BANNER BASICS

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INTRODUCTION

The Banner Call Center is responsible for the AppAssist market case management. Upon receipt of a Request for Life Insurance Interview (RLI), the Call Center staff will contact the client to complete the application interview, review and mail the application package, handle all case management associated with the application and follow up on open delivery requirements. The Call Center can be reached Monday through Friday 8:30 am to 11:30 pm EST at 1-800-839-5960 or by email at AIS@BannerLife.com.

DISTRIBUTION REVIEW AND APPROVAL

Each agency is required to obtain distribution approval from Banner’s Marketing Management. The General Agency may contact their Marketing Coordinator for procedures.

DISTRIBUTION

Types of preferred clients

- Banks, US Regional, National
- Savings and Loans
- Brokerage Firms
- Property and Casualty Companies

Types of clients not preferred

- Direct Marketers
- Websites
- Mail Responses
- Lead Generators
- Mortgage Leads

AGENT/BROKER APPOINTMENTS FOR APPASSIST

Agents/brokers must be appointed for the AppAssist process prior to submitting a Request for Life Insurance Interview form (RLI). In order to complete an interview, Banner requires the agent/broker to have a Signature Authorization Addendum (ABSAA) on file. The addendum authorizes Banner to place the agent/broker’s signature on the formal application. If the agent/broker is already appointed and contracted with Banner to submit traditional Applications, Banner then will only require the ABSAA, which has to be signed and dated by the agent/broker. Agents/brokers not
currently appointed with Banner must complete the normal agent/broker appointment contracting (as outlined in the Licensing section), along with the ABSAA.

**RLI SUBMISSION**

The Request for Life Insurance Interview (RLI) can be submitted in two formats: electronic and paper.

The broker can begin the Request for Life Insurance process using an internet accessible format called e-Link. E-Link is an online tool that estimates the underwriting classification, verifies premiums, and submits the data directly to the Banner Life Call Center to begin the application process. To use e-Link, please visit [www.lgaappassist.com](http://www.lgaappassist.com).

The paper version of the Request for Life Insurance Interview (RLI), form number LAA 1297, can be found on the Banner website in the AppAssist Forms category under the Forms tab.

**CALL CENTER INTERVIEW**

Once the Request for Life Insurance Interview (RLI) is received at Banner, it is routed to the call center within 4 hours of receipt. The call center will make the initial call attempt on the date/time requested or within 24 hours if a specific date/time is not requested. A confirmation email is sent to the client 24 hours prior to the scheduled interview to set expectations for the interview and post interview paramed exam. If the call center is unable to reach the client, the staff will follow up every other day until contact is made or maximum number of call attempts is reached: 7 Left Messages, 10 No Answers, and 15 Busy signals. Once the maximum number of call attempts is exhausted, the case is terminated and the General Agency is notified via email.

**APPLICATION PACKAGE**

The application prints at the conclusion of the interview and is reviewed for accuracy. If there is information that the client could not provide during the interview, an open items list will be included. The Application is mailed to the client via two-day delivery along with instructions on reviewing the information and signing the forms. A postage paid Banner return envelope is also included. If the formal application has not been received at Banner within 10 business days, the call center will follow up and offer assistance with any questions or concerns. Follow up will continue every other day for 10 business days.

**CASE MANAGEMENT**

After the formal application is received at Banner, any missing forms or information will be obtained directly from the client by the call center. The call center will also follow up with all external providers to obtain attending physician statements (APS), Inspection
The Basics of the Banner Call Center

Reports, and Motor Vehicle Reports. The General Agency can monitor the status of the applications via the LGAmerica website at [www.LGAmerica.com](http://www.LGAmerica.com) or through their agency management system. They can view:

- The date the formal application was received.
- Any requirements associated with the case.
- The date the requirements were requested and met.
- Any Underwriting notes

**POLICY DELIVERY**

If the policy is issued as applied for or if the client receives a better rating, the policy is mailed via two-day delivery directly to the client. If the policy is issued with a higher rating than applied for, the policy is mailed overnight to the General Agency. The call center will follow up to ensure delivery requirements are met.
CLAIMS
ADMINISTRATIVE SERVICES DEPARTMENT

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CLAIMS
ADMINISTRATIVE SERVICES DEPARTMENT

INTRODUCTION

The Claims Department is responsible for receiving, processing and distributing all claims resulting from the death of the insured. The Claims Department also administers waiver of premium and disability income.

This section of Banner Basics provides an overview of the claims business area. However, if further clarification on procedures is needed, contact the Claims Department.

DEATH CLAIMS

The agent or agency should notify the Claims Department as soon as they learn of the death of an insured or annuitant.

Complete notice of death includes the following information:

- Date the agency received the notice
- Contact person (the person who reported the claim)
- Name and address of deceased
- Policy number
- Date of death
- Cause of death
- Beneficiary name and address (if available)

We will communicate directly with the contact person to initiate the claim process and furnish them or the beneficiary with the proper claim forms and requirements.

For Banner to process the claim promptly, the beneficiary of the insurance contract will need to send to Banner the following:

- A completed claim form
- An original certified death certificate
- The original policy
- A copy of the trust document (if applicable)

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

Death claims are payable by Banner upon its receipt and approval of the proof of death. Under no circumstances should the agent/agency make any statement or comment, written or verbal, regarding the validity of any claim or Banner’s liability.
Upon receiving the necessary information we will mail the distribution directly to the beneficiary. Upon written request of the beneficiary we will send a copy of the check transmittal letter to the agent/agency.

**CONTESTABLE CLAIMS**

It is an insurance company’s responsibility to investigate claims and verify that payment is justified. Policy owners expect that we will conduct a thorough investigation. A claim is considered contestable when a claimed loss (death, disability, or other) takes place before the policy’s contestable period expires. Generally, a life insurance policy is contestable for two years from its issue date. However, reinstatements and increases are also contestable for two years after their effective dates.

Because contestable claims require careful evaluation based on all available information, it is necessary to obtain medical records and past historical records of the insured. As you may imagine requesting these records will delay the resolution of the claim. This would even include those claims where death has resulted from violence or an accident. There is no prescribed time to conclude a contestable claim. The contestable claim investigation confirms that the underwriting information furnished to the company at the time of application was correct. In most states, material misrepresentations void the policy, regardless of their relationship to the cause of death.

The agent’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 statement may be required during the investigation. Assistance with the completion of a notarized statement would help to avoid delays in the resolution of the claim. This statement, and all other information obtained through the claim investigation, helps us quickly determine our position on the claim.

While it is never a good idea to comment on the validity of any claim, it is particularly important that such statement(s) are not made about contestable claims. For additional information, contact the Claims Department.

**DISABILITY CLAIMS**

If a policy owner with a waiver of premium benefit, a waiver of monthly deduction benefit or a total disability benefit on his or her policy notifies the agency that he/she is disabled, we ask that the 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 insured or owner in writing of the benefit for which he/she is eligible and the necessary procedures to file a claim. It is a good idea for the claimant to notify us as soon as possible regarding the claim. The required disability duration may vary by type of benefit and cause of disability.

Under no circumstances should the agent/agency make any statement(s) or comment(s), written or verbal, as to Banner’s liability or the validity of the claim.

Upon receiving the necessary information we will communicate directly to the insured regarding the processing of their claim. Upon written request of the insured we will send a copy of any information to the agent and to the agency.

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, not specific dollar amounts.

A minor (someone under the age of 21) 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. 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, the proceeds to the policy become payable to the insured’s estate.
COMMISSION ACCOUNTING
MARKETING DEPARTMENT

INTRODUCTION

Commission Accounting in the Marketing Department is responsible for processing commission. This section of Banner Basics will answer most commission accounting questions. If further clarification on procedures is needed, please contact the sales accounting coordinator.

STAFF

The commission staff includes a commission specialist as well as a commission and marketing assistant. To contact our commission area by telephone, dial 1-800-638-8428. After reaching the automated attendant, dial 2 for the Marketing Department and then 3 to select commissions. You can also reach the commission staff by e-mail at BannerLifeCommissions@LGAmerica.com.

TECHNOLOGY

Banner has developed technology solutions to assist agencies in answering common questions. Banner’s website allows agencies to review the commission addenda on which agents are contracted, run current and past commission statements, view current and YTD commission balances, and locate the last date agents were paid. The website also allows a user to review status on any of the agent’s cases.

COMMISSION PAYMENTS

Electronic Funds Transfer
Commission payments using electronic funds transfer (EFT) is setup by completing the Commission Payment Profile form (BK-12) and providing a voided check or a copy of a voided check. This form requests the frequency of payments, minimum balance in order to generate payment and method to receive your commission statements. When using EFT commission payment, there is the option of receiving e-mail statements, statements from the website or no statements at all. EFT will be available for transfer into a checking account.

Paper Checks
Commissions are sent by paper check unless EFT is specified as the payment selection on the BK-12. Paper checks are sent to brokerage general agents via Airborne Express on the 1st, 11th and 21st day of every month. All other correspondence to the BGA on these days will be included with the commission checks. Paper commission statements are mailed with checks.
COMMISSION DEADLINES

The cutoff date for receiving delivery requirements is the day prior to the mailing date. This is the 10th, 20th and last day of the month. If one of these dates should fall on a weekend or holiday, the cutoff date will be the previous business day and commission checks will be mailed on the next business day.

If commissions expected for a particular policy do not appear on a commission statement, there is most likely an outstanding requirement. The website offers immediate status for any new business policy. For clarification on a policy’s outstanding requirements, contact the new business team.

COMMISSION ADDENDA

Commission addenda are available through supply order. The current commission addenda on which an agent is placed can be viewed at www.LGAmerica.com.

CALCULATING COMMISSION

Commission is calculated as a percentage of premiums. These percentages are specified in each contract addendum that contains provisions for first year commissions, renewals and service fees.

For term products, commission is calculated as a percentage of premiums actually received. For universal life products, premiums are fully commissionable up to a target premium. Premiums received that are greater than the target premium, called excess premiums, receive commission at a lower rate.

Target premiums vary by age, sex, underwriting classification and plan. Target premiums for Banner products are included in Banner's Illustration Manager software.

ADVANCE COMMISSIONS

Advance commissions (sometimes referred to as annualization) are available for agent/brokers. With brokerage general agent (BGA) approval, Banner Life will advance the agent/broker 75% of first year annualized commission payment. The 25% remaining first-year commission will be paid on an earned basis upon receipt of the tenth, eleventh, and twelfth month’s premium. The maximum per case of advance commission is $2,500 and the maximum limit of an agent’s advance balance is $25,000.

COMMISSION ON REPLACEMENTS

When coverage currently in force (life or annuity plans) with Banner is reduced and/or replaced by a new Banner 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.

If coverage decreases, lapses or surrender of a Banner 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 is not issued or delivered until formal request for termination of the original coverage is provided. The termination of the original policy takes effect on the day immediately preceding the policy date of the new policy.

In situations where the replacement is written by an agent, other than the one who wrote the original policy, the new agent writing the case receives all applicable compensation and production credit for the case.

Commissions may be reduced on new policies, which are replacements of existing Banner Life, Monarch Life, GELICO, William Penn Insurance Company of New York and William Penn of America policies. Commissions may also be reduced when the applicant is deemed to have a replacement history.

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

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<th>Replaced Policy Plan Type</th>
<th>In-Force Period</th>
<th>New Policy Applicable Commission</th>
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<td>Term Plans</td>
<td>5 years or less</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>More than 5 years</td>
<td>Full</td>
</tr>
<tr>
<td>Universal Life Plans</td>
<td>10 years or less</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>More than 10 years</td>
<td>Full</td>
</tr>
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</table>

Commission for first-year premiums above target and renewal premiums are calculated at the contractual rate.

If multiple policies are being replaced on the same insured, the in-force period of the policy with the largest face amount is utilized to classify the case for compensation purposes.

Please direct any questions on replacements to the Customer Service Unit at Banner_CustomerService@LGAmerica.com.
COMMISSION ON TABLE RATINGS AND FLAT EXTRAS

Commission will follow the appropriate addenda and pay normal commission rate for table rated cases. Full commission is paid on flat extras that are six years or longer (permanent). There will be no commissions paid on flat extras that are less than six years (temporary).

ASSIGNING COMMISSIONS

Please see the section titled “Agent/Broker Assignment of First Year and Renewal Commissions” in The Basics of Licensing.

COMPENSATING AGENTS WITH MULTIPLE APPOINTMENTS

When an agent is appointed through multiple agencies, their compensation with the new agency can be no higher than that amount specified in his/her agreement with their current BGA. This compensation restriction remains in effect for a period of six months following the additional appointment and can be adjusted thereafter. The general agent who wants to make the compensation adjustment is responsible for notifying Banner when the six months expire.

The only exception to these guidelines occurs if an agent/broker who is seeking multiple appointments has not submitted a Banner application in the past 12 months. In such an instance, the six-month compensation restriction does not apply. This allows the new BGA to pay commissions to the agent/broker according to any of the available schedules.
# CUSTOMER SERVICE
## ADMINISTRATIVE SERVICES DEPARTMENT

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INTRODUCTION

The Customer Service Department is responsible for processing title changes, policy changes, reinstatements, conversions, and responding to all inquiries on in-force policies. This section of Banner Basics will answer most of your customer service questions. However, if further clarification on procedures is needed, please call the Customer Service Department.

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 www.LGAmerica.com.

Beneficiary Changes
The beneficiary designation on an application or change form must be clearly stated so that Banner 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 should be listed as percentages of the total proceeds, not specific dollar amounts.

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 filed with Customer Service. It is not necessary to return the policy. Use the Beneficiary Change form (LP159). Clearly indicate which beneficiary designation applies to which coverage on joint contracts.

The full name, address, and relationship of the proposed beneficiary must be given. If the proposed beneficiary is a married woman, her first name, not only her husband’s name, must be furnished. If a trust is being named beneficiary, please include the title page and the signature page from the trust document along with the completed form.

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 Service Department in Rockville, Maryland. Faxed forms will be accepted.
Name Changes
Any request to change a policy owner's name on an existing contract must be made in writing. Use the Name Change form (LP156) and include the reason for the change. Completed forms should be sent to the Customer Service Department. Faxed forms will be accepted. The policy does not need to be returned.

Address Changes
Address changes can be made by written request on the Address Change form (LP155) by e-mail, or by phone request, providing the policy owner places the call.

Transfer of Ownership
To transfer ownership of a policy, the current owner must complete the Ownership Change form (LP154); include the name, social security number, signature and address of the new owner. The current owner must also sign the request, and then submit it to the Customer Service Department for processing. 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 Service Department. Faxed forms will be accepted.

