorization form (WPABNCAAdoptAuth), the Biographical Information form (BK-10-WP), the Commission Payment Profile form (BK-12-WP), the Agent/Broker Assignment of First Year and Renewal Commissions form BK-6WP) can be downloaded from the Partner Dashboard website).

AGENT/BROKER APPOINTMENTS FOR APPASSIST

In order to complete an interview, the agent/broker and general agency are required to have a Signature Authorization Addendum on file. The addendum gives authorization to place the agent/broker or general agency signature on the formal application. There are two versions of this form. One form is for existing agents/brokers, and the other is for those already appointed at levels above the agent/broker level. However, if contracting has been submitted using an agreement effective March 2009 or later, the Signature Authorization is automatically applied, eliminating the need for a separate form.

Banner Life Form: ABSAA-AB
Banner Life Form: ABSAA-GA
William Penn Form: ABSAA-AB-WP
William Penn Form: ABSAA-GA-WP

AGENCY RECORDS/ASSIGNING COMMISSIONS AND ADVANCE COMMISSION

Agency Files
The Licensing Department has the responsibility of keeping files on each GA and agent/broker. These files contain a copy of all contracts, licenses and appointment confirmations.

Address Changes
To comply with state regulations, we require current resident and business addresses for all producers. Please notify the Licensing Department in writing (changes cannot be made over the phone) with any change to an agency or agent's/broker's personal information such as new address, license number, social security number, or name just as it appears on the agent/broker license.

Agent/brokers can only have one primary mailing address. If an agent/broker is dually contracted, then all agent/broker contracts utilize the same primary mailing address.

Principal Change Request
To change the principal of a corporation, we will need a release letter from the original signing officer or a letter on company letterhead from the new officer acknowledging they are the new principal for the corporation. A new Biographical Information for Contract Applicant form (BK-10/ BK-10-WP) is also needed. In addition, a copy of the New York corporate license is needed showing the principal as the sub-licensee for William Penn.

Corporate Name Change
Required documentation:
- Legal documentation that outlines the merger or acquisition
- State License(s) reflecting the new name
- Update W-9 reflecting the new name

Tax ID change
Required documentation:
- Legal documentation that outlines the merger or acquisition
- State License(s) reflecting the new tax ID
- Update W-9 reflecting the new tax ID

To dissolve the corporation, we will need legal documentation of the corporate dissolution and new contract paperwork for the officer as an individual.

Officer/Principal of Record Change on an In-Force Policy
In order to change the officer/principal on an existing contract a release letter is required from the current officer/principal which is signed/dated on company letter head. In lieu of a release letter from the current officer, the new officer can submit a signed/dated letter on company letter head outlining the effective date they will be or have been confirmed as the new principal.

Agent/Broker of Record Change on a Pending or In-Force Policy
Please see our Customer Service Section of The Basics or call our Customer Service Department.

Agent/Broker Assignment of First Year and Renewal Commissions
The Assignment of First Year and Renewal Commission form (BK-6 or BK-6-WP) is used for a writing agent to assign their commission to another agent/agency who is currently contracted through the same general agency. By signing this form, the applicant is certifying the

information provided is complete and accurate. A separate assignment is required for each active agent/broker agreement that an individual has.

Usually, the assignment form is completed at the same time as the initial contracting paperwork. Please remember to indicate the type of agreement that the assignment pertains to as well as the date of the agreement. If, however, the assignment form is being completed for an agent with an existing appointment and the date of that agreement is not known, substitute the agent number for the date.

It is important to state the value received in exchange for the assignment. Types of valuable consideration include salary, office space or other financial arrangements.

Commission assignments take effect the date the assignment is processed by the administrative staff.

Commission on any particular policy is assigned as long as the application was received after the effective date of the assignment. Assignments do not affect previously submitted applications. A cover memo should accompany the assignment that indicates any cases that are pending at the time and should also indicate any applications that are submitted concurrently with the assignment. If they are not, commissions will not be subject to the assignment.

An assignment of commission cannot be removed without written authorization from the assignee. The release of assignment will be effective the date the request was received at the home office. The removal of the assignment will only affect policies received on or after the effective date of the change.

Banner Life Form: BK-6

William Penn Form: BK-6WP

An alternative to assigning commission is using the Non-Commission Agent/Broker Agreement. This form gives an agent/broker authority to represent Banner Life/William Penn and states that compensation will be paid by their general agency. This agreement can be used in conjunction with one of the general agency agreements so that compensation is paid as an override to the general agency.

Banner Life Form: ABNCA

William Penn Form: ABNCAWP

Remember, the agent/broker who will be receiving the commission and/or renewals must be licensed in the state where the application was solicited to receive commission.

For any additional questions, please see our Accounting/Commissions Section of The Basics or call our Commissions Department.

Agent/Broker Advance Commission Addendum

The Agent/Broker Advance Commission Addendum is an amendment to the Agent/Broker Agreement entered into between the Agent/Broker, the General Agent and the Home Office. Advance commission is available on individual life insurance plans that have recurring premiums paid under a monthly pre-authorized check plan.

Premiums paid on a premium mode other than pre-authorized checking (PAC) are not eligible for advance commissions. For universal life insurance plans, advance commission is available

on the planned premium up to the target premium. However, a maximum of $2,500 per case can be advanced and the agents/brokers total balance that can be advanced is $25,000.

To qualify for and to maintain the Advance Commission Addendum, the Agent/Broker commits to sell on behalf of Banner Life/William Penn, life insurance policies with at least a total of $5,000 of paid annualized premium each year on a monthly pro rata basis.

Advance commission is available for Agent/Brokers (AB Levels) only.

Banner Life Form: AB-ACA

William Penn Form: AB-ACA-WP

Advance Commission Addendum Adoption Authorization
The Advance Commission Addendum Adoption Authorization form is used to approve an agent/broker to receive Advance Commission.

Banner Life Form: AB-ACA-AA

William Penn Form: AB-ACA-AA WP

Brokerage General Agency Advance Commission Recovery Authorization
The BGA may prefer to delegate authority for advance commission approval to their direct access BMGA1 members. The General Agency Advance Commission Recovery Authorization form (BGA-ACGA) is used to grant authority for the BMGA1 to approve brokers within the BMGA1 hierarchy to sign the Advance Commission Addendum Adoption Authorization form on behalf of the BGA.

Errors & Omissions Coverage for Advance Commission
Errors & Omissions (E&O) coverage is required for Agents/Brokers when contracted for Advance Commission. Proof of coverage has to be provided for BGA and BMGAs. The minimum amount of E&O coverage is $1,000,000. This amount may change with written notice to the Agent/Broker.

The Agent/Broker must inform Banner Life/William Penn of any E&O coverage changes within 60 days of the change. Changes include, but are not limited to, E&O coverage that falls below the minimum amount required, any lapse, cancellation, or termination of E&O coverage and any restriction(s) placed on the E&O policy by an E&O carrier. The Company may terminate an Advance Commission Addendum at any time if the Agent/Broker’s E&O coverage does not meet the minimum amount and specifications required.

Anti-Money Laundering Training
When a Universal Life or a Conversion application is received at the Home Office and no proof of completion of the AML course is provided, the agent's/broker's name will be submitted to LIMRA to get verification of the completion of the AML course. If the agent/broker has not completed the AML course, a requirement will be added to the policy. LIMRA will notify Banner Life within 48 hours of the completion of the course.

If the agent has a pending case but has already completed the base course for AML on the LIMRA website, the agent/broker can send a screen print showing that the course was completed. By doing so, the AML requirement will be cleared prior to receiving the confirmation from LIMRA.

If an agent/broker has taken the AML course through a provider other than LIMRA, a copy of the completion certificate will be reviewed by our Compliance Department. The certificate should provide the following information:

- The agent's/broker's name must appear on the certificate.
- Date of completion (The AML course must be completed within 2 years of receipt by Banner Life. If not, then a current AML certificate will be required.)
- The certificate must clearly state "Anti-Money Laundering" or "AML" Training.
- The certificate should be signed by the course sponsor or representative/ compliance officer/VP of the company/financial institution. The agent/broker cannot self-certify completion of the AML training.

Please note that the AML certification must be renewed every **2 years.**

Commission Schedule Change for an Existing Agent/Broker or Sub-General Agency

Direct-Access general agencies have the ability to increase or decrease an existing agent/broker or sub-general agency commission schedule level without completing new agreement forms for their Banner Life and William Penn appointment.

Banner Life
Agent/Broker (Agent/Broker Agreement (AB-20)

- Request in writing on general agency letterhead or by email. The request should include: agent/broker name, agent/broker number, and new AB commission schedule level. Email requests are acceptable.

Brokerage Development General Agent (BDGA Agreement)

- Request in writing on direct-access general agency letterhead or by email. The request should include: agent name, Brokerage Development General Agent code, and new BDGA commission schedule level.

William Penn
Agent/Broker (2976 Agent/Broker Agreement)

- No available change. There is one agent/broker schedule therefore nothing to change.

Associate General Agent (AGR-AGA Associate General Agent's Agreement)

- Submit a signed Associate General Agent Compensation Schedule A and/or Schedule B.

All commission schedule level change requests should be submitted to the Licensing Department for processing. The change in the commission schedule level will be effective for business received at the home office after the Licensing Department receives the necessary documentation and completes the necessary tasks to update the agent/broker or sub-agency file. All agreement level changes will require the completion of new agreement forms.

DEATH CERTIFICATE PROCESSING

Required documentation:

- Agent Death Certificate
- Letter of Testamentary (Includes the name(s) of the executor of the estate) or comparable legal documentation.
- A W-9 if change is to a beneficiary (if name/address/ date of birth/ tax id number is indicated in the cover letter, that will be acceptable in replace of this form)

Mail Services

INTRODUCTION

Mail Services is responsible for sorting and distributing incoming mail throughout the company, mailing of commission checks, the fulfillment of supply orders and distribution of all outgoing mail directed to agencies and policy owners. This section will address the procedures and practices of Mail Services. For additional information not addressed in this piece, please contact the Mail Services Department.

SORTING AND DISTRIBUTION OF INCOMING MAIL

Mail Services collects mail from the U.S. Postal Service two times each day for Banner Life and once a day for William Penn. All incoming mail is counted and delivered to the respective area for processing. All U.S. Postal Service certified mail, Express mail, and courier mail (FedEx, UPS, etc.) is logged to record tracking number and date/time received. After the mail is counted and logged, the mail is delivered to the respective area for handling. All policy-related mail (new business, underwriting, customer care, etc.) is delivered to the Document Processing Center (DPC) for image processing.

SORTING AND DISTRIBUTION OF OUTGOING MAIL

Only agencies that have direct access contracts are the recipients of outgoing mail. The outgoing mail is sorted by the general agency number and then placed in the agency's mail bin.

Banner Life: General Agency mail is distributed via overnight courier or U.S. Postal Priority Mail that day. All policy owner mail is metered and delivered to the U.S. Postal Services the same day.

William Penn: General Agency mail is distributed once a week via U.S. Postal Priority Mail or First Class. All policy owner mail is metered and collected by the U.S. Postal Service the same day.

POLICY MAILING

Polices that have been approved by the Underwriting Department and printed by the Issue Department before 4:00 p.m. for Banner Life and 4:15 p.m. for William Penn are mailed by Mail Services on the same day. A zero-tolerance standard is maintained to assure those policies are mailed the same day. The website provides information as to the mailing date of the policy.

New Business Case Management

INTRODUCTION

The New Business Case Management Department is responsible for supporting the Underwriting Department by processing incoming email and phone calls, providing status updates to brokerage general agents, direct marketers and proposed insureds, as well as updating pending requirements and notes for pending applications.

LEGACY CASE MANAGEMENT

UNDERWRITING REQUIREMENTS

When an application is submitted, a task is created for the case manager to review the application for completeness. The case manager reviews the file to ensure that the application information was entered into the system correctly and that the appropriate age and face amount requirements are listed as pending requirements. They will also check to ensure that items sent with the application and requirements that the general agency has ordered are updated on the pending requirements list. The case manager then maintains and updates pending requirements as information is received for each file. When files have all the completed requirements, a task is sent to the underwriter to make a final decision on the case.

CASE MANAGEMENT STANDARDS AND PROCEDURES

- Case management tasks are processed within 2 business days.
- Emails are responded to within 24-48 hours of receipt.

DUPLICATE APPLICATIONS

If applications are submitted for the same proposed insured from multiple general agencies, it is our policy to only accept the first application received. Duplicate application procedures address situations where an applicant submits two or more applications with the intent of accepting only one of the policies. This section outlines the steps we take to process these applications in our legacy system.

Also, there are rare situations where the insured is the same, but the applicants are different. The general agency should discuss these with their internal wholesaler prior to submission.

Duplicate Application with New Broker (Prior to Receipt of Final Underwriting Requirement)
When more than one agent/broker submits an application covering the same proposed insured and it is the applicant's plan to accept only one policy, and in which case no written request to the contrary is received from the client, it is our policy to process the first application received. The first application is determined by the date the application was received, not by the date that the application was signed.

Upon receipt of the second application, if no letter of instruction has been received from the client, the New Business Submit Team will conduct the following review and actions.

- Reject the second application and send a written communication to the agency responsible for the second application. The agency is advised that another application

for this applicant ws received at an earlier date from another agency. We then inform the agency that the procedure is to process the first application unless the client submits a written request to work with the second agency/broker, prior to receipt of the final underwriting requirement, in which case the second application will be processed.

If the insured provides a statement in writing naming the second agent/broker as their representative, we will honor the client's wishes and process the second application. The statement should clearly name which agent/broker the client wishes to work with, and that agent/broker will be considered both the writing and servicing agent/broker. All commissions will be paid to the general agent and agent/broker selected by the client.

