

Insurance Compliance: Suitability, Disclosure and Replacement Meeting Guide

Notes:

IV. Presenting Bankers' products to the prospect with full disclosure of appropriate features and benefits.

HAVING COMPLETED AN EXTENSIVE FACT-FINDER THAT FOCUSED ON THE NEED(S) OF THE PROSPECT, IT IS NOW TIME TO RECOMMEND A PRODUCT BASED ON THE DESIRED BENEFITS THAT THE PROSPECT RECOGNIZES AS BEING IMPORTANT IN SOLVING THE PROBLEM.

THE CHALLENGE YOU FACE IS TO MAKE SURE YOU SELECT THE RIGHT PRODUCT THAT PRODUCES THE DESIRED BENEFIT(S) THAT THE PROSPECT WANTS. THIS MUST BE ACCOMPLISHED WITH CONSIDERATION TO WHAT THE PROSPECT CAN AFFORD.

THIS PROCESS IS COVERED IN DETAIL IN THE FAST START SALES TRAINING SEMINAR. THOSE OF YOU WHO HAVE COMPLETED FAST START ARE VERY FAMILIAR WITH THE PROCESS OF TAKING DATA FROM THE FACT-FINDER, DETERMINING THE PRODUCT FEATURES, AND THEN COMMUNICATING THE APPROPRIATE BENEFIT STATEMENTS WHEN PRESENTING A PRODUCT AS THE SOLUTION TO YOUR PROSPECT'S PROBLEM.

Q. Besides the use of Bankers' approved fact-finders, what other presentation tools are available for your use to help discover what the prospect feels his/her concerns are?

A. Additional presentation tools available to you are:

- **The Portfolio Presentation (14466).** This resource consists of the "4-squares introduction presentation" (which is used to transition from the prospect's concerns to a life, health, annuity, or long-term care product presentation) and the product presentations.
- **Bankers' product brochures** should be used in the presentation of Bankers' products. These brochures provide a very efficient way to cover the specific features of a product that are important to your prospect, based on the answers they provided during the fact-finding process.

Q. How does the presentation portfolio and the product brochure assist you in making sure that the prospect understands his/her needs and that the product you are recommending is suitable for them?

A. The presentation portfolio and product brochure are powerful visual aids you can use to make sure the prospect is following the presentation. Every time you use a benefit statement (combining the features with the prospect's desired benefits), you should ask a confirming question. This makes sure the prospect understands the features and benefits as they relate to solving the prospect's problem.

Insurance Compliance: Suitability, Disclosure and Replacement Meeting Guide

Notes:

ANOTHER AREA OF DISCUSSION IS TO MAKE SURE THAT YOU NOT ONLY UNDERSTAND COMPLIANCE ISSUES IN REGARDS TO SUITABILITY, DISCLOSURE AND REPLACEMENT AT THE POINT OF SALE, BUT ALSO UNDERSTAND THESE COMPLIANCE ISSUES FROM THE PERSPECTIVE OF THE MARKETING (PROSPECTING) AND CUSTOMER SERVICE POINT OF VIEW.

V. The Manager's and Agent's responsibilities in marketing, selling and servicing Bankers' products from a compliance perspective, affecting suitability and replacement.

WE ARE IN A BUSINESS WHERE LIFE INSURANCE, ANNUITIES, HEALTH, DISABILITY, AND LONG TERM CARE INSURANCE ARE RECOGNIZED AS VIABLE SOLUTIONS FOR THE PROTECTION OF THE PUBLIC'S NEEDS.

WE KNOW THAT THE STATE'S "DEPARTMENT OF INSURANCE" HOLDS US TO STRICT STANDARDS. BANKERS, IN TURN, MUST HOLD ITSELF TO STRICT STANDARDS IN MEETING THE EXPECTATIONS OF OUR CLIENTS AND PROSPECTS.

WITH THAT IN MIND, IT IS IMPORTANT THAT THE AGENT, MANAGER AND HOME OFFICE PERSONNEL KNOW WHAT RESOURCES ARE AVAILABLE TO HELP US CONTINUALLY MEET THE STANDARDS FOR THE COMPLIANCE ISSUES OF SUITABILITY, DISCLOSURE AND REPLACEMENT. THESE RESOURCES INCLUDE:

- THE "FIELD OFFICE PROCEEDURE MANUAL" (FORM #4800).
- THE "AGENTS INFORMATION AND PROCEDURES MANUAL"(FORM #4100).
- THE HOME OFFICE PERSONNEL OF MARKETING, AGENCY, AND POLICYHOLDER SERVICES ARE AVAILABLE FOR CONSULTATION.
- BANKERS' MEMBERSHIP IN THE INSURANCE MARKETPLACE STANDARDS ASSOCIATION (IMSA), CREATED BY THE INSURANCE INDUSTRY TO FOCUS ON INDUSTRY ISSUES. IMSA SPECIFICALLY ADDRESSES THE CONCERNS OF MARKET CONDUCT FROM BOTH THE FIELD'S AND HOME OFFICE'S REPONSIBILITES. BANKERS HAS VERY SPECIFIC GUIDELINES IN PLACE TO MAKE SURE THAT STANDARDS ARE MET.