Collateral Assignments
Banner 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 Banner 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. Customer Service will accept either the Collateral Security Agreement form (LP-158) or the standard American Bankers Association (ABA) Collateral Assignment form, which most banks supply. Completed forms should not be sent in with new business or underwriting requirements. Forms should be sent directly to the Customer Service Department. In states where community property laws apply, the owner of the policy and the owner’s spouse should sign requests. A copy of the recorded assignment form will be sent to the bank and the client.

Once a policy has been assigned, all rights of ownership remain with the assignee (the bank) until Banner receives a written release of assignment. To release assignment of a policy, the Customer Service Department will accept either the Release of Assignment form (LP 99-M) or the standard ABA Release of Assignment form. The Customer Service Department processes the release of assignment and notifies the general agency and 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. The policy owner must complete and sign the Lost Policy section of the Policy Change form (LU-1071). If the policy is assigned, the signature of the assignee is also required. A duplicate policy is issued if the original is irrecoverably lost or destroyed. Under these
conditions, Banner issues a full duplicate policy upon receipt of the completed Policy Change form and the fee of $25. Completed forms and fees should be sent to the Customer Service Department.

**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, the Customer Service Department does not send the modified endowment letter to the client. This eliminates the service time usually associated with sending the client this letter, and prevents a client from removing funds from a policy unnecessarily.

**POLICY CHANGES**

Policy changes are considered if permissible by Banner guidelines and policy provisions. No changes should be promised or figures quoted without home office authorization. A request for change does not extend the grace period of 30 days.

The Customer Service Department has two forms used when changes are needed, the Additional Coverage form (LU-901/LU-901-A (for PA)) and the Policy Change form (LU-1071). The first form should be used for changes that require underwriting approval and the second is for other changes not requiring underwriting approval.

*Additional Coverage forms (LU-901/LU-901-A (for PA)) are used to increase or add coverage on universal life policies. It is also used for reclassifications and rating removals. The completed form must be sent to the Customer Service Department with all of the questions answered in full.*

The *Policy Change form (LU-1071)* is used when the owner wishes to decrease the specified face amount, 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. Policy decreases for universal life may be requested at any time after the first policy anniversary. The original term policy or lost policy statement must be submitted with each request.

The owner of the policy must sign, in ink, all forms requesting changes in the contract. The signature should appear exactly as the name given on the policy, except if the owner is a woman who has changed her name by marriage since the policy was issued. In this case her husband's surname should be added to her name as given in the policy. The person acting as a witness must sign on the line above the word *witness.*
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, Banner will, at the request of the policy owner, 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. Complete the Additional Coverage form, or the modified form for Pennsylvania, and indicate the request on the section for other information on the first page. Send the form to the Customer Service Department. Do not return the policy.

Changes in premium class which have been approved by Banner 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. If a change in rating is approved upon reinstatement of a lapsed policy, the new premium is applied to the policy as of the date of lapse.

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. Submit an Additional Coverage Application (LU-901/LU-901A (for PA)) with complete details to the Customer Service Department.

Increase and Addition of Riders
The Additional Coverage Application is used when the policy owner wishes to increase coverage on an insured (universal life products only), apply for reentry, or change the death benefit option from Type B (level) to Type A (increasing). Please be sure that the entire application is fully completed regardless of the change being requested. If the application is not fully completed the Customer Service Department will return the form along with any money received, to the owner. The application should be mailed to the Customer Service Department in Rockville, Maryland.
REINSTATMENTS

A term policy may be reinstated, if it lapsed and was not surrendered, at 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:

- Brokerage Executive General Agent Agreement (BEGA)
- Brokerage Marketing General Agent Agreement (BMGA)
- Brokerage Development General Agent Agreement (BDGA)
- 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 minimum monthly premiums must be paid plus the planned premiums for the three months after the reinstatement for policy to become activated

The Reinstatement Application (LU-900/LU-900-A (for PA)) should be completed and returned to the Customer Service Department in Rockville. 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 reinstatement requires additional medical information for the underwriting process, a letter is sent to the proposed insured informing him/her of such.

TERM CONVERSIONS

Conversions of existing term policies to Banner universal life policies are processed in Customer Service using the Application for Term Conversions (LU-27R).

To begin the conversion process:

- Specify a plan of coverage, confirm convertibility, and complete the conversion application in its entirety.
- Calculate and include, with the completed application, an initial modal premium.

- For full conversions, the original policy must be returned to the home office.

- Submit a signed sales illustration for all available conversion products.

- Submit first modal premium.

Once the Customer Service Department 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 terminated, except in cases of partial conversions where the term policy is changed to the amount remaining after the conversion.

UNIVERSAL LIFE ANNUAL STATEMENT

Annual statements are automatically produced 15 days after each policy anniversary for universal life policies, and a copy is sent to the agency and 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.

*(NOTE: Annual statements are not be generated on cases which have entered their grace period.)*

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 Service Department.

IN-FORCE ILLUSTRATIONS (AFTER ISSUE)

After-issue illustration requests should be submitted to the Customer Service Department after the first policy anniversary in writing via fax, e-mail, or mail service. Fax number is 301-294-6960 and the e-mail address is Banner_Customerservice@LGAmerica.com. The Customer Service Department will provide one in-force illustration per policy year free of charge. Additional requests are
subject to an administrative fee. There are no after-issue illustrations available for term policies.

**MISSTATEMENT OF AGE OR SEX**

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

**POLICY OWNER BILLING**

**Term Life Billing**
- A billing notice is mailed 23 days before the due date. Mailed to payer only.
- A late payment offer is mailed 30 after the due date. Mailed to payer and BGA.
- A lapse notice is mailed 67 after the due date. Mailed to policy owner.

The GA’s office will get a copy of any late payment offer notice and a copy of any lapse notice showing the writing agent’s name during the first two years the policy is in force. This can then be forwarded to the agent in order to follow up on the payment.

**Universal Life Billing**
- A billing notice will be mailed 23 days before the due date to the payer.

- Assuming cash surrender value is not enough to cover the Cost of Insurance (COI), a grace letter is mailed to the payer and the GA’s office.

- A follow up letter is mailed to the payer and the GA’s office 30 days after the grace period has begun.

- A second follow up letter is mailed to the payer and the GA’s office 60 days after the grace period has begun.

- Finally, a lapse letter is mailed to the owner and the GA’s office 90 days after the grace period has begun.

**CASH SURRENDERS**

Form LP-153 must be completed and returned to affect a life insurance policy full surrender and form LP-160 must be completed and returned 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. When the Premium Administration Center sends a surrender form to a policy owner for a full surrender request, a copy of the correspondence notifies the
general agency. Banner also gives the policy owner the option of taking a policy loan in lieu of surrendering the contract, and this can be accomplished using the same form.

**LOAN REQUESTS**

The Premium Administration Center processes a loan upon receipt of a completed and signed form *LP-101-M* (10/91 or appropriate revision); loans 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 Banner. 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, Banner 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’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 Banner Customer Service 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 Banner representative processing the complaint response will also contact the client to resolve any misunderstanding or confusion about the written complaint.
The Banner Complaint Committee, which includes representatives of the Legal, Underwriting, Sales, Customer Service, 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 Banner’s 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 service forms are available on the website at www.LGAmerica.com.)*
The Basics of the Document Processing Center

DOCUMENT PROCESSING CENTER (DPC)
ADMINISTRATIVE SERVICES DEPARTMENT

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INTRODUCTION

The Banner Document Processing Center is responsible for receiving incoming mail, preparing documents for imaging, imaging and indexing policy documents. This includes all documents submitted to Banner via mail, fax, e-mail and external imaging. DPC also receives reconciles and processes checks submitted with new applications and delivery documents.

DOCUMENT PROCESSING OVERVIEW

DPC is responsible for opening all mail submitted to Banner. Every piece of mail is individually dated and time stamped. The preparation of documents for imaging involves photocopying pages as needed and removing all staples and/or paperclips prior to scanning.

After the document preparation is completed all documents must be physically fed into the scanners. All items are processed the same day they are received. During the scanning process, we ensure that all pages are included and have been scanned as a legible image.

During the indexing process, DPC is reviewing the scanned documents to determine the actual document type. Once the document type is identified, DPC links the document to the policy. The system then records the outstanding requirement as received in our LifePro system. 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 immediately at the time of opening the mail. Checks will be returned for the following reasons: if it is a third party check or if it has been altered. All checks must be payable to Banner Life; any check received not listing Banner as the payee will be returned.

EXTERNAL IMAGING CRITERIA AND GUIDELINES

- All images should be black and white.
- All images should be 200 x 200 dpi.
- All images should be received as TIFF Group 4 compression.
- The TXT files should contain the following index information:
The Basics of the Document Processing Center

- Insured first and last name
- Social security number
- Policy number if available
- Date of birth

NAILBA image code requirements:

- APPI – only to be used for a new application that needs a new policy number assigned
- DELVREQS – to be used for all delivery requirements

NO OTHER NAILBA CODE REQUIREMENTS, EACH AGENCY MAY USE THE NAILBA DOCUMENT CODE THAT THEY CHOOSE.

CHECKS - External agencies are required to log all checks on a check log, secure the checks to the log (not the documents, only the checks) and send the log to Banner for processing. We will not process a payment from a check image.

Void checks to be used for EFT set up should be imaged, and the original should stay attached to the original documents. Banner prefers the new EFT form.

Original Documents

All original documents must be stored and maintained for at least 60 days from the date the document is first transmitted to Banner Life. General Agencies will be responsible for the total destruction of original documents and must ensure that all information contained therein in 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. Banner Life may, upon reasonable notice, conduct an onsite review of the agency’s document destruction practices.

At the present time agencies cannot image Licensing or Customer Service documents to Banner, but they can image new applications, new business and delivery requirements.

We do not supply policy number blocks to agencies; new applications are processed the same day received unless there is missing information.
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LICENSING
ADMINISTRATIVE SERVICES DEPARTMENT

INTRODUCTION

The Licensing Department is responsible for setting up new agent contracts and appointments, managing the agent accounts, changing addresses, processing state appointment renewals, agent transfers, and commission assignments. This section of Banner Basics will answer most of your licensing questions. However, if further clarification on procedures is needed, please contact the Licensing Department.

LICENSING SECTION OF THE BANNER WEBSITE

The Licensing page on the Banner website provides interactive management tools such as status of licensing contracts, commission schedules, 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 of Banner Basics.

INSURANCE LICENSING

State Licensing
To act as an insurance agent/broker, 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 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.

State Appointments
The date when an agent/broker can start to solicit business depends on state regulation. In addition to maintaining a valid insurance license, many states also require that an appointment with Banner be secured prior to solicitation of insurance. 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 by Banner for business solicited in the state. Commission cannot be paid to any entity in the hierarchy until a current license is provided. It is the general agent and agent/broker’s responsibility that all entities in the agent/broker’s hierarchy maintain a current license. Please contact the Licensing Department staff regarding individual state requirements.
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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.

LICENSE/APPOINTMENT/CONTRACT TURN-AROUND TIME

The average turn-around time for processing contract paperwork at Banner Life is 24 hours from receipt of documents. However, the time it takes for a contract to be placed in an active status varies based upon the state in which a license, appointment, or contract is requested. An appointment can take from one to three weeks. Processing can be expedited by prompt delivery of all licensing requirements. All pending broker files that have requirements outstanding for more than 60 days will be closed by the Licensing Department. Once a file has been closed new contract paperwork is required.

Banner will sponsor a first time licensing agent if they have an active appointment with us. Agents are responsible for all first time licensing fees. We do not sponsor first time licensing for Florida. The Florida State Insurance Regulatory Agency website, http://www.fldfs.com/Data/AAR_ALIS1/, will provide you with more information on how to obtain a Florida license.

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, GA signature, 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 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
- If contract paperwork was submitted directly from the agent/broker and the general agency cannot be determined

If any of the following information is missing from the agent/broker appointment documents the Licensing Department will post this information on the Banner website:

- Adoption authorization information
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- Commission schedule information
- Appointment information
- Assigning of commission information
- W-9 form
- Copies of licenses
- Background check information
- Incomplete assignment of commission form
- Marketing approval
- Miscellaneous
- Letter of certification
- Errors and Omissions insurance
- Letter of explanation, if requested
- Assignee not contracted under same general agency code
- Completed Commission Payment Profile Form (BK-12), if EFT is requested

BIOGRAPHICAL INFORMATION FORM

Every agent requesting to be contracted with Banner is 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. This also provides Banner with authorization to conduct a more detailed background investigation, if necessary. Currently, 30 states and the District of Columbia require insurers to conduct an outside background investigation. These states are: Alabama, Arkansas, Delaware, Florida, Georgia, Idaho, Kansas, Kentucky, Massachusetts, Michigan, Minnesota, Mississippi, Nevada, New Hampshire, New Jersey, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Tennessee, Utah, Vermont, Virginia, West Virginia, Wisconsin and Wyoming. If an agent answers in the affirmative to any questions on the BK-10, 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.

The BGA or BMGA1 recommending the applicant for contracting with Banner must also sign the BK-10. A BEGA, BMGA or BDGA can sign the adoption authorization for reporting agencies and brokers, however, the BGA or BMGA1 need to sign the BK-10.

It is very important the information about the agent/broker hierarchy structure and commission addendum be included on the BK-10 so commission information is set up in the system and paid correctly. An incorrect or incomplete form will delay the licensing process. Please be certain all of the information is completed.
W-9 REQUEST FOR TAXPAYER IDENTIFICATION NUMBER AND CERTIFICATION

The W-9 form is required for any entities that are entitled to receive commission. If commission is assigned, a 1099 will not be issued to the writing agent. Further, if commission is assigned to another agent/agency it is important that the name on the W-9 form matches the name on the Biographical Information form (BK-10).

There are 2 exceptions; if the corporate name includes Incorporated or Corporation or if the Agent Broker Non Commission Agreement has been submitted.

COMMISSION PAYMENT PROFILE FORM

To establish an electronic fund transfer with Banner an agent is required to complete and sign a Commission Payment Profile form (BK-12). By signing this form, the applicant is certifying the information provided is complete and accurate. This also provides Banner with 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, the minimum balance to generate payment and the method of detail information (paper or e-mail). In addition, a voided check or a copy of a voided check has to be submitted. Agents who elect direct deposit will receive an e-mail statement. Please note that Banner cannot deposit commission earnings into a savings account.

Note: When requesting direct deposit, please do not copy the voided check on the BK-12 form.