Upon receipt of the second application that is accompanied by a letter of instruction from the client, the case management team will conduct the following review and actions.

- Send an email to the agency responsible for the first application. The agency is advised that a second application has been received together with a written request from the client to work with the second agent/broker. In keeping with our policy of honoring the client's wishes, the original application will be terminated, and the second application will be processed.
- Regardless of which application is ultimately processed, we will use whatever requirements that have been ordered which are owned by the company.

In the case where a second agent/broker contacts us (through the general agent) indicating that a client who previously submitted an application through another agent/broker now wishes to work with the second agent/broker, the client will be required to submit a statement in writing naming the second agent/broker as their representative and a full new application must be completed.

Duplicate Application (After Receipt of Final Underwriting Requirement)
If the final underwriting requirement has been received prior to receiving a second application and/or a written change of agent/broker request from the client, the second application will not be accepted, and the first policy will be placed with all commissions paying to the original general agency and agent/broker. If the client submits a request in writing to work with the second agent/broker, a change of servicing agent/broker will be processed after the policy is placed in force. Policy delivery must be completed by the original agent/broker by eDelivery, in person or by mail.

Duplicate Application with Same Broker New Agency
When more than one agency submits an application covering the same proposed insured and written by the same broker it is our policy to process the first application received. We will only change the general agency if an authorized principal of the first general agency provides a written release.

Closed Cases
In some cases, the above duplicate application guidelines may not apply to cases that have reached a final disposition, such as terminated, withdrawn, or closed by the first general agent, or postponed, not taken, or active. *In such cases, any subsequent application would be treated as a new application and would follow standard new business procedures.*

APPLICATION WITHDRAWAL REQUESTS

If at any time in the underwriting process the application needs to be withdrawn, please submit an email request to the underwriting team. Requests made after the policy has been issued, but before activation, should be sent in writing to the Policy Issue team. If the policy is active, the request must be sent in writing to Customer Care.

FORMAL APPLICATION PENDING REQUIREMENT NOTICES

Communications regarding all pending applications in the Underwriting Department are sent to the general agency office; these can be received by email, through an agency management system, or in real-time on the website. To inquire about which agency management systems are available, please contact the Sales Department. To receive a summary of activity as of the end of the day by email, select the Preferences tab, enter an email address under “New Business Requirements Notification via email” and click the Submit Preferences tab at the bottom of the page.

Requirements can also be viewed at any time online through the New Business tab. Each time an underwriting requirement is received or added, the status of the case is updated. For more information on website services, please review the Website section of this guide.

AUTOMATED ACTIVITY EMAILS

The general agency has the option to receive case status through automated activity emails. These emails are generated at seven stages in the New Business process. The automated activity email is sent directly to the general agency’s case manager. To ensure that the email is sent to the proper case manager on a specific case, please include the case manager’s email address on the cover memo when submitting the application and/or in the case manager field at the bottom of the Agent Report under General Agent Information. If no case manager is specified, the activity email will be sent to the email address that the general agency has identified for New Business Preferences on the Banner Life and William Penn websites.

FOLLOW UP ACTION ON PENDING REQUIREMENTS

After the case manager and the underwriter's review, the system will automatically generate a reminder task to the case manager every 10 days until the requirements are satisfied. Cases with outstanding underwriting requirements not received within 60 days of the application being submitted will cause the policy to be terminated as incomplete. Once an application has been terminated, notification letters will be generated and sent to the general agent and proposed insured.

BEST PRACTICES

Below are some guidelines to ensure that New Business is processed correctly and within the standard time frames:

- All forms need to be legible, complete, signed and dated. Incomplete or illegible forms will delay processing.
- On forms that require the applicant’s signature, the owner should sign since the applicant is the owner. An example of a form is the replacement form LF204.
- In states where the Accelerated Death Benefit is approved, please ensure that the Accelerated Death Benefit Disclosure is submitted, signed and dated. There is no

additional cost for the benefit, but if the client does not want it, please mark the form "refused" and date it.

- Documents that are over 20 pages in length should be faxed, imaged or mailed versus sending sent by email.
- To avoid MVR delays, driver's license information must be accurate including legal name.
- The agent report needs to be completed with the information for the proposed insured, agent and general agent to ensure that the case is coded correctly.
- Form numbers must be visible and need to pertain to the state where the owner of the policy signs. However, the Notice and Consent form needs to be completed for the proposed insured's resident state.
- Responses to open requirements should be clear and identifiable. For example, the proposed insured's name and/or policy number should be included within the subject line of an email.
- Verify the correct name and policy number prior to responding to open requirements.
- The quickest way to check status on cases is to use the website. The website is updated in real-time.
- Most requests must be made in writing. Please send requests to the New Business email address corresponding with your underwriting team. Email is also useful for quick questions.
- When submitting an image, please allow 24 hours for it to be posted and reviewed. Once reviewed, the requirement will be marked as received and the change can be seen on the website.
- When submitting an application, make sure you have the PI's current legal name.
- All delivery extensions, if approved, will require a Good Health Statement.

HORIZON CASE MANAGEMENT

CASE MANAGEMENT STANDARDS AND PROCEDURES

- Case management tasks are processed within 2 business days.
- Emails are responded to within 24-48 hours of receipt.

DUPLICATE APPLICATIONS

If applications are submitted for the same proposed insured from multiple general agencies, it is our policy to only accept the first application received. Duplicate application procedures address situations where an applicant submits two or more applications with the intent of accepting only one of the policies. This section outlines the steps we take to process these applications in Horizon.

Also, there are rare situations where the insured is the same, but the applicants are different. The general agency should discuss these with their internal wholesaler prior to submission.

Duplicate Application with New Broker (Prior to Receipt of Final Underwriting Requirement)
When more than one agent/broker submits an application covering the same proposed insured and it is the applicant's plan to accept only one policy, and in which case no written request to the contrary is received from the client, it is our policy to process the first application received. The first application is determined by the date the application was received, not by the date that the application was signed.

When a second application is identified and there is no letter of instruction from the client, the New Business Case Management team will conduct the following review and actions.

- Withdraw the second application and send an email to the agency responsible for the second application. The agency is advised that another application for this applicant was received at an earlier date from another agency. We then inform the agency that the procedure is to process the first application unless the client submits a written request to work with the second agency/broker, prior to receipt of the final underwriting requirement, in which case the second application will be processed.

If the insured provides a statement in writing naming the second agent/broker as their representative, we will honor the client's wishes and process the second application. The statement should clearly name which agent/broker the client wishes to work with, and that agent/broker will be considered both the writing and servicing agent/broker. All commissions will be paid to the general agent and agent/broker selected by the client.

When a second application is identified and is accompanied by a letter of instruction from the client, the case management team will conduct the following review and actions.

- Send an email to the agency responsible for the first application. The agency is advised that a second application has been received together with a written request from the client to work with the second agent/broker. In keeping with our policy of honoring the client's wishes, the original application will be terminated, and the second application will be processed.
- Regardless of which application is ultimately processed, we will use whatever requirements that have been ordered which are owned by the company.

In the case where a second agent/broker contacts us (through the general agent) indicating that a client who previously submitted an application through another agent/broker now wishes to work with the second agent/broker, the client will be required to submit a statement in writing naming the second agent/broker as their representative and a full new application must be completed.

Duplicate Application (After Receipt of Final Underwriting Requirement)
If the final underwriting requirement has been received prior to receiving a second application and/or a written change of agent/broker request from the client, the second application will not be accepted, and the first policy will be placed with all commissions paying to the original general agency and agent/broker. If the client submits a request in writing to work with the second agent/broker, a change of servicing agent/broker will be processed after the policy is placed in force. Policy delivery must be completed by the original agent/broker by eDelivery, in person or by mail.

Duplicate Application with Same Broker New Agency
When more than one agency submits an application covering the same proposed insured and written by the same broker it is our policy to process the first application received. We will only change the general agency if an authorized principal of the first general agency provides a written release.

APPLICATION WITHDRAWAL REQUESTS

If at any time in the underwriting process the application needs to be withdrawn, the general agent can do so by going into the file via Partner Dashboard and withdraw the application. If the policy is active, the request must be sent in writing to Customer Care.

FOLLOW UP ACTION ON PENDING REQUIREMENTS

For pending requirements, the Horizon platform will send automated emails to the customer.

If a pending Comparative Form, Amend Application or RTM card is present on the policy and no response is received, the application will terminate incomplete 26 calendar days from the date the card was added.

The application may terminate incomplete with an exam outstanding in the following instances:

- Exam never scheduled: if exam is not scheduled in 30 calendar days, the application will terminate incomplete on Day 31
- Exam refused: if exam is refused and not scheduled in 20 calendar days, the application will terminate incomplete on Day 21
- Exam cancelled: if exam is cancelled and not scheduled within 20 calendar days, the application will terminate incomplete on Day 21

COMMUNICATION SCHEDULE OF AUTOMATED EMAILS

For certain cards, the system will send automated emails to the customer, reminding them to provide the outstanding information.

RTM
Day 1: Initial RTM email
Days 3, 5, 7, 9: Follow-up emails
Days 13, 15, 17, 19: Follow-up emails
Day 24: Final RTM notification email to Agent and Applicant
Day 26: Application status changed to Terminated Incomplete if RTM left pending

AMEND APPLICATION
Day 0: Initial email
Day 2-5: Follow-up email (every day)
Days 6, 9, 12, 15, 18, 21, 24: Follow-up emails
After Day 26: Link is no longer active, policy status changes to Terminated Incomplete

Additional Training resources are available:
Horizon ProNavigator BGA Guide | LGA Training Hub (lgamerica.com)

HOURS OF OPERATION AND CONTACT INFORMATION

The hours of operation for the New Business Case Management Department are 8:30AM-6:00PM EST and our phone lines are as follows:

- Digital Application: 855-914-9115
- Banner Life Traditional: 888-585-9198
- William Penn Traditional: 888-585-9198
- William Penn AppAssist: 800-526-5568

Please use the contact information below for inquiries regarding Banner Life and William Penn Cases:

Banner Life:

- Traditional paper - MD-UWTeam-B@lgamerica.com
- Digital Application – onlineapp@lgamerica.com

William Penn:

- Traditional and AppAssist - NY-UWTEAM-1@lgamerica.com

When communicating via email, please include the policy number in the subject line or in the body of the email. If the policy number is unknown, please provide the proposed insured's full name, social security number, and date of birth. When inquiring about receipt of a document, please include the date, time and method of submission. For documents sent via fax, please include date, time and number of pages.

Payment Card Industry

INTRODUCTION

The Payment Card Industry (PCI) Security Council has established Data Security Standards for which merchants must comply with when credit cards are processed or card holder information is retained. A merchant is considered any person or organization accepting credit card information.

LEGAL & GENERAL AMERICA GUIDELINES

All Agents/Brokers/General Agents are expected to comply with Legal & General America's (LGA) privacy policy as agreed in the Agent/Broker or agency agreement. Additionally, Agents/Brokers/General Agents shall handle credit card holder data in a manner compliant to the PCI Data Security Standards.

Policy Delivery

INTRODUCTION

The Policy Delivery Department is responsible for processing delivery requirements, activating new policies, and processing policies when the offer has not been taken in the legacy system. This section provides an overview of procedures for the business functions. If additional information is required, please contact the Policy Delivery Department.

DELIVERY REQUIREMENTS

Policy Delivery
The policy must be delivered within 45 days of the issue date, in person, to the proposed insured or policy owner, receiving in exchange the initial premium or balance of initial premium if required, and securing any outstanding requirements, including amendments. In addition, all policy terms and conditions are to be reviewed with the policy owner.

At policy delivery the agent must determine that the health and other conditions and factors affecting the insurability of the person(s) to be covered by the policy remain unchanged. *If any change in health for any proposed insured has occurred since the application date, the policy must be returned to the Underwriting Department with full details for further underwriting evaluation.* This is mandatory, even if a premium was collected and a Temporary Insurance Agreement issued. When the additional underwriting evaluation is complete, we will advise if and how the policy can be delivered.

Policy Delivery Extensions
If an extension is desired, a request for approval will be presented to the Underwriting Department. Send an email to the specific underwriting team that is handling the case. Be sure to provide an explanation for the delay, any circumstances supporting the extension, and the anticipated delivery date. A health statement will be required for all delivery extensions.

Policy Delivery Receipt
The use of a life insurance policy delivery receipt affords protection not only to the company but to the agent as well.

Banner Life: The delivery receipt form, LU-1185, is required for all policies and any policy printed after the effective date that originally received an LP173 delivery receipt.

William Penn: The delivery receipt is form LP-173-WP. Once the form is properly signed and dated, a copy should be made for your own records.

Payment Modes

There are four payment modes:

- Annually
- Semi-Annually
- Quarterly
- Monthly (by EFT only)

Modal Factors for Calculating Premiums

Semi-Annually	.51
Quarterly	.26
Monthly	.085

ACCEPTABLE FORMS OF PREMIUM PAYMENT

We will accept checks that are drawn on the account of the policy owner, direct payment from an account of the policy owner (EFT) and credit card (eDelivery policies for initial premium only).

We cannot accept cash, cash equivalents (money orders, cashier's checks or agency checks) or starter checks as premium payment for policies. Money orders and other cash equivalents are considered a "red flag" according to the Anti-Money Laundering Guidelines and have been indicators of contestable claims and fraud issues in the past.

Electronic Funds Transfer (EFT)
EFT is available for all premium payment modes. This option requires a completed electronic funds transfer authorization form.

Banner Life: LP-183

William Penn: LP-183WP

Electronic Funds Transfer (EFT) Billing Dates
The EFT billing occurs on the same day of the month as the policy date. Unless there is a special request made to bill term policies on a different date, the policy date is automatically used. The draft date for Universal Life policies must be the same date as the policy date.

Payment by Check
If you are sending one check for multiple policies, then list each policy number on the check. The cover sheet should clarify what amount is to be applied to each policy.

Third Party Checks
As a general rule third party checks are not accepted for payment of premium. The exception to this rule is a situation where a grantor makes a check payable to a policy owner trust and the trustee endorses the check payable to Banner Life/William Penn.
Checks that do not qualify for payment will be returned to the policy owner with a letter of explanation and a return envelope. The general agent will receive a copy of this letter.

List Billing
List billing is not available.

POLICIES NOT TAKEN OUT (NTO)

Policies Not Delivered
Policies which have not been delivered—premium has not been paid, a required amendment form or other delivery requirements were not completed—must be returned to Administrative Services no later than one week after the end of the 45-day delivery period following the issue date. An explanation of why the policy was not delivered should be provided on the cover letter. A warning letter is sent out 30 days after issue. In addition, a notice is posted on the website informing the general agent of the delivery expiration date. Policies, which have been pending delivery requirements or premium for more than 45 days, will be closed as NTO. The policy applicant and the general agent will be advised of our action by letter and any premium previously received will be returned directly to the applicant.

Policies Returned After Delivery
Policies contain a 30-day free look provision stating that we will refund all payments if cancellation is requested within the 30 days following delivery of the policy.
(Pennsylvania's free look period is 45-days and New York's free look period is 20-days.)

Written requests for an NTO policy should be sent to the Delivery Department and must include the following:

- The actual policy contract, or a written, signed statement of lost policy. The NTO will not be processed without one or the other.
- The date the policy was actually delivered. If there is more than a two-week delay between the date the agency received the policy from Banner Life/William Penn and the date of delivery, we will need an explanation of the delay.
- The reason for the cancellation.
- Any other pertinent information about the sale and delivery of the policy that will assist the Delivery Department in the refund approval process.

This request must be received by the Delivery Department within the free look period or within a reasonable period of time after the expiration of the free look provision.

After receiving the NTO request, the Delivery Department will review the request and make a decision on the validity of the request. If approved, all premiums will be refunded to the former policy owner, and a copy of the cover letter will be mailed to the agency. If the request is not approved, both the agency and the policy owner will be notified by the Delivery Department.

CONTACT US

Please use the contact information below for inquiries regarding Banner Life and William Penn Legacy Cases:

Banner Life:
Banner-Delivery@lgamerica.com

William Penn:
Penn-Delivery@lgamerica.com

Policy Issue

INTRODUCTION

The Policy Issue Department is responsible for issuing new policies and responding to reissue requests in the legacy system. This section provides an overview of procedures for their business functions. If additional information is required, please contact the Policy Issue Department.

POLICY CHANGES, ENDORSEMENTS AND AMENDMENTS

At policy delivery, the agent must review the policy with the proposed insured and policy owner. In addition, the agent must explain all changes made since the insured completed the application. The agent must also obtain the required signatures and properly complete the amendment form(s), if attached to the policy. A policy is not placed in force until all required premiums and other outstanding delivery requirements are received by Administrative Services.

Amendments are always required for changes in the plan, amount of insurance, benefits issued, missing information or premium classification, such as non-tobacco to tobacco, and extra premium ratings. Changes in ownership, beneficiary designation and changes relating to a proposed insured's insurability are also made with amendments.

Amendments should always be signed by the policy owner, and when indicated, by the proposed insured.

POLICY ISSUE DATES

For all cash on delivery (COD) policies issued, the policy is dated twenty-one days in advance from the issue date. In the event the policy is delivered before the advanced policy date, coverage will be in effect as of the date of delivery, though a new policy will not be issued.

For all cash with application (CWA) business that is received with a completed Temporary Insurance Application Agreement (TIAA) form, policies will be dated the date of issuance. A completed EFT form, Credit Card authorization and/or check can be submitted with the completed TIAA form to bind coverage.

It is mandatory that the policy delivery receipt be completed and signed before the policy is activated. Policy Issue will provide the appropriate delivery receipt for each policy.

If you would like the policy dated in another manner, please request this in the policy dating section of the application (Question #28a & b on Banner Life and Question #28a & b on William Penn’s application) or by another written method.

BACKDATING POLICIES

Whenever possible and when allowed by state regulations, Banner Life/William Penn backdates life insurance policies by as much as six months, if requested, from the date the application is signed. However, the medical requirements are based on the age nearest birthday at the time the application is signed. Eligibility for the plan of insurance is based on the

issue age. A request to save age should be made by answering the appropriate question (Question 28a on Banner Life and Question 28a on William Penn's) on the application.

A "save age question" requirement will be added to cases where the applicant's insurance age will change within 60 days of the submit date (if a save age request was not already previously requested). Please email a response to your underwriting team. If the answer is "yes," then upon approval/issue the policy will be dated using the younger age. If the answer is "no," the approval/issue process does not change.

The above rules are modified as follows:

In the state of Ohio, backdating is restricted to three months from date of application or examination; whichever is later, if age is affected.

RE-DATING POLICIES

When re-dating a policy is desired, a written request specifying the desired date must be submitted to the Policy Issue Department. Please do not submit premium or any other delivery requirements until the re-dated policy has been delivered to the policy owner.

REISSUING POLICIES

- All reissue requests must be received in written form; therefore, telephone requests are not accepted.
- A policy is mailed within 1 business day of being issued or reissued.
- Reissue requests can only be accepted if the policy is still within the 30-day (45 days for the state of PA only) free look period.
- If the policy has been placed in force, please return the original policy when requesting a reissue. If the policy has not been placed in force, please inform the policy owner to destroy the policy.
- Please do not submit delivery requirements, including initial premium with a reissue request, as additional requirements may be necessary with the reissued policy.
- Reissues that do not require underwriting approval are processed within 24 hours.

Banner Life: Requests need to be received by 3:00 PM EST to be processed on the same day.

William Penn: Requests need to be received by 3:00 PM EST to be processed on the same day.

- Requests to reissue that do not require underwriting approval are:
  - Save age
  - Decrease in face amount
  - Change in plan
  - Removal of waiver of premium or waiver of monthly reduction

- Reissues that require underwriting approval are processed within 24 hours of receiving the approval. Underwriting approval generally takes 24 hours from the time Banner Life receives the request, unless additional underwriting information is required. Requests that require underwriting approval are:

- Current or future policy date
- Increase in face amount
- Request for better underwriting class
- Additional policy
- Addition of waiver of premium
- Change of beneficiary or owner
- Any case that involves facultative reinsurance
- Any case with lab results that are 120 days and older
- Addition of term riders

Methods of Requesting a Reissue
There are several ways to request a reissued policy. You can request to reissue a policy online at partner.lgamerica.com or by sending an email request. You can also return the original policy by mail accompanied by a memo. Please include the policy number, insured's name and detailed instructions of the change that is being requested.

Requests Online
A request for reissue from our website partner.lgamerica.com is the fastest way to initiate the reissue process. Our website contains a formatted request screen that prompts the user to enter all of the required information needed to process the desired request. These requests are processed electronically from start to finish. After the request is received electronically, Banner Life/William Penn immediately assigns it to a Policy Issue team member or an underwriter for review and completion.

Request by Email
Email reissue requests must be sent to:

Banner Life: banner_reissue@lgamerica.com
William Penn: penn_reissue@lgamerica.com

Request by U.S. Mail
Any requests that are mailed to the home office should include the original policy (if the policy has been placed in force) and a detailed explanation of all the requested changes.

HORIZON ISSUE AND DELIVERY PROCESS

Offer/Pay/Issue

Policies should be offered and activated within the digital platform, allowing the Policy Owner to review, accept, pay and download the policy.

The offer is valid for 45 days. During this time, automatic emails will go to the Policy Owner until they either accept, pay and download the policy or we reach Day 45. Once the offer reaches Day 45, the offer is no longer valid.

Payment may be entered as EFT or Credit Card
- Credit Card payment is not accepted for AK, CA, MD, NC or NJ
- Credit Card payment is only available for the initial premium payment
- Mastercard and Visa may be used for credit card payment, but American Express is not accepted.
- If monthly premium is selected, EFT will be the only option
- EFT can be set up for initial and subsequent premium payments

Once the payment information has been successfully entered, the final policy packet will generate as well as an email and SMS (if opted in) will generate. Once the final policy packet is available, the Policy Owner may download the policy. There are nine states where it is mandatory that the Policy Owner download their policy packet before they will be able to finalize the policy. Those nine states are:

- CA, LA, NJ, NV, PA, SD, VA, WA, and WV.

The Policy Owner must check the 'Agree' check box and the Finalize Policy button will become enabled.

Please email onlineapp@lgamerica.com if you have any questions related to Horizon applications being issued.

REVISE OFFER

The Revise Offer process allows Advisors to update an offer that has been accepted by the Policy Owner. The Advisor also can customize an offer outside the limit range of Get Next/Get Less and have Underwriting re-review for approval.

CUSTOMIZE OFFER

Self-Service options are available for product-related changes when the application is in Approved Offer Made through Offer Accepted status.

- Advisors can make changes **without** going back to an underwriter for review:
  - Face Amount
  - Term Duration
  - Payment Mode
  - Save Age
- Advisors can make these specific changes without case management or underwriting support.
- Advisors can explore options before the policies are active.

Additional Training resources are available:
Horizon ProNavigator BGA Guide | LGA Training Hub (lgamerica.com)

Distribution

INTRODUCTION

The Distribution Department can assist agency staff in developing new business, along with general business and process questions prior to application submission. A list of assigned and general contacts can be accessed via the Contact Directory and lookup function.

STATE APPROVAL OF PRODUCTS

When new products are launched or additional state approvals on existing products are received, it is our practice to notify general agencies by an email announcement. The most reliable source of current information is our website.

COMMUNICATIONS

Email notifications on company administrative improvements and product/pricing changes are sent to our general agencies. The Distribution Department keeps an electronic database of general agency staff who receive our email notifications. To add or update contacts for your agency, please contact your Distribution representatives.

LINES OF COMMUNICATION PROCEDURES

It is our policy to communicate with direct access general agencies and their staff on all matters relating to sub-agencies or agents/brokers. This procedure allows for the home office to properly identify general agencies that have access to confidential information, and provide greater control and organization to the communication process resulting in efficient operations. The improved operating results contribute to our ability to provide a quality product including compensation, rates, underwriting and service.

Banner Life: Brokerage General Agents (BGAs) and Brokerage Marketing General Agents (BMGA1s) have direct access.

William Penn: General Agents (GAs) have direct access.

Please note that when direct access agencies have issues with specific business areas, we encourage contacting the supervisor of the department first, and then work up the line to management. A Key Contacts List is available at www.lgamerica.com. If the issue is not resolved in a timely manner, please contact your Distribution representatives, also found via the lookup tool at www.lgamerica.com.

ADVERTISING

Sales Materials
Product specifications, field underwriting guides, and other materials are available on our website, the primary source for sales material.

Advertising Approval Procedure
Legal & General America (LGA) requires prior approval of any materials that promote or mention the company or its affiliates Banner Life and William Penn or that could ultimately result in the sale of our product. For questions concerning advertising, social media, and/or website compliance, please contact your Distribution team representatives directly to initiate the review process.

Advertising on the Web
The LGA companies interpret the current NAIC Model Rules Governing the Advertising of Life Insurance to include websites. As such, agency website pages (and those created by brokers associated with the agency) which link to, mention, or refer to Banner Life or William Penn, must be submitted for compliance approval. If your website collects non-public personal information, you are required to abide by the Legal & General Life Privacy Policy, which is also available on the website. Each agency is responsible for any third-party web content such as forms, quotes or product information. Once a website is approved all the information should be kept current and submitted annually for review.

ILLUSTRATIONS

Illustrations and quotes are available on our website.

Sales Compliance

INTRODUCTION

Legal & General America (LGA) is committed to providing quality insurance products at competitive rates while maintaining the highest ethical standards in the conduct of its business. It is every agent's responsibility to follow the rules and regulations governing the industry and to be ethical in all business practices. This requires an understanding of industry rules and regulations, a thorough understanding of our organization's standards of business conduct and the terms of the agreement executed with Banner Life or William Penn. A lack of knowledge of these items does not absolve one from regulatory compliance. Therefore, it is in the best interest of you and your agents to understand and comply with industry regulations and the company's standards of business practices as set forth in this manual.

ADVERTISING, SOCIAL MEDIA AND WEBSITE COMPLIANCE

For questions concerning advertising, social media, and/or website compliance, please contact your Distribution team representatives directly to initiate the review process.

Websites Require Annual Approval
If your agency has developed a website intended for broker and/or consumer audiences, or uses the Internet for advertising purposes, your electronic communications must also be submitted for compliance review. Websites require re-approval annually: If it has been more than a year since your website has been reviewed, it is important that you ask the LGA Distribution representatives to initiate the review process.

GAs Must Approve Materials Developed By Brokers
Advertising materials and websites developed by brokers must first be approved by the agency principal and then forwarded by the BGA to the LGA Distribution team to initiate the appropriate LGA review.

Advertising Must Identify Agency and Broker
Ads and websites must identify the person or entity, including an address (street, city and state) in the name that appears on the Banner Life or William Penn contract. Marketing names (DBAs) are permitted, however the contracted person/entity must also be disclosed.

Commission Advertising Is Prohibited
Agencies that publish commission schedules or advertising commission percentages as incentives will be asked by our Legal Department to cease and desist.