PAYMENT OF FEES

Banner pays the resident state appointment fees, including all resident state appointment renewal fees. Exam fees, first time licensing fees, non-resident license/appointment 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 Banner GA, all agents/brokers in your organization are responsible for meeting the licensing requirements mandated by state, including continuing education or 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 to Banner. For current information on the states to 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 to 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 do this 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 is “doing business as” and wants to receive commission in the corporation’s name, then a copy of the license, which indicates the agent is doing business as a corporation, should be submitted to Banner. For current information on the states to 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, but only once. You cannot switch back and forth for each piece of business. When changing from a corporate to a personal contract, new contract paperwork is needed.

Please note: If you are unable to locate this information, the Licensing Department can assist you.

MULTIPLE AGENCY APPOINTMENTS

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

If the agent/broker seeking the additional appointment has submitted an application to Banner within the past 12 months, a compensation restriction applies. The new BGA cannot appoint the agent at a higher commission level than the agent’s existing contracts.

This compensation restriction will remain in effect for a period of six months following the additional appointment. It is the responsibility of the general agent to contact Banner at the end of the six-month period to request any commission changes. The current BGA is not limited by this restriction and can increase compensation, however, an increase will raise the available ceiling for all other 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 GA where the agent/broker currently maintains an agreement will not be notified of the additional appointment.

- If the BEGA, BMGA or BDGA seeks another appointment they should either:
  1. Submit new agent agreements for each agent or sub-agency; or
  2. 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 Marketing Coordinator can provide a hierarchy list of agents to assist with the transfer. To accept the transfer, the new BGA must sign the appropriate line on the hierarchy list.

A BMGA1 may not maintain any other active appointments. Should a BEGA seek appointment as a BEGA with another BGA, their current appointment must be terminated. A copy of the letter of resignation should be sent with the appointment papers. A BEGA may maintain another appointment as a BMGA, BDGA or A/B with another BGA. The BMGA1 and BEGA-1 require marketing approval.

**UBS/Paine Weber Appointment Processing**

UBS/Paine Weber currently holds a BDGA agreement with Banner with a BDGA90 commission schedule. Additional direct access general agencies may appoint UBS/Paine Weber by endorsing their active BDGA agreement.

The appointment process is unique in that it allows for free movement of UBS/Paine Weber brokers to the general agent of choice while simplifying the paperwork required for appointment.

To appoint UBS/Paine Weber as a BDGA with your agency, please complete the Brokerage Development General Agency Transmittal form (BK-22). If a commission schedule other than the BDGA90 is desired, please complete the following:

- Draw a single line through the BDGA90 in the Commission Schedule field of the BK-22 and record the requested schedule
- Send UBS/Paine Weber a letter advising them of the commission schedule
- Forward a copy of the letter to UBS/Paine Weber along with the completed BK-22 to Banner Life

To appoint an agent/broker with your agency, please complete the Agent/Broker Transmittal form (BK-21).

After appointment with your agency, a report listing the states where the agent/broker is...
appointed will be available on the Banner website at www.LG America.com. Please secure copies of licenses for additional states as needed for broker and/or UBS/Paine Weber.

If the agent/broker is not appointed with Banner through UBS/Paine Weber, the following items are needed:

1. ABNCA Adoption Authorization (ABNCA AdoptAuth)
2. Biographical Information for Contract Applicant (BK-10)
3. Agent/Broker Transmittal (BK-21)
4. Copies of license(s)

AGENT/BROKER SELECTION CRITERIA

Banner will review the applicant agent’s background history 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. See below for situations that may or will preclude contracting.

Any one or more of the following situations may preclude an agent from contracting:

Non-Disclosure of Information
- Failure to disclose information on the Biographical Information form (BK-10).

Convictions
- Any misdemeanor conviction.

State Insurance Department Actions
- Revocation of state insurance license.
- Any disciplinary action by a state insurance department for 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 $30,000, which demonstrate a pattern of poor financial management and/or irresponsibility.

Any one of the following situations will preclude an agent/broker from contracting:

Criminal
- Any felony conviction.
- Any misdemeanor conviction involving fraud or breach of trust.
The Basics of Licensing

- 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 any reason.
- Any open investigation or administrative proceeding alleging any violation involving fraud or dishonesty. (If no action taken, may re-apply.)

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

Financial/Credit History
- Personal bankruptcy proceeding for which the bankruptcy court has not approved a plan of resolution.
- Two or more bankruptcies discharged within the last seven years.

Errors & Omissions Insurance (BGAs & BMGA1)
- BGAs and BMGA1 are required to have current Errors & Omissions coverage (E&O coverage). Agents/brokers licensed in Kentucky and Oklahoma, are also required to have E&O Coverage.

BANNER CONTRACTING AGREEMENTS

Agreements
Banner currently offers a variety of agreements to the General Agent (GA):

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

These agreements are for agencies and agents/brokers to contract with and work under the general agency selling Banner 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. 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, BEGA, BMGA, or a BDGA, a license and appointment is needed in every state where the agency expects to have agents/brokers submitting business if the
agency wants to be paid override commissions.

**Brokerage Executive General Agent Agreement**
The BEGAs base compensation is equal to 100 percent of the BGA compensation; renewal and excess compensation is the same as the BMGA. Due to the special compensation package that the BEGA receives, a review process by Banner’s marketing management is necessary before a BEGA agreement can be approved.

Along with the standard contracting, the BGA that is appointing the BEGA needs to draft a letter of recommendation. The letter should provide information on the following:

- Agency management profile
- Market definition and marketing methods
- Distribution source and number of brokers under contract
- Broker recruitment source and methods
- Lines of business provided and type of business
- Term life carriers represented
- Term life production history
- Anticipated production with Banner
- Source of business to achieve production with Banner
- Why Banner is a good fit for this agency.

The BEGA can appoint BDGAs and agent/brokers. The BEGA receives override commissions and renewals on the business that reporting agents produce. 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 that reporting agents produce. 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 that reporting agents produce. 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.
Financial Institution Agency Agreement
The IGA agreement is designed for use with an organization that employs agents to write life insurance on behalf of the agency. The employee agents are compensated by the financial institution. The agency agreement will be completed between the financial institution, the brokerage general agent and Banner Life. Employee agents will be appointed by Banner Life but will not be contracted with individual agent agreements. As employees of the financial institution, they will act on behalf of and under the supervision and direction of the financial institution.

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.

PAPERWORK TO BE SUBMITTED TO BANNER FOR:

Brokerage Executive General Agent
(This person/entity can receive override commissions on 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
- Applications and fees for non-resident states requested, if already appointed
- 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)

Brokerage Marketing General Agent
(This person/entity can receive override commissions on 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
- Applications and fees for non-resident states requested, if already appointed
The Basics of Licensing

- 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)

**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
- Applications and fees for non-resident states requested, if already appointed
- 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)

**Financial Institution Agency Agreement**
(This entity can receive override commissions only on agent/broker contracts.)

- Signed **Financial Institution Agency Agreement (IGA/FGA)**
- Completed and signed **BK-10 Biographical Information form**
- Copy of all state licenses in which the financial institution and each employee will write business
- **Financial Institution Employee Appointment Application (BK-14)**
- Completed and signed **BK-12 Commission Payment Profile form** (if applicable)

**Agent/Broker**
(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
- Applications and fees for non-resident states requested, if already appointed
- 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 (Non-Commission)
(For use when the agent/broker will not receive compensation from Banner.)

- 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
- Applications and fees for non-resident states requested, if already appointed
- 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 can be downloaded from the Banner website. All other forms can be ordered through the normal supply channel.)

AGENT/BROKER APPOINTMENTS FOR APPASSIST

Agent/brokers must be appointed for the AppAssist process prior to submitting a Request for Life Insurance Interview form (RLI). In order to complete an interview, Banner requires the agent/broker to have a Signature Authorization Addendum (ABSAA) on file. The addendum authorizes Banner to place the agent/broker signature on the formal application. If the agent/broker is already appointed and contracted with Banner to submit traditional applications, Banner then will only require the ABSAA form, which has to be signed and dated by the agent/broker. Agent/brokers not currently appointed with Banner must complete the normal agent/broker appointment contracting along with the ABSAA form. Please indicate the AppAssist commission schedule on the cover memo.

AGENCY RECORDS/ ASSIGNING COMMISSIONS AND ADVANCE COMMISSION

Agency Files
The Licensing Department has the responsibility of keeping files on each Banner 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 with any change to agency or agent’s/broker’s personal information such as new address, agent number, social security number, and name just as it appears on the agent/broker license.

Agent/Agency Termination Request
An agent/broker may maintain an active appointment with up to three brokerage general agencies. If the agent/agency chooses a fourth appointment, the agent/agency has to
submit the Agent/Agency Termination Request form (BK-2) or a written request to advise the Licensing Department as to which of the three active agent/agency number(s) should be terminated. If this form is not submitted with the contract paperwork, an outstanding requirement will appear in the licensing section of the website.

**Agent/Broker Assignment of First Year and Renewal Commissions**

The Assignment of First Year and Renewal Commission form (BK-6) 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 with Banner.

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 when they are consented to by Banner. This typically is the date the assignment is processed by Banner 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 Banner receives the request. The removal of the assignment will only affect policies received on or after the effective date of the change.

An alternative to assigning commission is using the non-commission Agent/Broker Agreement (ABNCA). The ABNCA gives an agent/broker authority to represent Banner and states that compensation will be paid by their general agency. The ABNCA 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.

Remember, the agent who will be receiving the commission and/or renewals must be licensed in the state where the application was solicited to receive commission.
Agent/Broker Advance Commission Addendum
The Agent/Broker Advance Commission Addendum (AB-ACA) is an amendment to the Agent/Broker Agreement entered into between the Agent/Broker, the General Agent and Banner Life. Advanced 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.

To qualify for and to maintain the Advance Commission Addendum, the Agent/Broker commits to sell on behalf of the Company 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 Addendum Adoption Authorization
The Advance Commission Addendum Adoption Authorization form (AB-ACA-AA) is used to approve an agent/broker to receive Advance Commission.

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 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 (AB-ACA-AA) on behalf of the BGA.

Errors and Omissions Coverage For Advance Commission
Errors & Omissions (E&O) coverage is required for Agent/Broker’s when contracted for Advance Commission. Upon request, proof of coverage has to be provided to Banner. The minimum amount of E&O coverage is $1,000,000. Banner may change this amount with written notice to the Agent/Broker. The Agent/Broker must inform Banner 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 and 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.
MAIL SERVICES
ADMINISTRATIVE SERVICES DEPARTMENT

INTRODUCTION

Banner’s Mail Services is responsible for sorting and distributing incoming mail throughout the company, assembly and distribution of policy contracts, mailing of commission checks, fulfillment of supply orders and distribution of all outgoing mail directed to agencies and policy owners. This section of Banner Basics 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 picks up incoming mail from U.S. Postal Services and selected couriers three times each day. All incoming mail is counted and delivered to the respective area for processing. All courier mail (FedEx, Airborne Express, etc.) is electronically 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, POS, etc.) is delivered to the Document Processing Center (DPC) for image processing.

SORTING AND DISTRIBUTION OF OUTGOING MAIL

Outgoing agency related mail is sorted by the general agency number, sorted to the agency’s mail bin, and then distributed via overnight courier or U.S. Postal Priority Mail that day. Agencies reporting direct to Banner are the only recipients of mail from Banner.

All policy owner mail is metered and delivered to the U.S. Postal Services the same day.

AUTOMATED POLICY ASSEMBLY AND MAIL PREPARATION

Greatly enhancing the Mail Services’ distribution efficiency is our automated policy and mail assembly machine. All policies, premium invoices, policy owner annual reports and commission statements are assembled using this automated solution and distributed the same day.

POLICY MAILING

Polices that have been approved and are available to the Premium Administration Center before 5:00 p.m. 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.
Banner Life
1701 Research Boulevard
Rockville, Maryland 20850
NEW BUSINESS
UNDERWRITING DEPARTMENT

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NEW BUSINESS
UNDERWRITING DEPARTMENT

INTRODUCTION

The New Business Department is responsible for supporting the Underwriting Department. New business representatives are a valuable part of the underwriting team by providing status of requirements, posting pending requirements, and updating pending requirements for pending applications. The New Business Department is also responsible for verifying that incoming mail is matched to the appropriate file, that the appropriate requirement is updated, and that the underwriter is informed to review the document(s). Incoming documents for pending applications are scanned and stored as an image in an electronic file. Upon the image attaching to the file, an automated system task generates the document to the new business representative for review. Once the new business representative has completed the review and the task is closed, a new system task is automatically generated to the underwriter for his/her review.

UNDERWRITING REQUIREMENTS

When a policy is submitted a system task is transmitted to the new business representative. He/she reviews the file to ensure the information was entered into the system correctly, that the items sent with the file are updated on the pending requirements listing, and that any items mentioned on the cover memo the BGA orders are also indicated on the pending requirements. He/she also verifies that the file has the appropriate age and amount requirements based on the application information. The new business representative then maintains and updates pending requirements as information is received for the files. When files have all the completed requirements, an automated system task is generated to the underwriter to make a final decision on the case.

APPLICATION WITHDRAWAL REQUESTS

If at any time in the underwriting process the application needs to be withdrawn please submit an e-mail request to the underwriting team. Request made after the policy has been issued should be sent in writing to the Premium Administration Center (PAC). For more information, please refer to the PAC Section of Banner Basics.

FORMAL APPLICATION PENDING REQUIREMENT NOTICES

Communications on all pending applications in the Underwriting Department are sent to the general agency office. These can be received by e-mail, by web automatic update, or through an agency management system. The options for e-mail and web automatic updates can be selected from our website under the Preferences Page. To inquire about which agency management systems are available with Banner, please contact the Marketing Department. E-mail status is sent at the end of every day. Web automatic
updates are in real time and are updated throughout the day. The option to view these will appear each time the general agency logs onto the website. Requirements can also be viewed at anytime online through the New Business Page. Each time an underwriting requirement is received or added, the status of the case is updated.

FOLLOW UP ACTION ON PENDING REQUIREMENTS

After the new business representative and the underwriter's review, subsequent system generated reminder tasks will produce for most pending requirements. For example, when the home office orders an Attending Physician Statement (APS), the system will automatically generate a reminder task to the new business-underwriting assistant every 17 days to check on the status of obtaining the APS until the requirement is satisfied. Cases pending requirements needed for the underwriting process that are not received within 50 days of the case being submitted will terminate incomplete. Notification letters of the termination will generate accordingly and they will be sent to the general agent and the proposed insured.