Agency Is Responsible For Third-Party Web Content
If you use third-party services for forms, quotes or product information included on your website, please be aware that compliance approval is not automatic. It is your responsibility to make sure updates are implemented in a timely manner, to review the accuracy of what is posted and to notify the source of changes as appropriate.

Agencies Must Adhere To Privacy Policies
Federal and state legislation requires insurance producers and GAs to protect the privacy of non-public, personal and medical information about their customers. If your website collects non-public personal information, you are required to abide by the Privacy Policy and maintain the confidentiality of customer information. The privacy policy can be found on the website.

The privacy policy must be provided to each customer at the time of application and at the time of policy delivery.

CONTRACTING AND LICENSING COMPLIANCE

Insurance Licensing and Appointment

To act as an insurance agent, a valid insurance license must be maintained in each state where business is solicited and written. Obtaining a license requires successful completion of an exam for the specific line(s) of insurance. An insurance license must be kept current. Most states require periodic license renewal and some require continuing education credits. A current valid license is the personal compliance responsibility of each agent. In addition to maintaining a valid life insurance license, many states also require a carrier appointment prior to solicitation and sale of life insurance products. For more information, refer to the Licensing section.

Contracting

To be contracted with Banner Life or William Penn, agents are required to complete and sign a Biographical Information form (BK-10). By signing this form, the applicant is certifying the information provided is complete and accurate and is also providing the companies with authorization to conduct a more detailed background investigation, if necessary. The GA who is recommending the applicant for contracting must also sign this form after being completed by applicant.

AGENT/BROKER SELECTION CRITERIA

Any one of the following situations **WILL** preclude an agent/broker from contracting with Banner Life Insurance Company and/or William Penn Life Insurance Company of New York:

Criminal

- Any felony or misdemeanor conviction occurring within five years of the date of the application.
- Any felony or misdemeanor conviction involving fraud or breach of trust. (Violent Crime Control & Law Enforcement Act of 1994, P.L. 103-322, H.R. 3355), 18 U.S.C. Sec. 1033 and 1034.)
- Under indictment for, or charged with a felony (If no conviction, may re-apply).

State Insurance Department Actions

- Revocation of state insurance license at any time for fraudulent or dishonest actions.
- Any open investigation or administrative proceeding alleging any violation involving fraud or dishonesty (If no action taken, may re-apply).

Financial/Credit History

- Two or more bankruptcies discharged within the last seven years.

Other Insurance Company Actions

Disciplinary action initiated by another insurer or financial institutions whereby agent was terminated due to misrepresentation or misappropriation of funds.

Any one or more of the following situations **MAY** preclude an agent from contracting with Banner Life Insurance Company and/or William Penn Life Insurance Company of New York:

Non-Disclosure of Information

- Failure to disclose material information on the Biographical Information form.

Convictions

- Any felony, except felony convictions involving fraud or breach of trust, occurring more than five years before the date of application. Compliance and Legal shall be jointly responsible for granting or denying such applications.
- Any misdemeanor conviction other than one involving fraud or breach of trust.

State Insurance Department Actions

- Revocation of state insurance license for reasons other than fraudulent or dishonest activity, or any disciplinary action by a state insurance department for a significant violation of insurance regulation(s).

Financial/Credit History

- Bankruptcy discharged in the past 24 months.
- Outstanding tax liens, civil judgments, delinquent accounts, charge-offs, collections accounts, in all totaling more than $100,000, which demonstrate a pattern of poor financial management and /or irresponsibility.
- Personal bankruptcy proceeding for which a plan of resolution has not been approved by the bankruptcy court.

ERRORS & OMISSIONS INSURANCE

Even the most careful and professional agents may be exposed to the possibility of legal liability for the consequences of any negligence or errors or omissions that occur during the course of conducting business. The current legal climate is such that individuals in the insurance profession are quite vulnerable to lawsuits claiming damages resulting from professional errors. To protect themselves from potential damages, it is recommended that Errors & Omissions (E&O) liability insurance, be maintained by every agent. All Banner Life agencies that hold the BGA and BMGA1 agreements are required to maintain E&O insurance. E&O is not needed for corporations in the state of OK. Agent/brokers are not required to maintain E&O unless they are on advance commissions or licensed in Kentucky and Oklahoma. At William Penn Life of New York, all General Agents are required to maintain E&O Coverage.

The amount of coverage shall be no less than $1,000,000. This minimum coverage amount may be changed by notice in writing from the company to the Brokerage Marketing General Agent at any time. The Brokerage Marketing General Agent shall inform the company within 60 days of any changes in coverage amount below the minimum requirement, of any restrictions to the policy, and when the policy lapses or terminates.

LIMITATIONS AND AUTHORITY

The limitations and scope of authority to represent Banner Life or William Penn are outlined in your agreement, or any written modification thereof. In general, agents are authorized to solicit applications for products that are offered by Banner Life or William Penn, deliver policies, collect money for transmission to the company to pay the initial premium on such policies, and perform other duties the company may from time to time require.

General Agencies and Agents are not authorized to accept risks of any kind, except via use of the temporary insurance agreement; enter into contracts for Banner Life or William Penn; alter or modify any application, sales illustration, policy, receipt or other agreement issued by the company; extend time for paying premiums; bind the company by any statement, promise or representation; incur any liability whatsoever on behalf of the company, or cash or endorse any check payable to the company. Refer to the Banner Life or William Penn agreements for complete details of limitations of authority.

ETHICAL CLIENT SERVICE

A needs-based analysis is the only way to determine which life insurance product is the most appropriate for a client based on that client's existing insurance portfolio, needs, goals and current tax and financial position. A periodic review of a client's insurance coverage is one of an agent's primary responsibilities. It also provides an opportunity to re-evaluate a client's insurance coverage to determine if it is adequate based on changing needs and financial situation.

THE FOLLOWING SERVICE FUNCTIONS SHOULD BE AN INTEGRAL PART OF YOUR BUSINESS PRACTICE:

Client Records
Maintaining complete and accurate client files will assist in providing clients with quality service. A properly documented client file should contain a profile of the client's financial situation, insurance needs and goals, all sales materials and sales illustrations presented to the client, copies of the application, policy specification page(s), delivery receipt and any other correspondence pertaining to the client. In addition, effective case notes should be maintained documenting the dates of contact with a client and actions taken. Complete client files will facilitate service and will be useful in the event of a dispute.

Customer Complaints
Any written or oral statements made by a policy owner (or representative on behalf of a policy owner) that alleges improper activities by Banner Life, William Penn or its contracted agents or agencies in connection with the solicitation or execution of an insurance transaction, must immediately be brought to the attention of LGA's Customer Care Department Supervisor. If there is a need to initiate an owner's request (e.g. premium will not sustain cost of insurance on UL case) in order to avoid that request from becoming a department of insurance complaint or a letter to the president, the supervisor will then forward the request to the vice president of the Customer Care Department for review.

If a complaint or request for information regarding a Banner Life or William Penn policy is sent directly to an agency or agent from a state insurance department, a copy of the complaint and the response sent to the state must be forwarded immediately to Customer Care who will forward it to our compliance officer.

Client Funds
Agents are permitted to accept a policy owner's initial premium check only with the Temporary Insurance Application and Agreement. The policy owner must make this check payable to Banner Life or William Penn and it must promptly be remitted to the appropriate company. All subsequent premiums must be paid by the policy owner and remitted directly to the company. Personal checks from an agent and/or agency are not acceptable as payment of premiums from policy owner. Agents should not borrow money from or lend money to clients.

Policy and Application Changes
The policy owner must authorize any and all changes or alterations, including address changes, made to a policy or application. Refer to the Customer Care section of this manual for further detail.

DISCLOSURE

It is an agent's professional responsibility and duty to clearly explain the life insurance products recommended to the client. Full and fair disclosure of all product provisions, both benefits and restrictions (e.g., costs, fees, charges, etc.) must be presented with equal prominence.

STANDARDS OF CONDUCT

It is the duty and responsibility of an insurance professional to maintain the highest ethical standards and act in accordance with the rules and regulations governing the insurance industry. A self-governed ethical standard of conduct based on personal values and responsible actions should be an insurance professional's guide.

Ethical Standards of Conduct
- A personal commitment to fulfill and service the needs of clients and their beneficiaries.
- An accurate and honest explanation of all the facts essential to making a decision.
- An effort to continuously increase knowledge through continuing education.

FAILURE TO COMPLY WITH COMPANY AND INDUSTRY REGULATIONS

Failures to comply with state insurance department regulations; the company's policies; and acceptable standards of business conduct in the solicitation, sale and service of life insurance may result in a personal legal liability. Should a state insurance department become aware of a violation of insurance regulation(s), an investigation may ensue which could result in a fine, suspension or revocation of an agent's license. Should the companies become aware of a violation of company policy or industry regulation, an internal investigation will ensue and may result in disciplinary action or termination.

FIELD UNDERWRITING

Complete and accurate information about a prospective insured must be provided to Banner Life/William Penn. Life insurance applications must be complete and legible. The writing agent must witness all signatures and under no circumstance should anyone other than the insured/owner sign an application (or any other forms or documents) on their behalf. Such an act can carry substantial penalties.
When any type of claim occurs, the life insurance application becomes the basis for a claim dispute, denial or acceptance. Anyone who compromises any part of the underwriting process with false or misleading information about a prospective insured places the life insurance contract in jeopardy.

FRAUD

LGA Companies will not tolerate fraud be it internal or external, and whether perpetrated by outsiders, customers, agents, GAs, executives or staff. All suspected fraud involving the companies in any way and in any form will be fully investigated. Where appropriate, the fraud

will be reported to law enforcement and/or regulatory authorities and those implicated will be pursued through the courts to seek conviction and the recovery of assets or restitution.

NAIC Insurance Fraud Prevention Model Act

The NAIC Insurance Fraud Prevention Model Act defines a fraudulent insurance act as an act or omission by a person who, knowingly and with intent to defraud, commits, or conceals any material information concerning, one or more of the following:

- Presenting, causing to be presented, or preparing with knowledge or belief that it will be presented to an insurer, false information as part of, in support of, or concerning a fact material to one or more of the following:
    - An application for insurance or renewal of an insurance policy.
    - The rating of an insurance policy.
    - A claim for payment or benefit of an insurance policy.
    - Premiums paid on an insurance policy.
    - Payment made in accordance with the terms of an insurance policy.
    - A document filed with an insurance regulatory official.
    - The formation, acquisition, merger, reconsolidation, dissolution or withdrawal of a line of insurance in the sale by an insurer.
    - The issuance of written evidence of insurance.
    - The reinstatement of an insurance policy.
- Solicitation or acceptance of new renewal insurance risks by a person who knows or should know that the insurer or re-insurer is insolvent at the time of transaction.
- Removal, concealment, alteration or destruction of the assets or records of an insurer.
- Willful embezzlement, abstracting or conversion of monies, funds, premiums, credits or other property of an insurer.
- Transaction of the business of insurance in violation of laws requiring a license, certificate of authority or other legal authority for the business of insurance.
- Attempt to commit, aid, or abet in the commission of, or conspiracy to commit the acts or omissions specified above.

Should you become aware of or suspect a fraudulent insurance act, it is your responsibility to report it to LGA's Compliance or Legal Department.

LIFE INSURANCE ILLUSTRATIONS

Explanation and Disclosure

Life insurance illustrations must show both guaranteed and non-guaranteed values and it is the agent's responsibility to clearly explain the difference. It is important that clients understand that an illustration of non-guaranteed values may be incorrect after the first year. Altering illustrations in any manner, or making notes on or highlighting any portion of the illustration is prohibited.

It is inappropriate to characterize universal life insurance premiums as "vanishing" or imply that a policy will be "paid up" as of a specific date or age unless the company guarantees it. It must be explained to the client that the premiums must be paid to keep an insurance policy in force,

but if interest rates remain the same as illustrated then the projected cash value may be used to help pay premiums.

Comparisons
If comparing life insurance policies based on illustrated values, a complete and accurate evaluation of the similarities and differences between policies, products, and companies represented must be presented. Omitting information, failing to disclose information, and providing inaccurate statements are often interpreted as deceptive sales practices. Care must be taken to avoid unfair, inappropriate or disparaging comparisons.

Legal & General America's Illustration Software
The LGA companies use illustration software to run proposals of their products. Term insurance sales only discuss fully guaranteed elements and thus a signed illustration is not a requirement for the sale of term insurance. All universal life products discuss non-guaranteed elements and thus require a signed illustration. The goal being to ensure that the individual purchasing life insurance is not misled.

INTERNAL PROCEDURES

This manual outlines LGA's procedures and standards of business conduct. You should carefully read this manual and communicate the information to all agents contracted through your agency.

POLICY DELIVERY

All life insurance policies must be delivered to the policy owner in a timely manner. The company's policy delivery receipt should be completed to document the date of delivery. The free-look provision does not begin until delivery occurs, therefore unreasonable delays in delivering a policy can pose significant problems for the companies and the agent if the policy owner declines the policy.

PROHIBITED PRACTICES

THE FOLLOWING PRACTICES ARE PROHIBITED AND COMMITTING ANY ONE OF THEM CAN CARRY STIFF PENALTIES:

Misrepresentation
- Giving inaccurate or incomplete presentations or descriptions of an insurance product or service.
- Making false, misleading, deceptive, exaggerated or flamboyant claims or predictions in the solicitation or sale of a policy.
- Portraying Banner Life and/or William Penn or their products in a nonfactual manner and/or failing to disclose full information about a product.
- Misstatement of fact knowing such statement to be false.