LIFELINE

The Lifeline Department is responsible for supporting the Underwriting Department through the processing of incoming email and phone calls. The Communications Associates role is to act as the intermediaries between the underwriters and the BGA staff by providing status of requirements and by updating pending requirements and notes for pending applications. Lifeline also supports other Administrative Services departments by providing status updates to the BGA’s and working with these departments to resolve outstanding issues on pending and active cases.
POLICY ISSUE
ADMINISTRATIVE SERVICES DEPARTMENT

INTRODUCTION

The Policy Issue Department is responsible for policy issue, reissue, and responding to policy replacement requests. This section of Banner Basics provides an overview of procedures for these 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 unless 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 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.

If at the time of delivery the policy owner opts for a current date, then return the policy along with all other delivery requirements and Banner will reissue with the delivery date as the policy date and activate the case.

For all cash with applications (CWA) business that meets the conditional receipt coverage criteria, the policy date will be date of issue unless there is a save age request.

It is mandatory that the policy delivery receipt be completed and signed before the policy is activated. Banner will provide the appropriate delivery receipt for each policy.
If you would like the policy dated in another manner, please request this in the special requests section of the application (Question 43) or by another written method.

**BACKDATING POLICIES**

Whenever possible and when allowed by state regulations, Banner backdates life insurance policies by as much as six months, if requested. 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 in the Special Requests Section of 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 e-mail 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.

**PRE-AUTHORIZED CHECKING (PAC) BILLING DATES**

The pre-authorized checking (PAC) billing occurs on the same day of the month as the policy date. Unless there is a special request made to bill on a different date, the policy date is automatically used.

**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.

**RE-ISSUING 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 has not been placed in force or is still within the 20 or 30-day free look period.
The Basics of Policy Issue

- 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 and that are received before 4p.m. are processed on the same day. Request to reissue that do not require underwriting approval are:
  - Save age
  - Decrease in face amount
  - Change in plan where coverage period is reduced
  - 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 receives the request, unless additional underwriting information is required. Requests that require underwriting approval are:
  - Current or future policy date
  - Increase in face amount
  - Change in plan type where coverage period is increased
  - Request for better underwriting class
  - Additional policy
  - Addition of waiver of premium
  - Change of beneficiary or owner
  - Any case that involves facultative reinsurance

Methods of Requesting a Reissue
There are several ways to request a reissued policy with Banner. You can request to reissue a policy while online at www.LGAmerica.com or by sending an e-mail request to banner_reissue@lgamerica.com. You can also return the original policy by mail accompanied by a memo or fax your request to the Policy Issue Department. Please include the policy number, insured’s name and detailed instructions of the change that is requested.

Requests Online
A request for reissue from our website www.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 immediately assigns it to a Policy Issue team member or an underwriter for review and completion.
Requested by E-mail
E-mail reissue requests must be sent to banner_reissue@lgamerica.com.

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

Request by Fax
You can fax a reissue request to the Policy Issue Department. Provide detailed instructions of the requested change.

DELIVERY REQUIREMENTS

Policy Delivery
The policy must be delivered within 50 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 conditional receipt 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 may 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.

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. The delivery receipt form, LU-1185 (or appropriate revision), is required for policies issued in the states of California, Colorado, Louisiana, Pennsylvania, South Dakota and West Virginia. The state of Virginia also requires a delivery receipt but has a special version of this form, LU-625A (or appropriate revision), and is required for all universal life policies sold in that state. 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 pre-authorized checking)

Modal Factors for Calculating Term Premiums
Modal factors for calculating term premiums:

<table>
<thead>
<tr>
<th>Payment Mode</th>
<th>Modal Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Semi-Annually</td>
<td>.51</td>
</tr>
<tr>
<td>Quarterly</td>
<td>.26</td>
</tr>
<tr>
<td>Monthly</td>
<td>.0875</td>
</tr>
</tbody>
</table>

Pre-Authorized Checking
The monthly payment mode is completed through pre-authorized checking. It requires a blank voided check, a completed authorization to draw checks (part of the application), an authorization to honor checks (part of the application), and the first two pre-authorized checking premiums.

Payment by Check
If you are sending one check for multiple policies then list each policy number on the check. Then on the cover sheet 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. 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 (NTO)
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 50 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 45 days after issue. In addition, a notice is posted in the website informing the general agent of the delivery expiration date. Policies, which have been pending delivery requirements or premium for more than 50 days, will be closed as NTO (not taken out). 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 (NTO)**

Banner policies contain a 20-day free look provision stating we will refund all payments if cancellation is requested within the 20 days following delivery of the policy.

Written requests for a NTO (not taken out) policy should be sent to the Premium Administration Center 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 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 Premium Administration Center in the refund approval process.

This request must be received by the Premium Administration Center within a reasonable period of time after the expiration of the 20-day free look provision.

After receipt of the NTO request, the Premium Administration Center will contact the general agent to verify the information presented, and then 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 Premium Administration Center.
# The Basics of Sales Compliance

**SALES COMPLIANCE**

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INTRODUCTION

The Legal & General America (LGA) is committed to providing quality insurance products at competitive rates and 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 Life Insurance Company of New York. 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 AND WEBSITE COMPLIANCE

LGA requires prior approval of materials, in all media forms, that promote or mention Banner Life or William Penn or may ultimately result in the sale of a Banner or Penn product. If you are still using an ad approved prior to recent product or rate changes, it must be resubmitted for review. 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. All advertisements should be submitted with the Request for Approval of Advertising Materials form (LAA738).

Websites Require Re-Approval Annually
If it has been more than one year since your website has been reviewed, it is important that you ask the LGA Legal Department to review it again. There are many product changes Banner Life and William Penn make that require websites to be continuously updated.

GAs Must Approve Materials Developed By Agents
Advertising materials and websites developed by agents/brokers must first be approved by your office. All materials should then be forwarded to the LGA Legal Department for review.

Advertising Must Identify Agency and Agent
Ads and websites must identify the person or entity, including an address, in the name that appears on the Banner Life or William Penn contract. Marketing names (dba) are permitted; however, the contracted person/entity must also be disclosed.
Only Brokerage Agencies Can Advertise To Brokers
To maintain value in the brokerage agency contract, advertising to agents/brokers is limited to top contract general agencies. Advertising for Banner by brokerage marketing general agents (BMGAs) and brokerage executive general agents (BEGAs) in marketing groups will be allowed if the BMGA/BEGA agency name/address and marketing group name is also disclosed. Advertising for William Penn by General Agents (GAs) and associate general agents (AGAs) will be allowed if the GA/AGA agency name/address is disclosed.

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. Please communicate these requirements to your agency staff involved in the compliance review process and to your agents/brokers. In order to expedite your requests for reviews, the LGA Legal Department will provide an initial response to your agency within 24 hours of receipt. Please remember to include a completed request form; review will not be initiated until one is in hand.

Agencies Must Adhere To Privacy Policies
Recently enacted 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 Banner Life/William Penn Privacy Policy and maintain the confidentiality of customer information. The privacy policy can be found in the Banner Life/William Penn Sections of the website. The privacy policy must be provided to each customer at the time of application and at the time of policy delivery.

Review of Advertising Guidelines is Agency Responsibility
It is expected that appropriate due diligence will take place by your agency before materials or websites are submitted to LGA. When it is apparent that the advertising/website guidelines have not been considered in advance, you will be asked to independently make changes before we will initiate the review process. Advertising guidelines, including website issues, and forms that can be used to request approval of your agency’s website (LAA 1034) or advertising materials (LAA 738) can be printed from our website at www.LGAmerica.com.

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 that an appointment with Banner Life or William Penn be approved prior to solicitation and sale of life insurance products. For more information, refer to the Licensing Section of Banner Basics.

Contracting
Everyone desiring to be contracted with Banner Life or William Penn is 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 with Banner Life or William Penn must also sign this form.

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 plans 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.

Agents are not authorized to accept risks of any kind, except via use of the conditional receipt; 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 Administrative Services Department.

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 administrative services who will forward it to our compliance officer.

**Client Funds**
Agents are permitted to accept a policy owner’s initial premium check only. 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 for a policy owner. Agents should not borrow from or lend money to clients unless a legitimate relationship or reason to do so can be demonstrated.

**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 Service Section of Banner Basics 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.

**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 holders of the BGA and BMGA1 agreements are required to maintain E&O insurance.

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.

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

Failure 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 and/or William Penn. Life insurance applications must be complete and legible. All signatures must be witnessed by the writing agent 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

Banner Life and William Penn 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.

Fraudulent Insurance Acts
The NAIC Insurance Fraud Prevention Model Act defines a fraudulent insurance act as any omission by a person who, knowingly and with intent to defraud, commits, or conceals any material information concerning, 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 your regional director or the company’s compliance or Legal Department, who in turn will report it to the chief financial officer.

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 permanent 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 Systems
The LGA companies use Illustration Manager 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

Banner Basics documents outline Banner Life and William Penn’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 companies’ 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.

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 unless where permitted to do so by state insurance law.
Fraud
- Submitting a fictitious application.
- Signing documents on behalf of a policyholder.
- Entering false information on a proposed insured’s 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.
## The Basics of Sales and Marketing

### The Marketing Department

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SALES AND MARKETING
THE MARKETING DEPARTMENT

INTRODUCTION

The Marketing Department is responsible for advertising approval assistance, commissions accounting, illustration assistance, sales support, supplies and website support. Several of these topics are covered in separate sections of Banner Basics. For more information, see commission accounting, sales compliance, supplies, and website support. If further clarification on procedures is needed, please contact your marketing coordinator.

STATE APPROVAL OF PRODUCTS

When new products are launched or additional state approvals on existing products are received, it is Banner’s practice to notify the general agency by an e-mail announcement. The most reliable source of current information is the News Page of our website. To access the state availability list on the website, select the News Page at the top of the screen. This brings up a page with a series of links to recent Banner news announcements. The link for product availability by state is always near the top of this page.

COMMUNICATIONS

Banner sends e-mail notifications on company administrative improvements and product/pricing changes to our general agents. Select company announcements are also included in the News Section of Banner’s website.

LINES OF COMMUNICATION PROCEDURES

It is Banner’s policy to communicate with its general agents or their staff on all matters relating to the agent/broker or sub-agency. The procedure provides 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, service and underwriting.

We appreciate the general agent’s assistance by directing agent/brokers to communicate through their office.
ADVERTISING

Sales Materials
Banner produces term and universal life rate cards as well as underwriting criteria brochures. These items are available through supply order; see the Supply Section of Banner Basics for more detail. Banner also offers promotional flyers that can be personalized online, new business forms, an illustration quote engine, and illustration software for download from our website.

Approval Procedure
All advertising requests must to be made through a brokerage general agent (BGA) or someone representing the BGA such as a compliance officer appointed by the BGA. Legal & General America (LGA) requires prior approval of any materials that promote or mention Banner or that could ultimately result in the sale of a Banner product. The Banner Life Request for Advertising Approval form (LAA 738) is on the website. It requires an explanation to Banner on how and where the materials developed will be used.

Advertising and website guidelines are also available on the website and can be accessed by printing the form entitled ADCOMP (which is posted on one of the advertising compliance forms). The advertising and website guidelines cover all forms of media. Please verify the materials submitted are in compliance with the guidelines for advertising approval. By doing so, materials are likely to be approved faster.

It is the BGA’s responsibility to ensure that their agents/agencies are aware of these procedures. When agents want to advertise Banner products or place Banner information on their websites they must first submit that request through their BGA for approval. Please refer to the Sales Compliance Section of Banner Basics for more information on advertising compliance.

Advertising of Commission Rates
Banner Life does not permit or approve any advertising material that contains references to specific commission rates.

Advertising on the Web
Associations like the National Association of Insurance Commissioners (NAIC) and America Council of Life Insurance (ACLI), as well as state insurance departments, are in the process of discussing this fast-growing medium and developing industry guidelines and eventual regulations with which we will all have to comply.

Until specific rules are mandated, the LGA companies have chosen to interpret the current “NAIC Model Rules Governing the Advertising of Life Insurance” to include website advertising. As such, agency website pages (and those created by brokers associated with the agency) which link to, mention, or refer Banner, must be submitted for compliance approval.
Guidelines for website approval are also included on the ADCOMP document. This document as well as the Website Approval Request form (LAA 1034) can be printed from the website. If your website collects non-public personal information, you are required to abide by the Banner 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 site is approved all the information must be kept current.

**Legal & General Publication Advertising**
Banner advertises in five major publications. The magazines are *Life Insurance Selling, Broker World, Advisor Today, California Broker* and *NAILBA Magazine*. From time to time articles by or about the LGA companies will be published in these magazines.

**ILLUSTRATION MANAGER SOFTWARE**
Illustration Manager software allows agencies and agents to produce illustrations of Banner’s term and universal life product portfolio. Please review the Website Section of Banner Basics for instruction on downloading and installing Illustration Manager software. The marketing coordinators are product and illustration specialists. They can answer questions on the software or illustrations.
The Basics of Submit

SUBMIT
ADMINISTRATIVE SERVICES DEPARTMENT

INTRODUCTION

The Submit Department is responsible for recording formal and trial applications to the Banner administration system. The staff allocates cash that is submitted with the applications and notifies other carriers regarding replacement of policies.

This section of Banner Basics provides an overview of the Submit Business Area. However, if further clarification on procedures is needed, contact the Submit staff.

APPLICATION PROCESSING

Applications are entered into the system the day of receipt and forwarded to the appropriate underwriting team for review. Incomplete applications will not be available for viewing on Banner’s website. Every effort is made to contact the agency within 24 hours once the application is received to obtain any missing information.

APPLICATION COMPLETION

Memo
To expedite the new business process, please include a cover memo with every application listing the general agency name, agency number, service agent, agent number, proposed insured, plan identification, desired face amount, and any other special circumstances to assist the underwriter in evaluating the risk. Special handling requests may include split commission scenarios or requests to save age. The completed application and cover memo should be sent to Banner via U.S. mail and addressed to Administrative Services. Agencies that image with Banner should address the envelope to the Document Processing Center.

Application
When first-time applications are sent to Banner, the minimum pages required to start the data entry process are pages one, two, three and eight.

- Pages one and two comprise part one of the application
- Page three gives authorization to collect and disclose information
- Page eight is the agent’s report

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 mailing.
application to Banner. If a plan is not specified, the application is entered as OPTerm 20 and a requirement asking for the plan name is added.