Deceptive or Unauthorized Advertising
- The creation or use of an advertisement or statement which is untrue, deceptive or misleading regarding any insurer, person associated with an insurer, or product offered by an insurer.
- Representing yourself as a tax advisor, legal advisor or financial planner unless qualified to do so.

- Selling or offering to sell any product that has not been approved by the state insurance department.
- Reproducing or distributing promotional material to the public that is identified as, “For agent/broker use only.”
- Using sales material that promotes Banner Life and/or William Penn that may result in the sale of a product without approval from our home office.
- You may not advertise by fax, text, robo call, prerecorded voice message, or auto dialer, or by using any vendor, software, or other technology that offers these services in contravention of the Telephone Consumer Protection Act (‘TCPA’).

Unsuitable Recommendations
- Making a recommendation without reasonable grounds to believe the recommendation is suitable based on a review of the individual’s objectives, financial situation, needs and any other relevant information known.
- Inducing clients to purchase a policy that is beyond their known immediate financial resources.

Twisting and Churning
- Inducing a person to drop existing insurance in order to purchase similar coverage with another (or the same) company without reasonable proof that such a transaction is in the best interest of the client.

Rebating
- Offering an inducement to an individual in exchange for the purchase of life insurance.

Fraud
- Submitting a fictitious application.
- Signing documents on behalf of a policyholder.
- Entering false information on a proposed insureds application.
- Affecting changes or transactions in a policy without the policy owner’s knowledge or authorization.
- Altering or in any way modifying an application or policy document or sales illustration.

Unlicensed Sales
- Soliciting or writing business in a jurisdiction without being properly licensed.
- Sharing commissions with an unlicensed individual or entity.

Defamation
- Making false, maliciously critical or derogatory remarks or statements pertaining to another insurance company and/or its products and services.

REPLACEMENTS

A replacement is appropriate only if it is in the best interest of the proposed insured/owner and meets his/her stated needs and objectives. A fair and equal comparison of the old policy to the new policy must clearly illustrate that the new policy is in the individual’s best interest. Documentation to support this recommendation should be maintained in the agent/client file. A

clear explanation of the following effects of a replacement must be provided: premium rates may be higher because of increased age, acquisition costs may apply; a claim on a new policy may not be paid because a new contestable and suicide period applies; and new surrender charges may apply.
State insurance departments replacement regulations must be compiled within the state where the business is written.

SUITABILITY

When presenting a life insurance product to a prospective client, the reasonableness of the product for the individual's needs should be established. Prior to making any recommendation, consideration must be given to the individual's overall objectives and needs, financial position, ability to accept risk, tax consequences and personal knowledge and understanding of life insurance products. A complete client file should be maintained with all relevant information in support of recommendations made.

TECHNICAL AND MARKET EXPERTISE

Studies show that most consumers lack a clear understanding of how insurance works and commonly do not understand what is covered by their own policies. A competent agent can however educate the public about insurance and help consumers make informed buying decisions. To do so, an agent should be knowledgeable about a broad spectrum of insurance products and should be able to explain the advantages and disadvantage of different types of policies, costs and terms, provisions, coverages, exclusions, limitations, etc. Agents who are committed to keeping current with industry developments will be in the best position to serve their clients well, and survive increased competition.

Social Media Guidelines

For questions concerning social media use and compliance, please contact your Distribution team representatives directly to initiate the review process.

Submit

INTRODUCTION

William Penn
The Submit Department is responsible for recording paper applications and AppAssist requests to William Penn administration systems, indexing all new business and delivery requirements, and notifying carriers regarding replacement of policies.

Banner Life
The Submit Department is responsible for Horizon paper applications and certain digital submissions prior to a link being sent to complete the online journey. For full information on our digital journey, please visit our Advisor Hub: Horizon Experience (lgamerica.com)

This section provides an overview of the Submit Business area. However, if further clarification on procedures is needed, contact the Submit Department: Banner-Submit@lgamerica.com or Penn-Submit@lgamerica.com

APPLICATION PROCESSING

Paper Applications are entered into the system the day of receipt Incomplete applications will not be available for viewing on the lgamerica website. AppAssist requests are entered into the system the day of receipt and forwarded to the AppAssist Call Center, unless important information is missing. Every effort is made to contact the general agency within 24 hours once the formal application is received to obtain any missing information.

APPLICATION COMPLETION

Memo
To expedite the new business process, please ensure a completed Agent's Report (Application page 11 for William Penn and Application page 12 for Banner Life) is included in the application packet. This should provide the following:

1. General Agency name AND code
2. Servicing/Writing Agent name, SSN/TID AND code
3. Commission percentage for each applicable agent

Paper Applications can be received by imaging, via ExamOne, PaperClip, or LGA's Doc Upload process. For more information regarding Doc Upload, please visit our Advisor Hub here: Advisor Hub | Drop a Ticket | Legal & General America (lgamerica.com) and search Doc Upload. Agencies that image should refer to the imaging guidelines, which are provided in the Document Processing Center section of The Basics.

*Banner Life note - these methods of imaging do not align with new business/underwriting documents for digital policies. These should be sent to OnlineApp@lgamerica.com.

The completed application can also be Faxed or sent via U.S. mail or courier mail (UPS, FedEx, etc) and addressed to Administrative Services.

Application
When first-time applications are sent, the minimum pages required to start the data entry process are the following:

Banner Life: Pages 1,2,3,4,5,6,7,8,9,12

William Penn: Pages 1,2,3,4,5,11

Please ensure that the most recent version of the HIPAA form is included. Any application received without one will be rejected.

If coverage under the Temporary Insurance Application and Agreement (TIAA) is desired, pages 10 and 11 will need to be submitted for Banner Life and pages 9 and 10 will need to be submitted for William Penn. The application contains two copies of the TIAA. A signed copy of the TIAA should be left with the client.
Note: Do not collect money or send a check with the ICC17LIA (Banner Life digital) forms. We will determine TIAA eligibility and collect payment details electronically, if applicable, during the digital client journey.

Product Description
Agents/brokers must clearly identify the plan and face amount preferred by the proposed insured. For example, if a client would like to be considered for a term plan, the agent/broker should write in the specified plan and years (e.g., OPTerm 20). This information is critical and, if incomplete, may prolong the approval process and/or require an amendment at delivery. Please verify this information prior to submitting the application. If a plan is not specified, the application is entered as OPTerm 20 and a requirement asking for the plan name is added.

To add a Term Rider(s) or Child Rider(s) (Banner Life only at this time) to an OPTerm application, please check the “Other (description and amount)” box in Section F question 29 under Additional Benefits, and indicate the term rider(s) length and amount. For example, to add a 10-Year Term Rider for $250,000, write “10 ytr = $250,000” in the space provided.

General Information about Beneficiary Designations
The beneficiary designation on an application or change form must be clearly stated so we can carry out the wishes of the insured upon his or her death. Avoid using vague designations, such as wife, child, or children. Instead list proper names when possible. When designating multiple beneficiaries, the distribution amounts should be listed as percentages of the total proceeds in whole numbers (33% vs 33.3%), not specific dollar amounts, with the total equal to 100%.

A minor (someone under the age of 18 in most states) is not able to receive funds from an insurance company on his/her own behalf. This is because a minor is not able to provide a valid release for the distribution. If a minor is named as the beneficiary, someone must petition the court to be named as the financial custodian for the minor. The natural parent of the minor does not automatically fill this role. Therefore, if an insured/policy owner wishes to name a minor as a beneficiary, he/she should research the law to determine what is required in that state.

If the policy owner wishes to name a trust as the beneficiary, make certain that the trust exists and ask for a photocopy of the title and signature pages. When submitting the application, please be sure to include the full name, date, and Tax ID of the trust on Page 1 of the application. In most cases, when a trust is listed as the primary beneficiary, no contingent beneficiary is listed. If the trust has not been established at the time the proceeds become payable, then the proceeds to the policy become payable to the insured's estate.

Agent/Broker Numbers and Commissions
A complete Agent Report with correct information ensures that the case will be coded as expected. When completing the Agent Report page of the application, it is important that the agent/broker include his/her current agent/broker number to avoid an incorrect commission allocation. An active life insurance license, in the state that the policy was sold in, is required at the time of sale. Applications submitted by agents without a valid state license will be rejected. General agency staff should verify each agent/broker number that is recorded on the application to ensure that it is accurate and legible. In addition, the general agent section at the bottom of the Agent Report should always be completed, to ensure the case gets coded to the correct general agency.

Each agent/broker is assigned a number that helps identify the relationship between the agent/broker and the general agency. Generally, the first three digits of the agent/broker number are synonymous with the first three digits of the general agency number.
For example, John Doe's financial agency number is ABC0000. Therefore, every agent/broker associated with John Doe Financial has an agent number that would begin with ABC and have a unique four-digit identifier for the last four digits of the agent/broker number.

Please clearly state situations involving split commissions on the application and provide each agent number and percentage of commission split in whole numbers. If more than two agents are splitting the commission, include an additional copy of the Agent Report for the additional agents. The cover memo should also make note of the split. The total must equal 100%.

Pending Agent/Broker Numbers – Just In Time Applications
Previously, there were situations where new business was submitted and the application did not match with an appointed agent/broker. This may have been the result of the application being received before the agent appointment materials. In those situations, the business was coded to a special general agency number. For example, if the general agency number were ABC0000, the default would be ABCXXXX. Use of this number provided a system for tracking the application pending determination of the agent/broker. This is no longer the case. Agents/brokers must be contracted and appointed with Legal & General America prior to their application being formally submitted. The Just In Time process allows contracting paperwork to be submitted along with the application. Once processed, the application will be formally submitted. Again, it is important to have the general agent Information completed to ensure that the case is coded to the correct hierarchy.

PAYMENTS WITH APPLICATION

Guideline Requirements
Note: Check payments are not accepted for initial premium payment on digital policies. Premium payment is collected during the Horizon journey.

- All premium checks must be made payable to Banner Life Insurance Company or William Penn Life Insurance Company of New York. Write the policy number, name, and/or social security number of the proposed insured on the check.

- Checks drawn on agents/brokers or agency(s) accounts are not acceptable and will be returned to the agent.
- Applications, which clearly indicate information that most likely will result in extra premium, should be submitted on a cash on delivery (COD) basis. Medical histories such as heart attack, coronary artery bypass surgery, diabetes, cancer, alcohol/drug treatment or counseling are a few examples of applications that should be submitted by COD. Any premium received is returned and underwriting continues on a COD basis.
- Post-dated checks are not acceptable and are returned to the applicant. The application is then processed as a COD case.
- Third party checks are not acceptable and will be returned to the applicant. These include checks made payable to the agent then endorsed and made payable to Banner Life or William Penn.
- Cash equivalents and “starter” checks are also not acceptable as forms of payment.
- Do not collect cash after an application has been submitted to underwriting and while it is still pending. When a Temporary Insurance Application and Agreement (TIAA) is given to the applicant within our binding limits, submit the money with the application.
- A TIAA received without a check or a completed Electronic Funds Transfer Payment Options form will be returned if it does not arrive at the home office within five business days.

Temporary Insurance Application and Agreement (TIAA) Limits
Premiums can only be collected with an application for a face amount of $1,000,000 or less and/or when the proposed insured is age 70 or younger. Additionally, premiums cannot be collected with an application on any plan if the proposed insured’s medical, occupational, or vocational history indicates a substandard or additional premium may be required.

To enable the collection of a lesser premium, select a more frequent mode at the time of application. A request for a different premium mode can be made by the agency by submitting transmittal correspondence to the home office. The change will take effect at the time of policy issue.

Any premium collected above the TIAA limit is returned to the applicant. If the Check Processing staff identifies the premium received as outside the guideline, the original check is mailed to the attention of the applicant with a letter detailing why the check was returned. The brokerage general agent and the agent/broker are copied on the letter.

The approval process is not delayed if the premium is returned to the applicant. The application is still forwarded to underwriting for further consideration and the prospective insured has the opportunity to remit payment once the policy has been delivered.

Any premium received that is within the TIAA limit is accepted and applied to the case. The auditor accepts the payment and holds any remaining balance as a delivery requirement. If the amount received is above the premium amount, the difference is refunded to the client.

An amount equal to the modal premium indicated on the application must be submitted. The mode must be either an annual, semi-annual, quarterly or monthly via EFT. If you select monthly EFT, two months premium is required.

Note: Do not collect money or send a check with the ICC17LIA (Banner Life digital) forms. We will determine TIAA eligibility and collect payment details electronically, if applicable, during the digital client journey.

ADDITIONAL POLICY REQUESTS

- An additional policy request is a situation where an individual requests one or more policies be issued with the intent to deliver all policies.
- Underwriting requirements are based on the total amount of all coverage currently applied for and in force.
- If additional coverage is desired after the policy has been issued, please contact the Underwriting Department.
- When two policies are requested but only one application is submitted, please place a cover memo on the application with detailed instructions of the split and include the instructions in the Remarks section of the application. However, requesting two policies with one application may increase processing time, so it is preferable to submit two applications when requesting two policies whenever possible.
    - Note: For our digital platform, using the “Add Policy” feature when dropping a ticket will provide the best customer experience. Additional policies can be added after but may not “bundle”.

ALTERNATE POLICY REQUESTS

- An alternative policy request is a situation where an individual requests two or more policies be issued with the intent to deliver one of the policies.
- We do not issue alternate policies.

APPLICATION AND RELATED FORMS VARIATIONS

Banner Life
There are state variations of the Banner Life application as well as the medical examiner's report. The current 2020 HIPAA form is needed in order to process the application. Agents/brokers must use the appropriate application and related forms of the state where the application will be signed by the owner, or the proposed insured if he/she is the owner. Some states require that the agent/broker be licensed and/or appointed before writing an application. If there are questions regarding a given state, contact the Licensing Department for clarification or refer to the Licensing section of this manual.