**Agent/Broker Numbers and Commissions**
When completing the agent report of the application, it is extremely important that the agent/broker include his/her current agent/broker number to avoid an incorrect commission allocation. Agency staff should verify each agent/broker number that is recorded on the application to ensure that it is accurate and legible.

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 is synonymous with the first three digits of the 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. If more than two agents are splitting the commission, provide each agent number and percentage of commission split. Include an additional copy of page eight of the application to report additional agents. The cover memo should also make note of the split.

**Pending Agent/Broker Numbers**
Occasionally, there are situations where new business is submitted and the application does not match with an appointed agent/broker. This may be the result of the application being received before the agent appointment materials. In these situations the business is 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 provides a system for the tracking the application pending determination of the agent/broker.

**Conditional Receipt Limits**
Premiums can only be collected with an application for a face amount of $500,000 or less and/or when the proposed insured is age 70 or younger. The exception to this rule is California where the amount is limited to $250,000. Additionally, premiums cannot be collected with an application for a Survivor Life policy or on any plan if the proposed insured’s medical, occupational, or vocational history indicates a substandard anticipated.

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.
The Basics of Application Submission

Any premium collected above the conditional receipt limit is returned to the applicant. If the Submit staff identifies the premium received as outside the guideline, the brokerage general agent is notified by the Premium Administrative Center of the situation via e-mail or by phone. The original check is then mailed to the attention of the policy owner 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 by Banner that is below the conditional receipt limit is accepted and applied to the case. The auditor accepts the payment and holds the balance as a delivery requirement.

An amount equal to the modal premium indicated on the application must be submitted to Banner. The mode must be either annual, semi-annual, quarterly or pre-authorized check plan. If you select pre-authorized check plan, Banner requires two months premium.

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.

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.

- Banner does not issue alternate policies.

APPLICATION AND RELATED FORMS VARIATIONS

There are state variations of the Banner application as well as the medical examiner's report. Agents/brokers must use the appropriate application and related forms of the state where the application will be signed by the applicant. 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.
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 Banner’s website at www.LGAmerica.com.

SURVIVOR LIFE APPLICATIONS

Applicants who apply for coverage under joint insureds on a Survivor Life Policy must complete separate applications for each proposed insured. All medical questions must be asked of each person and answered on the appropriate application. If additional space is required, attach an additional sheet with appropriate dates and signatures. The Additional Details/Supplement to Application form (LU-1032) can be used for this purpose. Please attach this form directly to each application and submit them together.

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 the Remarks Section on Page 2 of the application.

DUPLICATE APPLICATIONS

Duplicate applications refer to situations where an applicant submits two or more applications to Banner with the intent to accept only one of the policies. This section outlines Banner’s procedures for processing these applications. We recognize there are situations when an individual may apply for coverage through more then one agent/broker with the intent to accept all policies. Banner will accept these applications.

There are rare situations where the insured is the same but the applicants are different. The general agency should discuss these with their Marketing Coordinator prior to submission.

Duplicate Application with New Broker

When more than one agent/broker submits an application covering the same proposed insured and it is the applicant’s plan to accept one, it is Banner’s policy to process the first application received unless the insured provides a statement in writing of their intent to withdraw the first application in favor of the second application. In addition, the statement should name the agent/broker selected for the second application. The first application is determined by the date that the application was received at Banner, not by the date that the application was signed.
The new agent/broker must:

- Complete a new application for the proposed insured and have it signed by the applicant.
- Complete any supplemental forms such as Non-medical, PINS, or replacement forms.
- Prepare a cover letter explaining the situation.
- Obtain the broker record of letter from the applicant.
- Submit the new application, supplemental forms, cover letter and applicant's broker of record letter to their general agency.

Underwriting requirements such as the medical exams, inspection report, attending physician statement or motor vehicle reports that have already been obtained will be used to make the underwriting decision. The new agent/broker must obtain any additional requirements.

We can waive the requirement for a new application and related forms if the initial writing agent/broker sends a written statement indicating agreement to be released as the writing broker for the application. Given a release from the initial agent/broker the new broker will need to submit an agent's report (page 8 of the application). The new agent/broker must obtain any additional requirements.

Upon receipt of the second application the underwriting team leader will conduct the following review and actions.

**Duplicate Applications Including a Broker of Record Letter**
If a broker of record letter is included with the second application, the underwriting team leader:

- Verifies the applicant signature on the file.
- Calls the agency responsible for the first application and relates the circumstances of the case. The agency then has five business days to contact the applicant and respond with the results of the call.
- Sends a letter to the applicant, which acknowledges the request to change the agent of record. The letter informs that the file for the first application is closed and any money received from the insured will be returned.

**Duplicate Applications Without a Broker of Record Letter**
If a broker of record letter is not included in the file, the team leader:
The Basics of Application Submission

- Calls the agency responsible for the first application. The agency is advised that a second application has been received. Banner then informs the agency that the procedure is to honor the first application unless a broker of record letter is received.

- Calls the agency responsible for the second application. This agency is advised that another application for this applicant was received at an earlier date from another agency. The first application is honored and a letter is sent to the insured. The letter advises that the file for the second application is closed and any money received will be returned.

- Sends a letter to the applicant advising that the file for the second application is closed and any money received will be returned.

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 Banner’s policy to honor the first application received. The second application will be returned.

REPLACEMENTS

Any 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 GOVERNING REPLACEMENTS AND REPLACEMENT FORMS

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 be complied within the state where the business is written.
There are two types of replacements, when a Banner policy will replace a Banner policy, and when a Banner policy will replace one 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 maybe 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, Banner is required to notify other companies of the intended replacement of their policy(s) and cannot issue a policy until this has been done. Furthermore, Banner cannot send this notification of replacement until the proper replacement form(s) are received. The required replacement form(s) can be obtained at www.LGAmerica.com under the Forms Page or ordered as supplies. For some states there is a separate form for replacements of a Banner with a Banner policy and of another carrier with a Banner policy.

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

PAYMENTS WITH APPLICATION

Guideline Requirements
- All premium checks must be made payable to Banner Life Insurance Company. Write the name and 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.

- 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 directly to the applicant and underwriting continues on a COD basis.

- Post-dated checks are not acceptable and are returned directly to the applicant. The application is then processed as a COD case.

- Third party checks are not acceptable and will be returned to the check writer. These include checks made payable to the agent then endorsed and made payable to Banner.
Do not collect cash after an application has been submitted to underwriting and while it is still pending. When a conditional receipt is given to the applicant within Banner’s binding limits, submit the money with the application.

Do not collect cash on Survivor Life applications. Banner does not provide coverage under the conditional receipt for the Survivor Life product.

**QUICK QUOTES**

A quick quote is defined as any written correspondence up to five pages in length requesting an underwriting opinion. Quick quotes can be submitted by e-mail or by fax to the impaired risk team. To receive a quick quote offer, the proposed insured’s age, gender, smoking status, and all details concerning health impairment(s) must be provided. Any identifying information such as name or social security number cannot appear on any of the correspondence. The impaired risk department will respond by e-mail to the person who requested the quick quote within 24 hours.

To ensure proper handling of the trial application, please include a cover memo stating the general agency, agency number, service agent and the agent number. The application and the cover memo should be directed to the Administrative Service Department.

For more details on trial applications please review the Basics of Underwriting Section.
SUPPLY ORDERS
MARKETING DEPARTMENT

INTRODUCTION

The Marketing Department is responsible for handling supply orders. This section of Banner Basics will answer most supply ordering questions. However, if further clarification on procedures is needed, please contact the Marketing Department.

ONLINE ACCESS TO FORMS

Visit the Banner Life website at www.LGAmerica.com for quick and easy access to most forms. The forms can be downloaded and copied as needed. See the Website Section of Banner Basics for more information.

ORDERS FOR PRINTED FORMS

If you would like to order supplies, refer to the latest supply list on our website, which is located under the Sales and Marking Materials Section of the Forms Page. The supply list provides the form number, revision date, and a description of the form. All forms are grouped by business sectors.

To request supplies, obtain a Supply Requisition Order form (LAA 814) from the website under the Sales and Marketing Materials Section. When requesting a supply order, the following information is required:

- address where the supplies are to be shipped
- agency number
- agency telephone and fax numbers
- form numbers
- description of the item
- quantity requested (most items are packaged in bulk)

Supply orders are handled by a marketing assistant and the Mail Services Department. To expedite your supply order, send it to the Supply Fulfillment Center by fax 301-279-4816 or by email fmcfarlane@LGAmerica.com. You may also mail your order.

SHIPMENT OF SUPPLIES

Banner ships supplies to the brokerage general agent. We will not ship supply orders to sub-agencies or to individual agents. Orders will be shipped within five business days and are mailed via UPS ground.
SPECIAL SUPPLY NOTIFICATION

Occasionally, Banner will launch a new product and produce an inventory of items that are available for promotion for a limited time. This usually includes advertising flyers and sometimes advertising postcards. Please watch for these opportunities. Whenever there is an important change to a business form, Banner will notify BGA staff through e-mail and/or phone calls. It is important to contact Banner’s marketing coordinators if your key personnel are not receiving these e-mails.
# Underwriting

## Underwriting Department

### Introduction

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UNDERWRITING
UNDERWRITING DEPARTMENT

INTRODUCTION

The Underwriting Department is responsible for reviewing all applications and determining a risk classification based upon applicable standards. This section of Banner Basics will answer most questions on underwriting procedures, however, if further clarification is needed, please contact your Underwriting Director.

AGENT/BROKER RESPONSIBILITIES

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

The risk selection process begins with the agent. As a representative of Banner Life Insurance Company, 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, insurable interest, present physical condition, past medical history, foreign travel or residence, military, and aviation activities. Depending on these and other factors, the proposed insured is classified as Preferred Plus, Preferred, Standard Plus, Standard, Standard Tobacco, rated (extra premium charge), declined or postponed. Proper risk assessment puts profitable and persistent business on the company’s books.

An application, which has had careful and complete field underwriting, will pass through Banner’s Underwriting Department and 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’s report 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 application for a policy must be completed in 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.
A copy of the application is inserted in every policy. The application and policy form, together, constitute the entire contract. Consequently, 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, Banner has developed state specific applications. Please refer to Banner’s most current supply list available on the website to determine the proper application form. The state where the applicant signs the application determines which application form should be completed.

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 applicant, and the signature of the owner (See Ownership Section below). Often the proposed insured, applicant, and owner are one in the same. When the applicant and/or owner are not the proposed insured they must sign the application where indicated.

- If a business is to be the applicant (owner), then an authorized representative of that business, usually a corporate officer, must sign the application.
- If a trust is the applicant (owner), the named trustee must sign the application. The full name and address of the trust and its effective date must appear in the ownership section of the application.
- The writing agent must sign the application and provide his/her Banner agent number.

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. Details of all third party ownership requests must accompany the application.

The owner’s signature is always required on the application. Printing the name of the owner is not acceptable. The applicant must acknowledge with his/her signature the acceptance of ownership. For more information, see the pages titled Application Signatures in this section.

Disclosure and Other 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.
Maryland

**Maryland Applicant’s Tax Statement.** This form must be completed and submitted with the application whenever a universal life or interest sensitive whole life policy is applied for.

Minnesota

**Life Insurance Policy Fact Sheet (universal life products).** The form must be completed and provided to the applicant before accepting and premium.

Minnesota

**Notice Concerning Policyholder Rights in an Insolvency Under the Minnesota Life and Health Insurance Guaranty**

This form must be completed and provided to the applicant at the time the application is signed.

Oklahoma

**Release of Medical Information.** This form must be completed and submitted with any application for life insurance solicited in Oklahoma and when medical records must be obtained from a medical care provider in Oklahoma.

Pennsylvania

**Term Disclosure Statement.** This form must be completed and given to the applicant/owner at the time of application for all plans of term life insurance. A complete copy must be submitted with the application.

Texas

**Policy Summary.** This form must be completed for all term plans solicited for sale in the state of Texas at the time of application. One copy of the signed and dated form is to be submitted with the application. Another copy is to be given to the applicant/owner.

**Blood Consent Forms**

Refer to Banner’s current supply list for a list of states that require a Banner informed blood consent form to be signed by the applicant at the time of the application. The supply list is available under the Marketing and Sales Material Section of our website Forms Page. This needs to be signed before a blood specimen is drawn. If the proposed insured lives in one of these states, you must obtain the state specific form and forward one copy to the home office with the life application. Another copy should be kept for your records and another copy must be given to the proposed insured. It is recommended that this form be submitted with each application, even if a blood profile is not initially required. This will expedite processing if a blood profile is needed later during the underwriting process.

*(NOTE: Any required state informed consent forms must be completed before arranging the examination and collection of the blood specimen.)*
Tobacco/Nicotine Usage Classifications
On our application we inquire about the past or present use of tobacco or any nicotine based products. If there was past use, we ask for the date usage terminated. 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
Communications on all pending cases in the Underwriting Department are sent to the agency office. The options of how the agency can receive the communications are available in the preferences section of the website. Once the underwriter’s initial review has been completed, a formal pending requirements notice is produced. Thereafter, automatic follow-ups will occur every 14 days from the initial review date, and this information is available on the website.

Each time an underwriting requirement is received or added, the status of the case is updated on the website. The notices will also contain memos from the underwriters pertaining to various topics and requirements as necessary based on the facts of the case.

Incomplete Application Files/Withdraw Requests For Coverage
Requests to withdraw an application for life insurance from underwriting consideration can be done by e-mail by the general agency and will result in the file being closed as withdrawn. Cases, which have been pending completion of underwriting requirements for more than 90 days 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. The general agent will receive a copy of the letter as well. Any refund will be returned directly to the party that submitted payment for the application.

Client Inquiries About Adverse Action
On rated, declined, and all other applications that are not issued as applied for, the underwriter will provide the general agent with all the details we are permitted to disclose. Please do not suggest that the client call the underwriter and do not provide the underwriter’s name or telephone number to the client.

Clients who want an explanation regarding adverse underwriting decisions based on medical information (exam, lab studies or attending physician information) should submit their request in writing and provide the name and address of the physician that we should contact.
Certain medical information can be released directly to a proposed insured, however disclosure should normally be made to a physician who is better able to explain medical conditions, terms and laboratory or other test results and their impact on a person’s longevity. This is especially true in the case of highly sensitive medical information.

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

**Rate Reductions**

When a policy has been issued with an increased premium because of occupation or medical condition, removal or reduction of the rating will be considered after the proposed insured has been in a less hazardous occupation for at least one year or can demonstrate improvement in *overall health*. Rate reductions are generally considered on the policy anniversary. A change from smoker to a non-smoking class can be considered on any premium due date, but not sooner than 6 months from the policy issue date.