William Penn
William Penn Life applications and related forms are for use in New York and must be signed and policies delivered in New York. In addition, the New York Regulation 60 Definition of Replacement form (PR-102) is required for all applications, as well as, the current 2024 HIPAA form. Please submit the newest version of this form with the application to avoid processing delays.

Completion of the proper application and any related forms is an extremely important part of the underwriting process. Submitting an incorrect form will delay the process of the application. Remember all forms are available for download from our website, partner.lgamerica.com.

APPLICATIONS PENDING FROM OTHER COMPANIES

If other applications are pending or being submitted to any other company(s), include the amount, date and name of the company(s), including the intended total to be placed in-force in all companies in Section G of the life insurance application.

DUPLICATE APPLICATIONS

Duplicate Application procedures address situations where an applicant submits two or more applications with the intent of accepting only one of the policies. This section outlines the steps we take to process these applications. We recognize that there are situations when an individual may apply for coverage through more than one agent/broker with the intent of accepting all policies. We will accept both applications in these instances.

Also, there are rare situations where the insured is the same but the applicants are different. The general agency should discuss these with their internal wholesaler prior to submission.

Belongs to Policy Issue) Duplicate Application with New Broker (Prior to Receipt of Final Underwriting Requirement)

Banner Life – Horizon/Digital policies

If duplicate digital policies are submitted for the same client, the client should proceed with the link/policy submitted by their agent of choice. The client may contact our New Business department to close undesired policies: OnlineApp@lgamerica.com.

(Policy Issue) William Penn
When more than one agent/broker submits an application covering the same proposed insured and it is the applicant's plan to accept only one policy, and in which case no written request to the contrary is received from the client, it is our policy to process the first application received. The first application is determined by the date the application was received, not by the date that the application was signed.

Upon receipt of the second application, if no letter of instruction has been received from the client, the New Business Submit Team will conduct the following review and actions.

- Reject the second application and send a written communication to the agency responsible for the second application. The agency is advised that another application for this applicant was received at an earlier date from another agency. We then inform the agency that the procedure is to process the first application unless the client submits a written request to work with the second agency/broker, prior to receipt of the final underwriting requirement, in which case the second application will be processed.

If the insured provides a statement in writing (a broker of record letter) naming the second agent/broker as their representative, we will honor the client's wishes and process the second application. The statement should clearly name which agent/broker the client wishes to work with and that agent/broker will be considered both the writing and servicing agent/broker. All commissions will be paid to the general agent and agent/broker selected by the client.

Upon receipt of the second application that is accompanied by a letter of instruction from the client, the New Business Team will conduct the following review and actions.

- Send written communication to the agency responsible for the first application. The agency is advised that a second application has been received together with a written request from the client to work with the second agent/broker. In keeping with our policy of honoring the client's wishes, the original application will be terminated, and the second application will be processed.
- A letter is sent to the applicant advising that the file for the application we are not processing has been closed and any money received will be returned, unless the letter of instruction includes a request to transfer the original cash with app payment to the new application.
- Regardless of which application is ultimately processed, we will use whatever requirements that have been ordered which are owned by the company.

In the case where a second agent/broker contacts us (through the general agent) indicating that a client who previously submitted an application through another agent/broker now wishes to work with the second agent/broker, the client will be required to submit a statement in writing (a broker of record letter) naming the second agent/broker as their representative and a full new application must be completed.

(Policy Issue) Duplicate Application (After Receipt of Final Underwriting Requirement)
If the final underwriting requirement has been received prior to receiving a second application and/or a written change of agent/broker request from the client, the second application will not be accepted and the first policy will be placed with all commissions paying to the original general agency and agent/broker. If the client submits a request in writing to work with the second agent/broker, a change of servicing agent/broker will be processed after the policy is placed in force. Policy delivery must be completed by the original agent/broker by eDelivery, in person or by mail.

Duplicate Application with Same Broker New Agency
When more than one agency submits an application covering the same proposed insured and written by the same broker it is our policy to process the first application received. The second application will be returned. We will only change the general agency if an authorized principal of the first general agency provides a written release.

William Penn AppAssist
For situations where a Request for Life Insurance (RLI) was submitted via AppAssist, the guidelines for handling duplicate applications vary depending on the current status of the first RLI and application.

When an RLI has been submitted by the first agent, but the application interview has not yet been completed, the client can send an email to ais@bannerlife.com requesting to withdraw the first RLI. The second agent can then send in a new RLI for the client.

If the application interview has been completed, a new drop ticket will need to be submitted by the new agent along with a written request from the client to assign their application to the new agent. The data collected from the application interview is transferrable to the new application for 30 days. If the new RLI and request to change agents are received more than 30 days after the interview, a new interview will need to be completed. The GA should contact an AppAssist Supervisor for assistance prior to submitting the new RLI.

If an AppAssist case has been approved prior to receiving a second drop ticket and/or a written change of agent/broker request from the client, a second drop ticket will not be accepted and the first policy will be placed with all commissions paying to the original general agency and agent/broker. If the client submits a request in writing to work with the second agent/broker, a change of servicing agent/broker will be processed after the policy is placed in force.

Closed Cases
In some cases, the above duplicate application guidelines may not apply to cases that have reached a final disposition, such as terminated, withdrawn, or closed by the first general agent, or postponed, not taken, or active. *In such cases, any subsequent application would be treated as a new application and would follow standard new business procedures.*

REPLACEMENTS

A replacement is any transaction in which new life insurance or a new annuity is purchased, and it is known or should be known, to the agent/broker that by reason of such transaction, existing life insurance has been or is intended to be:

- Lapsed, forfeited, surrendered or otherwise terminated
- Converted to reduce paid-up insurance or continued under a non-forfeiture benefit
- Amended so as to reduce the amount of insurance or the period of time it continues in force
- Reissued with any reduction in cash value
- Assigned as collateral or subjected to borrowing for loans of more than 25 percent or 50 percent (depending on the state regulation) of the tabular loan value

LAWS COVERNING REPLACEMENTS AND REPLACEMENT FORMS

Banner Life Replacements
Replacement is appropriate only if it is in the best interest of the client and meets the client's stated needs and objectives. A fair and equal comparison of the old policy to the new policy must clearly illustrate that the new policy is in the applicant's best interest. This comparison should be maintained in your client file. A clear explanation regarding the effects of a replacement must also be provided. Insurance department replacement regulations must comply within the state where the business is written.

There are two types of replacements; when a Banner Life policy will replace a Banner Life policy, and when a Banner Life policy will replace a policy with another carrier. The agent/broker must determine if replacement is suitable, then complete and present the replacement form(s) to the applicant. One copy of the form is sent to the Home Office with the application. Some states require that a copy of the sales proposal/illustration used during the sales process must also be included with the application. In addition, the agent may be requested to provide the explanation and analysis presented to the applicant.

Failure to submit the required replacement form(s) or any other replacement information may delay the approval and issuance of a policy. In almost all cases, we are required to notify other companies of the intended replacement of their policy(s) and cannot issue a policy until this has been done. Furthermore, we cannot send this notification of replacement until the proper replacement form(s) are received. The required replacement form(s) can be obtained at partner.lgamerica.com under the Forms page.

Please note that for some states there is a separate form for replacements of a Banner Life policy with a Banner Life policy and the replacement of another carrier with a Banner Life policy.

The following states require the completion of a replacement form for all applications, even when coverage is not being replaced:
Alabama, Alaska, Arizona, Arkansas, Colorado, Hawaii, Iowa, Kentucky, Louisiana, Maine, Maryland, Mississippi, Montana, Nebraska, New Hampshire, New Jersey, New Mexico, North Carolina, Ohio, Oregon, Rhode Island, South Carolina, South Dakota, Texas, Utah, Vermont, Virginia, West Virginia, and Wisconsin.

Other specifics regarding replacement regulations for each state are available from the Customer Care Department. A copy of each state's replacement laws can be provided upon request from the Submit Department.

William Penn Replacements - New York Regulation 60
The updated New York Regulation 60, Replacement of Life Insurance Policies and Annuity Contracts, became effective on April 21, 2015.

A policy is considered a replacement and would be subject to Regulation 60 requirements, if

1. A client intends to replace an existing policy; full disclosure is needed unless it fits into one of the exemptions.
2. The existing policy lapsed within six months of taking the new application.
3. The agent is aware that the client is planning to lapse a policy within the next six months.
4. The agent finds after an application is taken that the client intends to lapse a policy but did not indicate such initially.

If a policy lapsed more than six months ago or lapses more than six months after the new application, full disclosure is not required.

Among the goals of this regulation are to “protect the interest of the public by establishing minimum standards of conduct to be observed in the replacement or proposed replacement of life insurance policies and annuity contracts, “and to make available “full and clear information on which an applicant for life insurance or annuities can make a decision in his or her best interest…”. Legal & General America supports the goals of this regulation, and trusts that the benefits it provides to agents and clients alike will be recognized. Therefore, cooperation in fully complying with the replacement procedures is critical.

Below is a listing of requirements at the time of submitting a New York application:

1. Every life application must be submitted with a Definition of Replacement form whether or not a replacement is being contemplated. The form must be completed and signed by the applicant and agent. A copy must be left with the applicant.
2. If a replacement occurs, the agent must complete form LF-203 and send to the company being replaced. The “Important Notice Regarding Replacement or Change of Life Insurance Policies or Annuity Contracts” must be signed and left with the applicant and a copy must be submitted with the application. If the agent receives the values from the replaced company, a copy should be forwarded to William Penn. If received by us, we will generate a disclosure statement to be signed by the agent and applicant at time

of delivery. If the replaced company fails to provide the values, the agent must complete the disclosure statement using approximations. This can be sent in and can be signed by the applicant at time of delivery. All applications that are not submitted with the required forms will be deemed incomplete and the application will be returned to the agency.

3. A copy of any proposal, including all sales material used in the sale of the proposed life insurance policy contract, must also be submitted.

Another provision of the regulation entitles the policy or contract owner a 60 day “free look” provision. The owner has the right to return the policy or contract within 60 days from the date of delivery of the policy or contract and receive an unconditional full refund of all premiums. If the owner exercises the 60-day “free look,” the insurer whose policy has been replaced must reinstate the policy as of the date of replacement without underwriting.

The updated Regulation 60 forms and updated replacement procedures document can be found on the Partner Dashboard website. The website will also provide the latest news on Regulation 60. Additional information about Regulation 60 is available on the New York State Insurance Department website.

QUICK QUOTES

If a William Penn application is being submitted as a result of a quick quote decision, please include a copy of the quick quote along with the application. We do not process trial applications.

For more information on quick quote procedures, please refer to the Underwriting section.

Underwriting

INTRODUCTION

The Underwriting Department is responsible for reviewing all applications and determining a risk classification based upon applicable standards. This section will answer most questions on underwriting procedures. However, if further clarification is needed, please contact your team's Underwriting Director or your general agency.

INTOUCH PHILOSOPHY

Our philosophy is to look at the total individual under consideration, touching every aspect in determining the best possible rate classification, every time. Simply stated, we underwrite the entire risk. We collaborate with our expert team of Medical Directors and our Chief Underwriter to gain the necessary insight required to best align the mortality risk presented with the premium charged.

AGENT/BROKER RESPONSIBILITIES

In this section when a reference is made to the agent, we are referring to the agent/broker.

The risk selection process begins with the agent. As a representative of Banner Life and/or William Penn, the agent must take reasonable steps to protect the company's mortality and to avoid anti-selection against the company.

The following is a list of some of the items an underwriter considers when assigning a risk classification: age, height, weight, occupation, avocations, finances, habits, driving record, insurable interest, present physical condition, past medical history, foreign travel or residence, citizenship, military, aviation, and hazardous activities. Depending on these and other factors, the proposed insured is classified as Preferred Plus, Preferred Non Tobacco, Standard Plus, Standard Non Tobacco, Preferred Tobacco, Standard Tobacco, rated (extra premium charge), flat extra applied, declined or postponed. Proper risk assessment puts profitable and persistent business on the company's books.

An application that has had careful and complete field underwriting will pass through the Underwriting Department and will be issued much faster than a case that has not received the same attention.

Since the initial underwriting of a case begins in the field it is very important that the agent becomes well acquainted with the application and the Agent Report page of the application to ensure both are properly completed.

Applications that are completed legibly with all questions completely answered can be processed faster than those that require further correspondence with the Underwriting Department. If there are any questions on how to complete the application, they should be directed to your marketing coordinator *before* the application is mailed.

The paper application for a policy must be completed in black ink without alterations or erasures. An application written in pencil will not be accepted. Do not use correction fluid or correction tape on an application. Simply draw a line through the error, then correct it and have the applicant

and proposed insured initial the change. Initials of the writing agent are not required nor are they acceptable. *For electronic applications, please disregard*.

A copy of the application is inserted in every policy and some questionnaires, if applicable. The application and policy forms together constitute the entire contract. Particular care should be exercised when completing an application and every question should be answered in full.

In order to comply with specific state insurance department regulations regarding the wording of certain questions, we have developed state-specific applications. Please refer to the Applications category in the Forms section on our website to determine the proper application form. The state where the owner signs the application determines which application form should be completed.

HORIZON

Horizon is a digital underwriting platform that allows the system to make an automated decision based on rules. This allows us to be more efficient and streamline our processes and improve customer experience. If the system can't make an automated decision, then cards are created based upon the rules for the underwriter to review.