**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 would experience 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 that you carefully follow these instructions 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.")
- Address
- Age
- Relationship of each beneficiary

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
The Basics of Underwriting

require an explanation. You 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.

Contingent Beneficiaries
One or more contingent beneficiary 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, Banner 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 a percentage, not a dollar amount. Percentages are to be made in whole number not decimal. 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 signature which appears on the application even when it differs from the name specified for the proposed insured in the application question. *When printing the proposed insured's name, please be sure it is legible and correctly spelled.*

Banner policies are issued on an age nearest basis.

We require the social security number of the proposed insured.

**Mailing Address and Driver's License Number**
The current residence address specified on the application must be complete. Previous addresses, including street and number, should be included, going back at least three years. Please remember to use zip codes.

Motor vehicle reports are ordered on all proposed insureds. Please be sure that the Drivers License Number and state of issue are recorded accurately.

**Phone Number**
Please show residence as well as business phone numbers on the application.

**Occupations**
List the occupation and duties performed. 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.

**Proposed Insured Who Is Unemployed**
Generally, a proposed insured that is unemployed will not be eligible for coverage. Consideration will be postponed until full time employment is secured and maintained for at least six months. Dependent spouses and children will also not be eligible for coverage during the proposed insured’s period of unemployment. Please call your underwriting team if you have any questions before submitting an application on a proposed insured that is unemployed.
Proposed Insured Receiving Public Assistance
It is not our practice to consider for coverage anyone who is receiving public assistance. This includes persons designated as an owner or premium payer.

Proposed Insured Who Resides Outside The United States or Travels Extensively
If a proposed insured who is a U.S. citizen intends to travel or reside outside the United States, an extra premium may be necessary or coverage may be limited or denied. Please submit details that include countries and cities to be visited, duration and frequency of visits, and reasons for travel. The travel questionnaire is available on the website to assist in obtaining this information. You should call your underwriting team before submitting the application.

Proposed Insured Who Is Not U.S. Citizens
If the proposed insured is not a citizen of the United States, does not intend to apply for citizenship, or does not intend to reside permanently in the United States, coverage will be limited or denied. Please call your underwriting team before submitting an application and provide the following information:

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

If the proposed insured can be considered for coverage, the following underwriting requirements will be required:

- Medical examination by a Banner approved physician
- Full blood profile (no dried blood study or abbreviated blood chemistry)
- Urine specimen
- Inspection report
- Personal Information Statement (PINS)

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.

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

Proposed Insured Who Is Involved In Aviation
For a proposed insured involved in private flying activities, Banner will consider full 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. Our Preferred classes are only available with an Aviation Exclusion Rider.
If the agent has a question regarding the potential for an extra premium because of the applicant's aviation activities, please contact your underwriting team. The Aviation Questionnaire must be completed and submitted with the application. This form will become part of the policy contract.

**Proposed Insured With Existing Life Insurance Policies**
For each person proposed for insurance, list each in-force policy separately on the application in the appropriate space, showing the name of the insuring company, the total amount of coverage, the year of issue, whether the policy contains an accidental death benefit and, if so, show the amount or waiver of premium and the name of the beneficiary. State "none" if there is no life insurance currently in force.

**Proposed Insured Previously Declined or Rated**
If the proposed insured has ever been *declined* 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. Most often such an investigation is necessary because of the Medical Information Bureau (MIB) information that has previously been reported on a proposed insured. Do not accept payment with the application if any proposed insured has been previously rated or rejected by Banner or any other company.

**MEDICAL UNDERWRITING**

**Underwriting Requirements**
For information on Banner’s underwriting guidelines, please refer to the Underwriting Requirements brochure in printed format and posted to the website. Banner reserves the right to order any medical requirements deemed necessary at any time.

**Non-Medical Limits**
Non-medical limits are based on the face amount of the current application, *plus* the face amount of the existing policies with Banner Life or William Penn.

The underwriting requirements brochure outlines what is required per age and face amount.

**Medical History**
The questions on Part II of the application are designed to obtain a full medical history. Part II must always be completed when the application is to be submitted for consideration on a non-medical basis.

We highly recommend its completion even when a medical examination is required. This allows for the early identification of a need for an *Attending Physician Statement (APS)*. It also can identify medical histories or conditions that may require a rating that will allow for a more realistic sales illustration to be presented to the client.
A Part II must always be completed when the Underwriting Department is being asked to use another company’s exam. This is required for two reasons: first, we want to have current medical declarations and second, we cannot use another company’s Part II in our policy. This same rule applies with regard to any paramedical vendor’s internal examination form.

Carefully complete Question 1 of Part II 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 II. Having the most accurate and complete information will allow for a 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 5 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 may; and most likely will, elicit more valuable underwriting information. This will allow us to order an Attending Physicians Statement (APS) early on in the underwriting process; however, in some cases an APS may not be necessary. For more information, see the pages titled Attending Physician Statements in this section.
Examinations
Company approved paramedical vendors using our exam form utilize three types of medical examinations (or applicable state variation):

■ **Abbreviated paramed**: A paramedical technician collects full blood and urine specimens and additionally will record height, weight, blood pressure, and pulse.

■ **Paramed**: A paramedical examination includes the completion of a Medical Part II (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 II, record height, weight, blood pressure, and pulse, in addition to completing and recording the results of a complete physical examination.

For lists of authorized paramedical facilities, see the pages titled “Paramedical Facilities” in this section. 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.

**Examinations By A Medical Doctor**
Refer to the underwriting requirements brochure for examinations by a medical doctor that are *required* by age and amount.

A 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 Statements**
The APS can be a source of underwriting delay, however, they supply valuable underwriting information at a relatively low cost. Banner’s goal is to minimize use of the APS, when appropriate, especially where possible.

The guidelines for ordering APSs are posted to the Underwriting Section of our website Forms Page. 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. If the GA has not ordered an APS but the underwriter finds it necessary, we will request that you order it unless you have arranged previously to have Banner order your APSs for you. The APS will be added to our online system as an underwriting requirement; it will appear as GA ordered or HO ordered (as appropriate) on the pending new business screens.

Please submit a copy of the agency APS request form with the application, or indicate on your transmittal if an APS has already been ordered and from whom. By doing so,
you will help eliminate duplicate requests from our staff. If notification is not received
and Banner orders a duplicate APS, Banner will not be liable for reimbursement to the
general agent. Reimbursement is only made for APSs ordered on formal applications—
not trials, quick quotes, or other informal inquiries.

Company-approved third party vendors secure APSs. These vendors provide excellent
service in the processing of requests for medical records. Contact Banner’s approved
vendors for ordering procedures:

- Examination Management Service, Inc. (EMSI)  800-566-9318
- Scantech Solutions  877-916-0201
- J & H Copy Service  714-921-0102 ext. 105
- Parameds.com  888-766-3999
- MediConnect  800-489-8794 ext. 3705

While the average APS fee is $55, the maximum allowable fee is $100. General agents
who are currently ordering their own APSs may continue in their usual manner. However,
we strongly encourage agencies to consider requesting APSs through a
company-approved vendor for the following reasons: no out of pocket fee to the
physician or facility, reduced processing time and administrative efforts, and equal or
better turnaround time.

For further assistance with APS guidelines, please contact the Underwriting
Department.

**Blood Profile and Home Office Specimen**

A home office specimen (urine specimen) is required with every examination and with
every blood profile. The specimen is to be collected by the examiner whenever an
examination is done or a blood sample collected. We use only First Financial
Underwriting Services to do our laboratory testing and analysis. Reports from other labs
will not be accepted. Under unusual circumstances and only with prior Underwriting
Department approval personal physician may draw the blood and collect the urine
sample, however these must be sent to our labs for processing.

**Blood Testing Limits**

A full blood chemistry profile is required for all proposed insureds.

These profiles require a blood sample to be drawn by one of our paramedical services
and sent to First Financial Underwriting Services. A home office specimen is to be
collected and sent at the same time.

*(NOTE: Any required state informed consent forms must be completed at the time of
application completion and before arranging the examination and collection of the blood
specimen. This responsibility is the writing agent’s and is not to be left for the examiner
to do. Refer to Underwriting Section of the website.)*
Full Blood Chemistry Profile Test (Venipuncture)
The full blood chemistry profile test is used to check a variety of body 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. The client should fast for a full 12 hours before the scheduled blood draw in order to obtain the most reliable and accurate results.

Labs
The more that can be done in the field to expedite the paramedical examination, the quicker the case can be underwritten. Banner currently uses First Financial Underwriting Services for blood and urine testing. The total processing time from fluid collection to the results being received averages 3.5 days. Banner receives the results electronically directly to our internal computer system.

Paramedical Facilities
Please note that Banner will only accept examinations from the vendors, which are listed below. Please do not make an appointment with a vendor not appearing on our approved list. Any exam(s) done by an unapproved examining vendor will not be accepted nor paid for, and will be returned. A new exam by an appointed facility will be required.

We have made every effort to provide you with the broadest geographical coverage and the best possible service. In that rare instance where an applicant is in a remote area not covered by one of our services, kindly contact your underwriting director to discuss making other arrangements.

Approved Paramedical Vendors

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<thead>
<tr>
<th>APPS (American Para Professional Systems, Inc.)</th>
<th>Parameds.com</th>
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<tbody>
<tr>
<td>800-635-1677</td>
<td>888-766-3999</td>
</tr>
<tr>
<td>516-822-6230</td>
<td>866-392-6329 (fax)</td>
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</tbody>
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<tr>
<th>Examination Management Services, Inc.</th>
<th>Mobile Examiners Company</th>
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<tbody>
<tr>
<td>800-872-3674</td>
<td>281-353-3200</td>
</tr>
<tr>
<td>214-689-3600</td>
<td></td>
</tr>
</tbody>
</table>

<table>
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<tr>
<th>ExamOne (Formerly World Wide Health Services)</th>
<th>Portamedic Services (Hooper Holmes Insurex, ASB/Meditest)</th>
</tr>
</thead>
<tbody>
<tr>
<td>877-933-9261</td>
<td>800-765-1010</td>
</tr>
<tr>
<td>913-888-0771</td>
<td>908-766-5000</td>
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<th>Healthmasters, Inc.</th>
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<tr>
<td>800-444-8384</td>
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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.

While the MIB is an important source of information, it is important to understand that no final underwriting decision can be made on the basis of what is provided from an MIB report. This information 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, must be given to the proposed insured at the time the application is signed. It is mandatory that these notices be detached from the signed application and be given to the proposed insured with the proper explanation provided by the writing agent.

Health Certificates
If a health certificate 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 health certificate, the policy may then be delivered and the completed health certificate and any other delivery requirements should be mailed to the Premium Accounting Center as soon as possible. If the health certificate indicated a change in health or medical history, no premium may be collected, the policy must be returned with the health certificate and any other delivery requirements to the home office for review. 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
An inspection report is required for amounts over $1,000,000 through age 70 and for amounts over $500,000 at ages 71 and over. An interview with the proposed insured in person or by phone is usually part of the investigation. These reports are completed by First Financial Underwriting Services. Procedures for ordering inspection reports are posted to the Inspection Section of our website Forms Page.

First Financial Underwriting Services 800-570-3744

Motor Vehicle Reports (MVR)
Banner orders and receives 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 these will only cause duplication.

FINANCIAL UNDERWRITING

Personal Information Statement
A Personal Information Statement (PINS) is required for all amounts over $500,000 for amounts over $250,000 over age 60 and any amount over the age of 70.

The PINS is straight forward and easy to complete and must accompany the application when sent to the Underwriting Department. Please refer to the underwriting requirements and the financial underwriting guidelines for specifics on when the PINS is required.

Financial Underwriting Guidelines
Financial underwriting is a part of every application for insurance. It requires an underwriter to exercise good judgment on many factors, considering not only insurable interest, but things like the appropriate amount of 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 make sense.

There are financial underwriting guidelines, available on the web, which include formulas that an underwriter uses when reviewing financial information. The formulas represent only some of several factors used in arriving at an underwriting decision. The guidelines are not intended to be a set of hard and fast rules. Flexibility is often determined by the quality and completeness of the information provided.

Cover letters that explain in detail the need for a certain amount of insurance and how the amount was arrived at provide invaluable assistance to the underwriter in the financial evaluation of an application. We strongly suggest including such correspondence with a CPA produced financial statement(s) when submitting an application. For amounts over $3,000,000 we will require 3rd party financial statements.
Senior Market Financial Underwriting and Suitability Guidelines
It is essential to recognize the unique needs of senior citizens in order to have satisfied clients in this market. This is particularly true when proposing universal life products that combine life insurance and cash accumulation features. Full financial disclosure, client understanding and suitability reviews must be key elements of the sales process.

The following Suitability Evaluation Guidelines are required for all universal life applications on the lives of senior and retired citizens. The Financial Justification Guidelines apply to all life applications written in the senior market.

The agent’s careful evaluation of both the suitability of the sale as well as the financial justification for the specified amount or net amount at risk is necessary and must be communicated to the underwriter. Many times this can be done by using the Personal Information Statement or by sending a cover letter of explanation.

Special Financial Suitability Request For Applicants Age 65 or Older or Retired

- Banner will consider up to four times an applicant’s income (including earned and unearned) or an appropriate amount using the guidelines of the Federal Estate tax laws. In-force coverage in all companies will reduce the maximum amount allowable. If the amount requested exceeds these guidelines, the specified amount must be reduced.

- Financial information must be provided on the Personal Information Statement, both earned and unearned.

- Current financial underwriting guideline requirements will continue to apply.

- Please note, when submitting applications for a husband and wife, the guidelines indicated above will apply to the couple’s joint net worth. Coverage applied for and insurance in force will be considered. Most often, income or net worth will be divided equally between husband and wife.

- If a spouse is uninsurable, yet the other spouse qualifies for insurance coverage, then the insurable spouse may be deemed to be in possession of all family net worth and income for purposes of determining the allowable net amount at risk.

- If an additional policy is requested, the medical and financial underwriting requirements are always based upon the higher net amount.

- When single premium payments are submitted, and Option B is selected, we will consider the net amount at risk. That is, the initial specified amount less the expected single premium payment. Cases like this are underwritten on the basis of the single premium payment and are issued with the single premium amount as a
delivery requirement. The policy will not be placed in force unless the full planned single premium is paid.

**Guidelines For Suitability Evaluation Of Universal Life Sales To Applicants Age 71 Or Older Or Retired**

- An inspection report will be required for all amounts in accordance with the existing underwriting requirements.

- Financial information from the inspection report and the Personal Information Statement will be reviewed for suitability and for justification of the specified amount/net amount at risk.

- The following premium guidelines must be satisfied:
  - The maximum lump sum/single premium amount should not exceed 50 percent of an individual’s or couple’s liquid assets.
  - If not a lump sum payment, the annualized premium that an individual or couple pays should not be more than 20 percent of the annual earned/unearned income.

- Appropriate action will be taken on all cases that exceed the Guidelines for Suitability Evaluation or where the inspection report uncovers facts inconsistent with the application.

If, in subsequent years, guideline premium violations occur, then an increase in the specified amount of insurance may have to be applied for. This will require current evidence of insurability.

**QUICK QUOTES**

Quick quotes are a brief summary of the client’s health history sent via e-mail to the underwriting team that normally handles your business. No identifying information of the client should be included except for sex, and age, or date of birth. Banner will accept attachments up to 5 pages. Quick quotes are generally responded to the same day or no more than 24 hours after received. Quick quotes can be submitted by email to one of the assigned team email address below:

- TeamAquickquotes@lgamerica.com
- TeamBquickquotes@lgamerica.com
- TeamCquickquotes@lgamerica.com
- TeamDquickquotes@lgamerica.com
- TeamEquickquotes@lgamerica.com
FOR YOUR INFORMATION...

- Replacement forms list are part of Banner’s supply list, which is updated frequently and posted to the Sales Material Section of our website Forms Page.

- The Underwriting Requirements, the Financial Underwriting Guidelines and the Explanation of Abbreviations pages are part of the Underwriting Requirements brochure. Also posted to our website is Survivor Life UL Underwriting Criteria.

- The procedures for ordering inspections and APSs are subject to change. The most current procedures are located under the Forms Tab of our website; inspections procedures are posted to the Inspection Forms Section and the procedures for ordering APSs are posted to the Underwriting Section.
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INFORMATION SYSTEMS AND SERVICES DEPARTMENT

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INTRODUCTION

The Information Systems and Services Department maintains the Banner website, which provides numerous useful functions that general agents, as well as writing agents, can utilize. This section of Banner Basics will answer most website questions. However, if further clarification is needed, contact your Marketing Coordinator.

ACCESSING OUR WEBSITE

The Banner web address is www.LGAmerica.com. This is a business-to-business website designed to make doing business with Banner quick, easy to access, and easy to understand. This section of Banner Basics will assist users through the features of the website.

BANNER LIFE HOMEPAGE

After entering Banner’s web address it should be noted that there are a number of helpful hyperlinks located on the left side of the screen.

Banner Life Hyperlink

The Banner hyperlink takes the user into a screen that gives information on the history of Banner, Banner’s financial figures and financial strength ratings, as well as the address and telephone number of the home office.

In this screen there is a hyperlink on the left hand side called term rates. After selecting this option the user is brought into a screen that allows agents and consumers to contact Banner. If the user scrolls down to the bottom of this screen there is a hyperlink that allows the user to view Banner’s term rates. Once this hyperlink is selected a description of our term products and rates are available for viewing. Viewing term rates requires Adobe Acrobat Reader (Please refer to the section on Adobe Acrobat Reader at the conclusion of this section of Banner Basics).

Legal & General America and William Penn Hyperlinks

Select the Legal & General Group Plc (our parent company) or the William Penn (our New York state affiliate) hyperlink and their homepage will be brought up. From their respective homepages, information on history and financial strength can be found.
AGENCY/AGENT WEB LOGIN

Web Usage Defined
Electronic forms of communication make up an ever-increasing part of our business lives and the Legal & General America (LGA) website is just one example. While we continue to work on the evolution of our site to better support your agency activities, we have also taken the time to develop a corporate website usage policy.

This policy is viewed from the web page used to login to the website. This policy specifically addresses potential mishandling of information included on the site; a concern we’re confident you share. The policy also addresses compliance issues related to agency and/or agent websites.

By using the website, you signify your agreement to be bound by the terms and conditions of usage documented in the LGA Website Usage Policy. There is a hyperlink to view this policy from the web login page. The terms and conditions should be reviewed carefully before using the site.

Completing a Login
To login to Banner’s website, simply enter the web address, www.LGAmerica.com and then select the Banner hyperlink on the left side of the screen. The next screen that is brought up offers the ability to complete an agent login through a hyperlink at the top of the screen. Also along the top are links for Customer Login and a quick link to William Penn that will take one directly to William Penn’s agent login page. The customer login feature will allow a policyholder to log in and access basic information about their policy. In addition, certain policy changes can be made here; examples are address, beneficiary, and billing changes.

Once Agent Login has been selected, the user will notice three links at the bottom of the Banner login page: The New User link, I Forgot My Password link, and the Change Password link.

First time users of the website can use the New User link to register. This information is required during initial registration only and will not be requested the next time when you log in. Once you entered the information, click on the Submit link. The next screen will allow you to log in.

To help those who may have forgotten their password Banner has created an I Forgot My Password link. To bring up your password, simply select this link and you have the option to enter the agent number and social security number to make the password appear. If previously provided, your mother’s maiden name can be substituted for your social security number in conjunction with the agent number to make the password appear also. Once you complete the information, click on submit and the next screen will provide you with your password. It will also give you the option to login or to change your password.
To change your password, select the Change Password link, and confirm your password. Once you entered the information, click on submit and the next screen will provide you with your password.

To enter the secure agent portion of the website, the agent login requires the Banner agency/agent number and a password. Please note that the agent number does not include the letter “O”. If the letter “O” is used, access will be denied. The password is automatically preset as the tax identification number for organizations licensed with Banner as corporate entities and as the social security number for individuals. It is important to remember that, when entering the corporate tax ID number or social security number, if hyphens or dashes are entered between the numbers, access will be denied. Once the agency/agent number and password have been entered, select the login button at the bottom of the screen. This will access Banner’s secure agent center. After login, agents or agencies with more than 150 reporting agents will see the Search for Agents link. The site will also provide the total number of reporting agents for the organization. The Search for Agents link just below the agency name gives one the option to search for an agent’s record by providing the first and/or last name, business name and/or agent number. Once the information is entered, select the Search link, and the corresponding name(s) will appear. To choose a name, select the circle to the left. From there, select any of the main navigation tabs along the top of the website and the information that appears will be for the selected entity(s).

SELECT AN AGENT SCREEN

Selecting “OK” to View New Business Latest Activity
After logging on to the website, a screen appears entitled Select An Agent. In addition, a box appears allowing the user to check the latest activity on new business requirements. To disregard the current information select cancel. However, to view this information, select “OK” and a report of all policy activity since the last web visit appears. The latest activity report has five column headings of information to view. The headings are policy, agent, description, date, and time. All policy data can be sorted using any of these parameters by selecting the corresponding heading.

If more information is required on the policy that just underwent the change, select the individual policy number hyperlink underneath the policy number heading. This will give a detailed report on the pending case. There are also boxes under the policy number heading, click on the boxes of all the policies that need to be viewed and then select the download or print option at the top of the page. The time column indicates exactly when the change occurred on the policy. For instance, if a new delivery requirement was just received, the minute the underwriter enters the requirement in the system the updated information is reflected on the website as the requirement is listed as closed.

NAVIGATION LINKS

At the top of the screen there are a series of tabs that can be selected. The user has access to the following tabs: New Business, Commissions, Forms, Illustrations,
Preferences, News, Contact Us, Policy Search, Select Agent, Licensing and Help. A tab entitled AppAssist will also be present for those approved for this program.

NEW BUSINESS LINK

Accessing New Business Information
Selecting the New Business Tab grants the user access to new business information as it is submitted. All of the new business submitted through the general agency is available for viewing as soon as the underwriter records a submission or updates a policy. At the bottom of the screen there are two hyperlinks that allows the user to select the previous day’s activity or the next day’s activity.

After the selection is made, policies can be viewed which have undergone a change or received a new requirement on the selected day. The information headings on this screen include the action that was performed, the policy number, the agent name, the insured’s name, and the annual premium.

Activity can be sorted by any of these headings by selecting the heading title. Under the policy number heading the user can view detailed information on new business activity by selecting the hyperlink of the particular policy number. This gives the user information on policy specifications such as the product face amount, billing mode, modal premium, and if there was cash included with the application. There is a direct e-mail link to the underwriter and underwriting team assigned to the policy.

Please note that only BGAs & BMGA-1s are able to e-mail Banner’s underwriting teams directly. All agents that send underwriting e-mail will have their messages rerouted to the general agent's office, provided Banner has an e-mail address on file.

Further down the screen the user is able to view all the underwriting requirements that have been met, the requirements that are still pending, and any underwriting notes on the case. All of the requirements that have been received and closed are printed in a blue font, while the requirements that remain open and outstanding are printed in a red font. Any underwriting notes can be found in black ink at the bottom of the page.

Hyperlinks for New Business
There are several hyperlinks within the New Business Tab located on the left side of the screen. These hyperlinks are for new business that is pending, new business that is issued, new business that has been paid, new business with final actions carried out, and all policies from each of the new business categories.

The Pending New Business hyperlink gives information on policies received as new business. Policies are sorted by those received in the past seven days, past eight to fifteen days, past fifteen to thirty one days, and over thirty-one days. To view the pending new business information select the policy number hyperlink. There are also boxes to the left of the policy number hyperlink. Select all the boxes for policies that
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information is needed on. After selecting all the policies that are needed they can be either printed or downloaded.

The hyperlinks to Issued, Paid, and Final Actions on New Business are all setup and viewed in the same manner as Pending New Business. The only difference is that the Pending hyperlink only includes pending policies, the Issued hyperlink only includes recently issued policies, the Paid hyperlink only includes policies that have been recently paid and put in force, the Final Actions hyperlink only includes policies that have had final action carried out on them, and the All Policies hyperlink contains policies from all of these categories.

Hyperlinks for Requirements
Hyperlinks on the left hand side of the screen allow users to view all the requirements for new business policies. There are hyperlinks for requirements that are outstanding and for requirements that have been received. All requirements are sorted by policy number. Select the outstanding requirements hyperlink to be brought to the screen where outstanding requirements can be viewed over a particular time frame. The time frames are over the past seven days, past eight to fifteen days, past fifteen to thirty one days, and more than thirty one days. There are boxes to the left of the policy number hyperlink. Select all the boxes for policies that information is needed on. After selecting all policies that are needed they can be either printed or downloaded. The received requirements hyperlink is setup and used in the same way as the outstanding requirements hyperlink. The difference is that it is organized by the received requirements.

There is an activity history hyperlink for requirements on the left hand side of the screen. This allows the user to view when requirements have been received and closed and when new requirements were ordered and opened. Select the activity history hyperlink and the user can choose any day to view the activity history.

The Activity History screen has information under various headings, such as agent name, policy number, insured, annual premium, and action. The information can be sorted by any particular heading by simply selecting the heading title. All of the requirements that have been received and are closed are printed in a blue font, while all the requirements that remain open and outstanding are printed in a red font. To view more detail other than the requirements opened and closed over this time frame select the Individual Policy Number hyperlink.

The Latest Activity hyperlink is located on the left hand side of the screen just below activity history. This hyperlink takes the user to the same screen that selecting OK to viewing the latest activity immediately after logging on to the site does. (For more information on using the Latest Activity hyperlink please refer to the section on viewing new business latest activity).

The final link under requirements is a search feature. This hyperlink allows the user to organize pending business by a specific requirement(s). The search feature lists 66
different underwriting/delivery requirements and allows the user to select one or more and whether it has been received or outstanding and then search for cases that fit the selected parameters. Just below the list of requirements is a date range feature that can allow one to further narrow the search.

**Hyperlinks for Reissues**

Hyperlinks on the left hand side of the screen are available for general agents to request reissues and check on the status of reissues that have been requested. The Reissue Request hyperlink contains a formatted request screen that prompts the required information to process a reissue request. This will eliminate confusion and incomplete information and is the most expedient way to have a policy reissued at Banner.

The Reissues hyperlink contains status on the policies that have been requested for reissue. After selecting the Reissues hyperlink, information can be viewed on policies by selecting the policy number hyperlink. There are also boxes to the left of the policy number hyperlink. Select all the boxes for policies that information is needed on. After selecting all the policies that are needed they can be either printed or downloaded.

**COMMISSION LINK**

**Accessing Commission Information**

The Commissions hyperlink is located at the top of the screen just below the New Business Tab. Once this link is selected, commission balances or commission statements can be viewed from hyperlinks on the left hand side of the screen.

**Commission Balance Hyperlink**

The Commission Balance hyperlink located on the left hand side of the screen allows the user to view commission balances for all of their agents year to date, a balance for the current commission cycle, as well as the last time that each individual agent was paid. The commission balance changes daily from commission activity. If the BGA would like to view this information for a particular agent, utilize the select an agent tab at the top of the screen. This takes the user to a screen in which there is a drop down box to select an agent alphabetically. Once an agent is selected, choose the Commissions Tab at the top of the screen and the commission information that appears will be for that specific agent.

**View Commission Statements Hyperlink**

The other hyperlink on the left hand side of the commissions screen allows the user to view the agent’s commission statements. Commission statements for all of the agents can also be viewed. After selecting the agency/agent, select the Commission Tab followed by the view Commission hyperlink. This screen asks the user to select dates for the period of time commission statements should be viewed for. Use the drop down boxes to enter the desired date(s), and then select submit. The next screen has a hyperlink to view the commission statement for the dates that were specified. Select the hyperlink and the commission statement can be viewed. The statement includes
information such as the policy number, date, percentage of premium paid, and amount paid. Adobe Acrobat Reader is required to view the finished statements. At the bottom of this screen there is a hyperlink to the Adobe website. At the Adobe website a current version of Acrobat Reader can be downloaded for no cost.

FORMS LINKS

Forms Tab Contents
Banner’s website allows the user to open and print various Banner forms. There is access to forms that are necessary for taking out an application in a particular state as well as various other form category hyperlinks. To access these forms select the Forms link at the top of the screen.

Application Forms by State
After selecting the Forms Tab at the top of the screen, a color-coded map of the United States will appear to aid in the selection of state specific forms. To view all of the forms needed for taking an application in a particular state, simply select that state’s hyperlink. This gives the user all of the forms that are necessary to take out an application for that state as well as a hyperlink to view each form. Each form can be opened through the hyperlink and then printed.

Accessing Forms by Category
In order to view forms by category, use the form category hyperlinks located on the left hand side of the screen. Viewing forms requires Adobe Acrobat Reader. (Please refer to the section on Adobe Acrobat Reader at the conclusion of this section.)