The card-based system allows us to break down requirements into its base components such as APS and lab results. This allows the underwriter to review each component of the file until we get a holistic view of the entire applicant history by creating notes on the underwriting rationale page.

Horizon is able to use machine learning to order underwriting requirements before an underwriter has even reviewed the file. The system knows the age/amount parameters. This allows the underwriter to review other more time sensitive files.

If the system is not able to make a decision on a card, it will create an underwriter review card. This is helpful for any medial impairments that may be outside the rules.

FORMAL APPLICATIONS

Application Signatures

Several signatures are needed on the application before it is considered complete: the signature of the proposed insured, the signature of the owner (see Policy Ownership section), and the signature of the agent. Often the proposed insured, and owner are one and the same. When the owner is not the proposed insured, they must sign the application where indicated.

- If a business is to be the owner, then an authorized representative of that business, usually a corporate officer other than the Proposed Insured, must sign the application.
- If a trust is the owner all named trustees must sign the application. The full name and address of the trust, its effective date, Tax ID number and all trustee names must be provided in response to the questions asked during the digital journey. A Trust Certification Form may be required at underwriter's discretion for a proposed insured if a trust is named as owner or beneficiary.

  Banner Life Form: LU1277
  William Penn Form: LU1277WP

Policy Ownership
Someone other than the proposed insured may hold ownership of the policy. However, insurable interest *must* be present between the owner and the insured. The ownership arrangement must make sense and have a firm and factual basis.

The owner's signature is *always* required on the application. Printing the name of the owner is not acceptable.

Employer/Business Owned Life Insurance
The Pension Protection Act of 2006 includes rules for employer owned life insurance. An Employer/Business Owned Life Insurance Acknowledgment and Consent form is available for use when an employer will be the applicant on a policy insuring the life of an employee. The form provides Notice and Consent requirements, Specific Exceptions, Employer Record Keeping Responsibilities, Employer Acknowledgment, and Employee Consent. This acknowledgment and consent form populates during the digital journey and is required for all life applications where the employer is the applicant/Owner. Also required within the digital journey is the signature of the business signor, as well as the signor's date of birth, the last four digits of their social security number, their relationship to the business, the business address, email address and contact phone number.

Banner Life Form: LR-63
William Penn Form: LR-63-WP

Replacement Disclosure Form Requirements
Many states have specific requirements for disclosure. Some requirements must be completed at or before the taking of an application and others at the time of policy delivery. The following is a list of states with such requirements, including the form to be completed and the circumstances under which it is required.

New York (Regulation 60)	**UL/Whole Life Disclosure Statement –** PR-101 Required only if replacing. **Definition of Replacement –** PR-102 Required on all cases. **Notification of Replacement –** PR-103 Required only if replacing. **Authorization to Release Information –** LF-203 Required only if replacing. **In-force Illustration provided by Carrier being Replaced** Please refer to New York State Regulation 60 Procedures regarding Replacement of Life Insurance Policies and Annuity Contracts.
Pennsylvania	**Term Disclosure Statement –** LR-62**.** This form is populated in the digital journey and must be provided to the applicant/owner at the time of application for all term life insurance plans.
Texas	**Policy Summary -** LU-1200T**.** This form is populated in the digital journey and must be completed for all term plans solicited for sale in the state of Texas at the time of application. Another copy is to be given to the applicant/owner.

Consent Forms
For digital applications, all notice and consent forms are completed by the exam company, during the exam process. For non-digital William Penn applications, a state informed consent form is required. This form must be completed at the time of application, before arranging the examination and collecting the blood specimen.

Tobacco/Nicotine Usage Classifications
Applications inquire about the past or present use of tobacco or any nicotine-based products, type of product used, date of last use, and amount/frequency. Misrepresentation regarding tobacco or nicotine could result in the denial of the death benefit, so it's important that this question be answered accurately.

Pending Requirement Notices Formal Application
Communication on all pending cases in the Underwriting Department are sent to the general agency office. The options regarding how the agency can receive the communications are available in the Preferences Section of the website. Once the application has been through initial review, a formal pending requirements notice is produced. Thereafter, automatic follow-ups will occur every 10 business days from the initial review date.

The status of the case will be updated in real time on the website when a requirement is received or added. Memos/communication from the Underwriter may also be included.

Incomplete Application Files/Withdraw Requests for Coverage
- Requests to withdraw an application for life insurance can be made by the general agency or the proposed insured and will result in the file being closed as withdrawn.
- Cases pending with underwriting requirements for more than 90 days (Banner Life) or 60 days (William Penn – NY) will be closed as incomplete. A letter will be sent to the applicant/owner advising him/her of our action with a copy to the general agency as well.
- Any refunds generated will be returned directly to the party that submitted payment for the application.

Declined or Postponed Applications
The applicant/owner will be advised in writing by the Underwriting Department of any application that has been declined or postponed.
- A separate detailed letter explaining the reason for the decision is sent to the proposed insured.
- The general agent will receive a letter indicating that we are unable to issue and that the insured will receive a letter of explanation with the underwriting decision.
- Any refunds generated will be returned directly to the party that submitted payment for the application.

Client Inquiries about Adverse Action
Clients who want a more detailed explanation regarding adverse underwriting decisions based on medical information (exam, lab studies, or attending physician information) should submit their request in writing.

Any adverse action, which is based on consumer report information, is stated in the letter to the client and provides the address of the office that provided the report. The client should contact that company's office directly for information regarding the report.

Please do not suggest that the client call the underwriter or provide the underwriter's name or contact information to the client.

Rate Reductions
When a policy has been issued with an increased premium due to occupation, aviation activity, avocation, or medical condition, removal or reduction of the rating will be considered after

- The insured has been in a less hazardous occupation, aviation, or avocation for at least one year or
- Can demonstrate improvement in overall health or change in aviation or avocation.

Rate reductions are generally considered only after the initial policy anniversary. A change from smoker to a non-smoking class can be considered on any premium due date, but not sooner than 12 months from cessation of smoking, and given that the insured's health has not worsened. Evidence of insurability will be required at no expense to the Company.

BENEFICIARIES

The policy should be made payable to a beneficiary having an insurable interest in the life of the proposed insured. An insurable interest exists when the owner/beneficiary has continued economic gain during the life of the proposed insured and economic loss in the event of death. Some examples of this relationship are: the spouse, key employee to employer, and business partners.

The copy of the application, which is attached to each policy, will serve as the beneficiary designation for that policy. Therefore, it is most important to follow these instructions carefully when completing an application:

- Full name (Record a married woman's first and last name. Specify it as "*Mary* Doe, wife," not as "Mrs. *John* Doe.")
- Relationship of each beneficiary
- Date of Birth
- Social Security Number

The logical beneficiary for personal insurance if the proposed insured is married is the spouse or children. If they are not named as beneficiaries, an explanation is needed. Other logical beneficiaries for personal coverage for a single person are: parents, dependent relatives, or the estate of the insured.

Any time the insurable interest of the beneficiary is not obviously demonstrated by the relationship, a written explanation should accompany the application as this will save underwriting time. Often, valid circumstances do exist which establish insurable interest. Designations such as friend or others that don't exhibit an intrinsic insurable interest will require an explanation. The general agent will be asked to provide the nature, extent, and amount of insurable interest the designated beneficiary has in the life of the proposed insured if not explained in the cover letter.

- If the applicant wishes to dispose of the proceeds by will or under the laws of descent and distribution, he/she should name his/her estate as beneficiary. If an estate is named, an explanation of the ultimate beneficiary must be provided. If a trust is named as beneficiary; the name, date of the trust, and tax ID number (TIN) must be included as part of the description on the application. Remember, there may be multiple trusts and trusts written to supersede previously established trusts, so be accurate when recording this information. A Trust Certification Form is required for proposed insureds over the age of 65 if a trust is named as owner or beneficiary.

Please see additional information regarding this form under the Application Signatures section of this document.

Contingent Beneficiaries
One or more contingent beneficiaries should be designated on the application. Normally, this should be the person(s) who would inherit the insured's property by laws of descent and distribution. The designation of contingent beneficiary may be by name, or by class, as “children born of the marriage of the insured and said wife, Jane Doe.”

Minor Beneficiaries
It is usually impractical for a minor to be a primary beneficiary of life insurance, simply because a minor (especially one under age 15) generally does not have a legal capacity to release the company from its liability. Therefore, we would request that a court appointed guardian of the minor’s estate make the minor’s claim. Appointment of such a guardian usually takes time and money, which can cause delay in payment of the policy proceeds.

Divided Proceeds
Beneficiary designations that require a division of the proceeds should be indicated on the application by percentage, not a dollar amount. Percentages are to be made in whole numbers, not decimals, and total 100%. As an example:

MARY SMITH, WIFE, AGE 40 70%
SUSAN JONES, MOTHER, AGE 65 15%
JOHN JONES, FATHER, AGE 65 15%

Beneficiary Class Designations
Beneficiaries should be named or described in a manner that makes identification possible at an early date. Non-specific class designations such as “children of the insured” should be avoided. If children must be named as a class, the designation should be worded so that the members of the group may be readily identified. Some examples are:

"Children born of the marriage of the insured and Mary Doe, wife"
"John Doe and Jane Doe, stepchildren of the insured, and children born of the marriage of the Insured and Mary Doe, wife"
"Children born of the marriage of the insured and Mary Doe, wife, and children legally adopted by the insured and said wife"

"Jim Doe, son, and June Doe, daughter, and any other children born of the marriage of the insured and Mary Doe, wife"

PROPOSED INSURED

Name, Date of Birth and Social Security Number

Unless otherwise requested, the policy will be issued using the name specified for the proposed insured in question one of the application. Policies are issued on an age nearest basis. Please refer to the Policy Issue section for instructions on saving age.

The social security number of the proposed insured is required.

Residence Address and Driver's License Number

The current residence address specified on the application must be complete. Motor vehicle reports are ordered on all proposed insureds. Please be sure that the Driver's License Number and state of issue are recorded accurately. Also, please carefully distinguish between the letter "o" and the number zero.

Phone Number

Please show residence and/or mobile as well as business phone numbers on the application.

Occupations

List the occupation, duties performed, and nature of business (especially if self-employed). A description of the duties performed is especially important where the occupation is not in and of itself descriptive. For example: consultant, self-employed, or designer. If a corporation or firm employs the applicant, the name of the firm, address and nature of the employer's business must also be supplied.

Unemployment

Generally, a proposed insured that is unemployed will not be eligible for coverage. Consideration may be given based on previous work history and income. These details should be included on a cover letter. Please call the designated underwriting team if there are any questions before submitting an application on a proposed insured that is unemployed.

Public Assistance or Social Security Disability Income

It is not our practice to consider coverage for anyone who is receiving public assistance or Social Security Disability Income. This includes persons designated as an owner or premium payer.

Residents outside the United States

If a proposed insured that is a U.S. citizen resides or intends to reside outside the United States, call the designated underwriting team before submitting the application.

Extensive Travel outside the United States

If a proposed insured who is a U.S. citizen intends to travel outside the United States in the next year, please submit details that include countries and cities to be visited, duration and frequency of visits and reasons for travel. The Residence and Foreign Travel Questionnaire is available on the website to assist in obtaining this information. Call the designated underwriting team before submitting the application.

Non U.S. Citizens

Coverage will be denied if the proposed insured is not a citizen of the United States, has not resided in the United States for the past two years, does not have a Green Card or Permanent Visa, and/or does not intend to reside permanently in the United States.

To confirm eligibility please call the designated underwriting team before submitting an application and provide the following information:

- Length of time in the United States
- Immigration status
- Residence and citizenship plans
- Type of Visa

If the proposed insured does not read and speak English, the agent must provide full details in a cover letter, especially as to how the application questions were asked of and answered by the proposed insured. A Third Party Translator's Statement is also to be submitted with the application and is available on the website.

Banner Life Form: LP180

William Penn Form: LP180WP

A Third Party Paramedical Translator's Statement is also available on the website.

Banner Life Form: LP186

William Penn Form: LP186WP

Other requirements may be necessary based on the amount of insurance applied for or as deemed necessary by the case underwriter.

Aviation
For a proposed insured involved in private flying activities, we may consider for coverage that may include an extra premium. Aviation exclusion is also available if requested by the proposed insured or deemed more appropriate to use rather than an extra premium rating. Preferred classes are only available with an Aviation Exclusion Rider. The Aviation Exclusion Rider is the only option for proposed insured at ages 70 and older, and for table rated cases.

If the agent has a question regarding the potential for an extra premium because of the applicant's aviation activities, please contact the underwriting team. The Aviation Questionnaire must be completed and submitted with the application. This form will become part of the policy contract.

Existing Life Insurance Policy (ies)
Each in-force policy should be listed separately on the application in the appropriate space, showing the name of the insuring company, the total amount of coverage and the year of issue. State "none" if there is no life insurance currently in force.

If coverage decreases, lapses, or surrender of a policy is requested, the special request space of the application should be used to describe the situation in detail. If the application identifies internal replacement but does not request the termination of the older policy, the new policy will be issued with an appropriate amendment stating that the termination of the original policy takes effect on the day immediately preceding the policy date of the new policy.

Previous Declinations or Ratings
If the proposed insured has ever been *declined or postponed* for life insurance, or offered insurance on a *rated* basis, details of these transactions and full information as to the companies, dates and reasons (if known) must be given on the application. Information omitted or incorrectly stated will delay the processing of the application in underwriting while a thorough investigation is completed. Do not accept payment with the application if any proposed insured has been previously rated or rejected by Banner Life, William Penn or any other company.