FORM CATEGORIES

Administrative Services Forms
This category primarily includes forms that are used once a policy is active and to execute a change or service to that policy. Some of the forms in this category include the 1035 Exchange Agreement and the Reinstatement Good Health Statement. To open any of these forms select the form number hyperlink.

Advertising Compliance Forms
This category includes the form number and description of various advertising and compliance forms. Some of the forms included in this category are advertising guidelines and requests for approval of advertising material. To open any of these forms select the form number hyperlink.

Agent Contracting Forms
This category includes the form number and description for the various contracting forms of an agent/broker. Examples of these forms include the Agent/Broker Agreement, the Adoption Authorization form, and the Biographical Information form. To open any of these forms select the form number hyperlink.
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AppAssist Forms
This category contains all forms and applications necessary to write business within the AppAssist Program. It will only be visible for the Banner general agencies that have been pre-approved for the AppAssist program. These include forms to get an agent contracted in the AppAssist program as well as a guide and a checklist for this program. To open any of these forms select the form number hyperlink.

Application Forms
This category includes the form number and description of state specific and generic applications. Scroll down to the bottom of the screen and there are additional details and special activities supplements to the application. To open any of these forms select the form number hyperlink. Two versions of each application are posted. One version prints an application that will be filled out by hand. The other provides access to a “fillable” form application that can be completed electronically. With Acrobat Reader you can complete the fillable form electronically and create a legible and professional document, simply type the information in the relevant fields and print when finished.

(Note: To save the document you will need the full version of Adobe Acrobat or Adobe Acrobat Approval. See the end of this section for additional details.)

Blood Consent Forms
This category includes the form number and description of blood consent forms in each particular state. To open any of these forms select the form number hyperlink.

Disclosure Forms
This category includes the form number and description of disclosure forms. To open any form, select the form number hyperlink.

Replacement Forms for a Banner Policy
This category includes the form number and description of the state specific replacement forms for a Banner policy. To open any form, select the form number hyperlink.

Replacement Forms for Another Company’s Policy
This category includes the form number and description of the state specific forms for replacing another company’s policy. To open any form, select the form number hyperlink.

Inspection Forms
This category includes the form number and description of inspection forms. This includes a fax request for ordering inspections as well as the ordering procedures for both Examination Management Services, Inc. (EMSI) and Systematic Business Services, Inc. (SBSI). To open any form, select the form number hyperlink.
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Marketing and Sales Materials
This category includes the form number and description of various marketing and sales materials. Some of the notable contents from this forms category include Banner’s supply list, supply order form, and product rates and specifications. To open any form, select the form number hyperlink. The supply list can be found here.

Medical Examiner’s Report
This category includes the form number and description of state specific and generic medical examiner’s reports. To open any form, select the form number hyperlink.

Underwriting Forms
This category includes the form number and description of a variety of forms and questionnaires that may be required or ordered by underwriting. Some notable contents from this category are Banner’s underwriting requirement guidelines, trial applications, and a list of approved paramedical facilities. To open any form, select the form number hyperlink.

ILLUSTRATIONS LINK
Banner has included the ability to run term illustrations and download the most current version of Illustration Manager software on the website. To access these options simply choose the Illustrations link at the top of the screen that is located just below the Policy Search Tab.

Running Term Illustration from the Web
After selecting the Illustration Tab, the user may select the option that allows term product illustrations to be run. First, the user will be required to enter the product. Once a product has been selected to illustrate, the user will then be required to enter the illustration specifications such as the agent’s name, agency’s name, and address. When the illustration specifications are complete, a selection of quick print or formal print is requested.

The quick print option displays the illustration detail. The formal print option displays the illustration detail, summary, and explanation. It also archives the illustration for a ten-day period for future reference. Viewing illustrations requires Adobe Acrobat Reader (Please refer to the section on Adobe Acrobat Reader at the conclusion of this section.)

Downloading Software
In the Illustrations Tab there is a hyperlink located on the left side of the screen entitled download software. Selecting this option allows the user to download the most current version of our Illustration Manager software to a computer or computer network. The Illustration Manager provides illustrations for Banner’s entire product line. Instructions are included on how to initiate the download process. Banner recommends that all users, especially those unfamiliar with downloading software from the Internet, print and read them.
Currently available for download are the single user and network user upgrade, complete single user workstation, and the network version and workstation. The variety of options is included to accommodate all software users.

**Single User and Network User Upgrade Instructions**

Banner has included the options to upgrade single user or network user versions of Illustration Manager to the most recent version. To utilize a single user or network user upgrade, one is required to have the previous version of the Illustration Manager software. To initiate the process of installing an upgrade version of Illustration Manager software, first select the necessary upgrade and download it to the computer desktop directory. Next, to install the program, click the install icon on the desktop whose default name is: Single_Upgrade_install.exe and follow the installation instructions. Please note the program will automatically install to a default directory named: Ilmgr. If you have previously installed the program to a different directory please select your directory when reaching this stage of the installation. To locate where Illustration Manager is installed, prior to the installation, open the Illustration Manager software and choose the Help Menu. In the Help Menu select the About Option; the current directory for Illustration Manager will be presented in the help dialogue box.

**Complete Single User Workstation Instructions**

The single user workstation version is designed for new users or those that want to maintain current and past versions of Illustration Manager on the same desktop. First, download the Illustration Manager setup program to the computer desktop directory. Next, to install the program, click the install icon on the desktop named: single_user_install.exe and follow the installation instructions. The default install location will be C:/Ilmgr.

**Individual Disc Download**

The Banner Illustration Manager software is also available for download to five, 3 ½” discs for agencies that may have agents without access to the Internet. The download process requires the user to download the contents for each individual disc to their hard drive and then extract the contents of each to five individual discs. Again, instructions to aid in the downloading process are available and Banner highly recommends that the user print and read them before beginning.

**Network Version and Workstation Download Instructions**

The complete network version and workstation are designed for users that have no previous or recent version of Illustration Manager on their computer network. Network use requires two downloads into the networks share drive. One is the network version setup and the other is the network workstation version setup. First, download these files to the network drive. Then open the network version setup file and follow installation instructions. Next, from each workstation, open the network workstation version setup file and follow the install instructions. You will need to note the directory location of the network version, as you will be asked for this path during the workstations setup.
PREFERENCES LINK

Accessing The Preference Tab
The website includes the ability to change passwords used for logging on and setting several preferences. These options are located under Preferences hyperlink located at the top of the screen.

Changing a Password
Once the user has selected the Preferences Tab, a screen is brought up that displays the general agency name and agency number with Banner. Also included on the screen are boxes where passwords can be changed and confirmed. There is also a space that has an e-mail address listed, which also can be changed.

How a password is preset depends on contracting with Banner. The password is automatically preset to the corporate tax identification number if contracted as a corporation and the social security number if contracted as an individual. The ability to change the preset password to any eight-character password is included. Simply enter the new password, confirm the password, and then scroll to the bottom of the screen and select the Submit button when all changes have been entered.

Setting Preferences
The Preferences Tab asks how preferences should be set up for several situations. The first preference allows automatic notification of the latest activity on new business when logging on to the website. If selected, the user will see a notification immediately after logging on if any cases have had any actions since the last log in. The activity is updated on a real time basis every few seconds.

The second preference gives the user a choice of how new business status reports should be sent. The two choices are e-mail or not sent at all. These reports detail the status on business as of the end of the prior working day.

The third preference enables the user to allow any reporting agencies/agents under them to view their own policy and commission information and change their preferences. Please note that agencies/agents are only able to view the new business, licensing and commission information for themselves. They automatically have access to all other functions of the website by logging on with their agency/agent number and password.

After completing all preference selections choose submit at the bottom of the screen for the changes to take effect.

NEWS LINK

The website offers the ability to review major announcements and changes that Banner has recently made. To access this information select the News Tab at the top of the screen. This section of the website has several announcement hyperlinks.
announcements are listed from most current, to least current. Always near the top is a listing of Banner’s product availability by state. Also right at the top is a link to past impaired risk newsletters from Banner’s medical director. Some of the other announcements include Banner’s rates reductions, product improvements, and interest crediting rate changes.

CONTACT US LINK

The website offers the ability to e-mail Banner directly. To do this, select the Contact Us link at the top of the screen. This Contact Us link gives the user a drop down box to enter in the department at Banner of which to direct their comments. The department choices to send comments to are Administrative Services or Marketing. The drop down box also offers a web comments option.

This page includes a form field to include a web address for Banner to reply to, a subject field to title the comment, and a message field with ample space to write the comment. After completing these fields scroll down to the bottom of the page and select send mail. Also, if the user would like to speak directly with a Banner representative, the telephone number and address are included at the bottom of the screen.

POLICY SEARCH LINK

The website offers the ability to search for and display the status of a specific pending policy. To use this function, select the Policy Search Tab at the top of the screen. This section of the website enables one to search for specific policies by either the policy number or the insured’s last name. To search by the policy number, enter the policy number in the box requesting that information and choose the display policy status option. To search by the insured’s last name enter their last name in the box requesting that information and select search by insured last name.

Scrolling down further on the policy search screen brings up a drop down box of all the agencies/agents writing business under the BGA. This offers the ability to select any one agency/agent, thus limiting the policy search to only those agencies/agents policies. After the desired agency/agent is selected complete the search of policies written by that agent. Searching with the insured’s last name or the policy number as described in the previous paragraph does this.

SELECT AGENT LINK

The Select Agent link allows an agent or an agency to search alphabetically through all agents that are contracted under their organization. To quickly search for an agent or agency, simply click on the drop down box and then type the first letter of the last name of the individual or the first letter of the name of the corporation and the list will skip to where that letter begins.
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LICENSING LINK

This section is similar to the New Business Section in that it provides interactive management tools such as status of licensing contracts, commission schedules, direct communication with the Licensing Department via e-mail, the ability to search for agents by name, number, appointed states and appointed date.

The first screen that is visible upon entering the Licensing portion of the website is the Search for Agents screen and provides the ability to search for agents in three different ways:

- In alphabetical order or agent status (i.e., active, terminated or as a contract in process).
- By specific name, agent number and/or business name.
- By appointment state and/or appointment date.

To view a report with all pending agents, select the Contracts in Process box in the upper right and then click on the Search Tab and a list of all agents whose contracts are pending is available. To view a particular agent, select the name, and the website will link to the agent’s personal information. Once a specific name has been selected, direct links for New Business Summary, Personal Information, Contract Information and Commission Information are available on the left side.

To view all agents listed in alphabetical order, simply choose Next Agent. This tab is located on the top of the screen. First Agent, Prior Agent, Next Agent, and Last Agent links are also provided to aid in the navigation of a large agency listing.

New Business Summary Link
The first link on the left side is the New Business Summary link. To see the agent or agency’s total number of pending cases, click here. Just below this total, the number is broken down into the following three categories: cases pending underwriting decision, cases pending activation, and reissues in progress. If there is business in one of these categories, click on the blue category heading next to the number and a listing of all of the corresponding cases will appear. Once the list is visible, select a case number to produce a status detail similar to the Banner New Business Section. To continue viewing pending cases, click back on the New Business Summary link that is still on the left side and the website will return to the screen previously viewed with all of the pending business broken down.

Personal Information Link
The link just below the New Business Summary is the Personal Information link. This link provides the agents or agencies name, address, e-mail and phone and fax number.

Contract Information Link
The link just below the Personal Information link is the Contract Information link. The first part provides information such as agent’s name, agent’s number, contract date and
contract status. Next it shows if the agent or agency has any outstanding contracting requirements. Below this information it will show the hierarchy structure and provides the name and number the agent or agency is contracted under. It also shows the commission schedule. To view the commission addendum that provides the commission percentages for each Banner product, click on the agent/broker commission schedule and the addendum is available in Portable Document Format (PDF) format. The last section shows the agent or agencies appointed states, status, appointment dates and renewal dates.

The Contract Information link provides detailed information on an individual’s contracted hierarchy, whom they are licensed under and above, as well as the states they are appointed and licensed to do business. It also provides the ability to view if the agent assigns commission and to whom by providing the assignees name and number. An individual can also access their commission schedule in PDF under this section. Finally, the Contract Information link contains detailed information on pending requirements for those who have licensing appointments outstanding.

Commission Information Link
The Commission Information link located just below the Contract Information link will be used to provide year to date and outstanding balances since the last commission run as well as dates paid. A useful feature of the Licensing Section is the Search for Agents link at the bottom of every screen throughout the entire section. This link provides the ability to automatically go back to the Search for Agents screen that is first visible upon entering the licensing section.

E-mail Licensing Link
Finally, the link in the far-left corner entitled E-mail Licensing is the best way to directly communicate with the Licensing Department. This link will automatically open the user’s default e-mail system and produces an e-mail addressed directly to the Licensing Department.

APPASSIST TAB
The AppAssist Tab, added in October 2002, was designed so that Banner general agencies that are approved for, and writing business in our AppAssist program, have a separate location to review pending applications within the AppAssist program. Only Banner general agencies that have been approved for this program will have access to this. This tab provides the ability to search AppAssist pending business by applicant or agent name or by AppAssist application number or by agent number.

HELP TAB
The website includes a section to access frequently asked questions and common concerns. To access this information use the Help Tab located at the top of the screen. Some of the help topics include how to use the website with specific browsers or with America Online, the security that the website has in place, using web passwords,
printing from the website, using Illustration Manager, setting preferences, and finding a policy. For questions that aren’t answered using the Help Tab, please contact Banner directly. The Help Tab offers a hyperlink to e-mail Banner directly. Banner’s telephone number and address are also listed here.

ADOBE ACROBAT PRODUCTS

Adobe’s web address is www.adobe.com. For any questions regarding the installation of Adobe’s software, please use the customer support options available from their website. They have included steps to download their products and explain how to avoid the most common downloading problems.

Adobe Acrobat Reader
Adobe Acrobat Reader version 4.0 or a more current version must be installed on the user’s computer in order to view term rates, commission statements, forms, and illustrations, all of which have been posted in Portable Document Format (PDF). There are several hyperlinks to Adobe’s website located on our website. Acrobat Reader is free to users and can be downloaded from the Adobe website.

Adobe Acrobat Approval
With Adobe Acrobat Approval, you can fill in, sign, and save interactive PDF forms. Acrobat Approval can be purchased for $39 online via the Adobe website www.adobe.com.

Adobe Acrobat
If an agency purchases the full version of Adobe Acrobat, in addition to filling in and saving a document, the user can also convert any document to a PDF.