MEDICAL UNDERWRITING

Underwriting Requirements

For information on underwriting guidelines, please refer to our *Underwriting Criteria and Requirements* brochure in printed format and posted on our website. The brochure outlines what is required per age and face amount. We reserve the right to order any medical requirements deemed necessary at any time. Complete details and information will allow for faster processing of the application.

Requirements are based on the face amount of the current application, *plus* the face amount of the existing policies with Banner Life and/or William Penn.

Medical History

The questions on Part 2 of the application are designed to obtain a full medical history. We highly recommend completion of Part 2 of the application even when a medical examination is required. This allows for the early identification of a need for an Attending Physician Statement(s) *(*APS*)*. It also can identify medical histories or conditions that may require a rating that will allow for a more accurate sales illustration to be presented to the client.

A Part 2 must always be completed when the Underwriting Department is being asked to use another company's exam or with an abbreviated Para-med and should include all details provided on the other company's exam form along with any new information. This is required for two reasons: first, for current medical declarations and second, we cannot use another company's Part 2 in our policy. This same rule applies with regard to any paramedical vendor's internal examination form.

Carefully complete Questions 4 and 5 of Part 2 with the complete name and address of the proposed insured(s), physician(s), and the date and reason a physician was last seen. "No" and "not applicable" are *not* acceptable answers to this question. *The agent should not accept vague answers to any questions, as this usually results in delaying the underwriting process of the application.*

The agent needs to pay particular attention to the full and proper completion of the non-med Part 2. Having the most accurate and complete information will allow for faster underwriting process to take place.

A clear description of the impairment or medical condition is necessary. Definite terms such as appendicitis, gastric ulcer, gout, or pneumonia are readily understood and evaluated. Indefinite expressions necessitate the provision of full details as to the location or area involved, the reason (underlying cause), and the extent of impairment. Indefinite expressions include impairments such as injured back, gunshot wounds, bone graft, atrophied muscles or glandular trouble.

All medications currently being taken or taken within the past 2 years must be listed. Give the name of the medication, dosage, condition for which it is taken, and the name and address of the physician who prescribed it. This information is readily available on prescription labels.

The duration of the impairment should be specified. This is the length of time the condition has or had existed. It often helps in determining the severity of any impairment.

Details of any complications or residuals should be provided. Complications and residuals can often be of more underwriting significance than the original illness.

The month and year of complete recovery is necessary. This information will help to determine medical requirements and the rating classification.

A check-up or routine exam should clearly state the date it was performed and the results. A clarification of why a check-up or routine exam was necessary will elicit more valuable underwriting information. This will allow us to order an Attending Physician Statement(s) *(*APS*)* early on in the underwriting process; however, in some cases an APS may not be necessary. For more information, see the section titled Attending Physician Statement(s).

Examinations
Company approved paramedical vendors using our exam form utilize three types of medical examinations (or applicable state variation):

- **Abbreviated Para-med**: A paramedical technician collects full blood and urine specimens and will record height, weight, blood pressure and pulse.

- **Para-med**: A paramedical examination includes the completion of a Medical Part 2 (medical history questions) in addition to recording height, weight, blood pressure, and pulse.

- **M.D. Exam**: Medical doctors contracted with approved paramedical vendors complete a Medical Part 2, record height, weight, blood pressure and pulse, and will complete and record the results of a complete physical examination on Medical Part 3.

For lists of authorized paramedical facilities, see our *Underwriting Criteria and Requirements* brochure. Paramedical examinations may not be completed by an examiner or examining facility that is related in any way to the proposed insured, agent or agency.

In all situations where a paramedical exam is performed, we reserve the right to require an exam by a medical doctor.

Proposed insureds must present a state-issued photo ID to the examiner at the time the medical requirements are secured.

Examinations by a Medical Doctor
Refer to our *Underwriting Criteria and Requirements* brochure to determine when examinations by a medical doctor are required by age and amount.

A primary care physician or doctor who is related to the proposed insured, beneficiary, premium payer, agent, or a business associate of the proposed insured may not complete a medical examination.

Attending Physician Statement(s) (APS)
The APS, a valuable source of underwriting information, can be a source of delay. Our goal is to minimize use of the *APS*, when appropriate, especially where possible. If the agent provides clear, detailed information on the Non-Medical Declarations Part 2, it may eliminate the need for an *APS*. During the new business review our skilled underwriters will determine if the information is sufficient or if an *APS* is required.

The *APS* ordering requirements are provided in our *Underwriting Criteria and Requirements* brochure, which can be found in the Forms section of our website. These guidelines are not all inclusive. There will be occasions when the underwriter may determine that an *APS* is necessary

based upon medical history or other history not specified in the guidelines. All APS' will be ordered through our Horizon system by the Home Office (HO). The *APS* will be added as an underwriting requirement; it will appear as HO ordered on the pending new business screen. Please see our *Underwriting Criteria and Requirements* brochure for a list of approved vendors.

A current Request for Release of Health-Related Information Form (HIPAA) form is required for all APSs ordered by the Home Office. If you believe that more than one APS is needed, please contact Underwriting to discuss.

Banner Life: ICC11 LU1260, or state variation
William Penn: LU1260WP

Company-approved third-party vendors secure APSs. These vendors provide excellent service in the processing of requests for medical records. A listing of these vendors is provided in our *Underwriting Criteria and Requirements* brochure.

For further assistance with APS guidelines, please contact the Underwriting Department or your general agency.

Attending Physician Statement Reimbursement Procedure
To be reimbursed for the cost of the APS, an electronic copy of the invoice showing proof of payment provided will be required. This may be uploaded to the appropriate file in our digital system. Please contact the Underwriting Department, in advance, for maximum allowable fees.

Blood Profiles, Testing Limits, and Home Office Specimens
Our lab kits require a blood sample to be drawn by one of our paramedical services and sent to our approved lab; a home office specimen is to be collected and sent at the same time. Reports from other labs will not be accepted unless we are able to secure any specialized testing we require on their sample.

Full Blood Chemistry Profile Test (Venipuncture)
The full blood chemistry profile test is used to check a variety of bodily functions, including kidney and liver function, HIV antibody infection, cholesterol, triglyceride and blood sugar levels. There is also additional testing that may be performed due to the age of the insured and/or the results of the basic profile.

Paramedical Facilities
Please note that we will only accept examinations from our approved list of vendors. We will not remit payment for any exam(s) performed by an unapproved vendor. Any exam(s) done by an unapproved vendor will not be accepted and will be returned. A new exam by an appointed facility will be required.

We have made every effort to provide the broadest geographical coverage and the best possible service. In rare instances where an applicant is in a remote area not covered by one of our vendors, please contact the responsible underwriting manager to discuss making other arrangements.

Medical Information Bureau and Fair Credit Reporting Act Notices
The Medical Information Bureau (MIB) is a non-profit membership organization of life insurance companies. It operates an informational exchange bureau on behalf of its members. The MIB report provides information of underwriting significance in the form of brief medical, court record, financial, and avocation "codes" that the underwriter needs to resolve prior to making a final decision on an application. Please visit http://www.mib.com for further details.

While MIB is an important source of information, a final underwriting decision is not based upon information obtained from an MIB report. Information obtained can only be used to support the underwriting investigation that occurs. The MIB does not disclose the name of the company that reported the coded information or the underwriting decision that was made.

The *Medical Information Bureau Notice* and the *Fair Credit Reporting Act Notice* that are part of the application, as well as part of the *Reinstatement form*, are required to be provided to the proposed insured at the time the application, or reinstatement form, is signed.

Good Health Statement(s)
If a Good Health Statement is included as a delivery requirement with an issued policy, it must be completed and signed *at the time of delivery of the policy***.** If there is no change in health or additional information admitted on the Good Health Statement, the form may be signed and any additional delivery requirements and/or premium may be submitted, and the policy may be placed in force. *If the Good Health Statement indicated a change in health or medical history, no premium may be submitted and the Underwriting Department will review the electronic changes made to the document, to determine next steps.* The Underwriting Department will then communicate to the general agency whether the policy can be reissued for delivery to the applicant.

INVESTIGATIVE REPORTS

Inspection Reports
Please refer to our *Underwriting Criteria and Requirements* brochure for information on when an inspection report is required and for contact information of our approved vendors. An interview with the proposed insured in person or by phone may be included as part of the investigation. The form for ordering inspection reports is posted to the Inspection Forms section of our website's Forms Page.

Electronic Inspection Report (EIR)
Please refer to our *Underwriting Criteria and Requirements* brochure for information on when an EIR is required. These guidelines are not all inclusive. There will be occasions when the underwriter may determine that an EIR is necessary based upon information provided on the application or from an outside source such as the Medical Information Bureau or on the Motor Vehicle Report. This report is ordered by the Company and results are obtained electronically, no action is necessary on the general agent's part for this

Motor Vehicle Reports (MVR)
We obtain motor vehicle reports via an in-house computer link. The MVR report is automatically ordered during the initial new business processing and in most cases the report is received back within 24 hours. Therefore, please do not order MVRs through our inspection companies, as this will only cause duplication.

FINANCIAL UNDERWRITING

Financial Underwriting Guidelines

Horizon
Income is requested for all applicants. In addition, the application requires more detailed financial information for face amounts over $1,000,000 or if the proposed insured is over age 65. When the face amount is over $1,000,000 and a business is owner or beneficiary, the application must be completed with detailed business financial information. It is also helpful if a cover letter is

provided detailing all pertinent financial information.

Financial underwriting is a part of every application for insurance. Financial underwriting includes but is not limited to evaluating insurable interest, appropriate amount of insurance coverage, the total amount of coverage in force and applied for, the timing of the purchase and the ultimate beneficiary. In essence, does the amount applied for and policy purpose make sense?

There are financial underwriting guidelines available in our *Underwriting Criteria and Requirements* brochure that includes formulas that an underwriter uses when reviewing financial information. The formulas represent some of several factors used in arriving at underwriting decisions. The guidelines are not intended to be binding or absolute. Flexibility is often determined by the quality and completeness of the information provided.

Cover letters that explain the specific need for an amount of insurance and how the amount was determined provide invaluable assistance to the underwriter during the financial evaluation of an application. We strongly suggest including such correspondence with a CPA produced financial statement(s) when submitting an application. For business coverage amounts over $5,000,000 or personal coverage amounts over $10,000,000, we require 3rd party financial statements.

Financial Underwriting guidelines are subject to change at any time. Please refer to our *Underwriting Criteria and Requirements* brochure for the most current information.

VNUS/Traditional:
Income and net worth are requested for all applicants. In addition, Section J of the application requires more detailed financial information for face amounts over $1,000,000 or if the proposed insured is over age 65. When the face amount is over $1,000,000 and a business is owner or beneficiary, Section K of the application must be completed with detailed business financial information. It is also helpful if a cover letter is provided detailing all pertinent financial information.

Financial underwriting is a part of every application for insurance. Financial underwriting includes but is not limited to evaluating insurable interest, appropriate amount of insurance coverage, the total amount of coverage in force and applied for, the timing of the purchase and the ultimate beneficiary. In essence, does the amount applied for and policy purpose make sense?

There are financial underwriting guidelines available in our *Underwriting Criteria and Requirements* brochure that includes formulas that an underwriter uses when reviewing financial information. The formulas represent some of several factors used in arriving at underwriting decisions. The guidelines are not intended to be binding or absolute. Flexibility is often determined by the quality and completeness of the information provided.

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Financial Underwriting guidelines are subject to change at any time. Please refer to our

Underwriting Criteria and Requirements brochure for the most current information.

Policy Ownership and Premium Financing
Banner Life and William Penn will not approve any applications involving Non-Recourse Premium Financing, Investor-Owned or Stranger-Owned Life Insurance or other similar programs.

QUICK QUOTES

QuickQuotes are a brief summary of the client's health history sent by the General Agent through our LGA QuickQuote tool, www.lgaquickquote.com. The tool utilizes drop down boxes to collect the information needed to provide a more accurate tentative offer such as the client's age, gender, tobacco usage, family history, face amount being applied for, and up to five underwriting concerns. Please do not include any other identifying information. The tentative offer is non-binding and based solely on the information provided.

Responses will be sent via email (generally within 24 hours) to the person who submitted the request. If submitting the application within 60 days from the date of the response, please include a copy of the QuickQuote with the formal application.

FOR YOUR INFORMATION

- The replacement forms are available on our website.
- The Underwriting Requirements, the Financial Underwriting Guidelines and the Explanation of Abbreviations pages are part of our *Underwriting Criteria and Requirements* brochure.

The procedures for ordering inspections and *APSs* are subject to change. The most current procedures can be found in our *Underwriting Criteria and Requirements* brochure.

Websites

INTRODUCTION

Two websites will provide most tools and information needed by either customers or agents, advisors, sub-agencies, and GAs. However, if further clarification is needed, contact the relevant department. All agent/brokers and sub-agencies should contact their general agency.

ACCESSING OUR WEBSITE

The public-facing website is www.lgamerica.com. This site has information for customers, including the ability to view existing policies, start the claims process, and research life insurance in general. The “Advisor” tab at the top will provide insurance professionals access to product and Marketing information, a lookup tool to find appropriate contacts, and a link to access Partner Dashboard.
Partner Dashboard is the business-to-business website designed to allow agent/brokers and agencies easy access to case statuses in a user-friendly format along with other business tools and forms. The site also provides access to information about an agent, agency, sub-agency, or GA’s book of business. Tools such as illustrations, commissions reporting, forms, in-process applications (Application Manager), term exchanges, and policies in grace reporting are available as well. Some partners can start a new application from the Partner Dashboard if the GA preferences and policies align to that submission method.

New users can register for Partner Dashboard through the “Register” link located on the sign-on screen. Additional information is located here.