Insurance Compliance: Suitability, Disclosure and Replacement Meeting Guide

Notes:

Instructor's Note:

Have several agents read out loud the section on complaint handling procedures in the Compliance Brochure.

IT IS EXPECTED THAT AN AGENT INFORM THE BSM IMMEDIATELY IF HE/SHE BECOMES AWARE OF ANY CUSTOMER CONCERNS REGARDING COMPLIANCE OR MARKET CONDUCT, SPECIFICALLY ISSUES REGARDING SUITABILITY, REPLACEMENT, AND DISCLOSURE. THE BSM THEN FOLLOWS THE STANDARD OPERATING PROCEDURE FOR HANDLING THESE CONCERNS OR COMPLAINTS.

Refer to the Compliance Brochure section on Handling Complaints. **(See Instructor's Note)**

IF YOU ARE INVOLVED IN ANY OF THESE CONCERNS, IT IS VITAL THAT YOU IMMEDIATELY INFORM YOUR SUPERVISOR OF THE ISSUE.

FROM A MARKETING PERSPECTIVE, BANKERS HAS EXTENSIVELY RESEARCHED THE NEEDS OF OUR TARGET MARKETS. ALL OF OUR APPROVED PRODUCTS, SALES & MARKETING MATERIALS SERVE THESE MARKET SEGMENTS WELL. THAT'S WHY IT'S IMPORTANT TO USE COMPANY APPROVED MATERIALS.

Insurance Compliance: Suitability, Disclosure and Replacement Meeting Guide

Notes:

Instructor's Note:

List the agent's responses on the flipchart.

Q. Which Bankers' sources informs the field that all sales and marketing materials created in the field are to be approved by the Home Office before they are used in the field?

A. It is communicated to the field via several resources, specifically:

- The Agents Information and Procedures Manual, page 3.
- The IMSA Manual, indicator 4.3.b2-b5, specifically points out that Bankers has a system to facilitate compliance with legal requirements. Such a system may include:
 - Collection of advertising and sales material.
 - Review of content of advertising and sales material for:
 - Statutory requirements.
 - Factual accuracy.
 - Completeness of disclosure.
 - Clarity of advertisement.
 - Clarity of sales and illustration documents.
 - Requirements as established through laws or regulations.
 - Requirements as established by the NASD, if applicable.
 - Maintenance of files of all reviewed advertising and sales materials.
 - Participation in company-sponsored training programs through which company guidelines are communicated.
 - Review of complaints related to advertising and sales materials.
 - Tracking approval of all company advertising and sales materials.
 - Control mechanisms for making available approved advertising and sales materials to independent and captive distributors.
- The Advertising and Prospecting Department's CASH Manual, pages A-14 through A-15. Points 4: authorized material and 5: use of unauthorized material.
- Home Office Policy and Compliance department (P.A.C)

Insurance Compliance: Suitability, Disclosure and Replacement Meeting Guide

Notes:

Instructor's Note:

It's also important that the Branch Management Team have a system in place (perhaps a Delivery Check-List Form) to assure that these customer service guidelines are being adhered to.

Make a list on the flip chart of the items covered in the brochure on Disclosure.

Instructor's Note:

Have agents refer to brochure section on MDRT Survey.

ALWAYS INFORM YOUR CLIENTS THAT THEY SHOULD CONTACT YOU AND THE BRANCH OFFICE FOR SERVICE AND YOU WILL ASSIST THEM IN CONTACTING THE HOME OFFICE FOR SERVICE, IF NECESSARY.

ALL OF THE ISSUES WE DISCUSSED IN THIS TRAINING ARE TO ENSURE THAT YOUR CLIENTS RECEIVE EXCELLENT CUSTOMER SERVICE FROM YOU.

ALWAYS BE SURE YOUR CLIENTS ARE PROVIDED WITH BANKERS' CUSTOMER SERVICE PHONE NUMBER AND BANKERS' INTERNET SITE.

YOU HAVE ACCEPTED A TREMENDOUS FIDUCIARY RESPONSIBILITY BY CONTRACTING WITH THE BANKERS LIFE AND CASUALTY COMPANY. THROUGH THE LAW OF AGENCY AND CONTRACTS, YOU ARE BANKERS LIFE AND CASUALTY COMPANY IN THE EYES OF YOUR CLIENTS AND FUTURE CLIENTS.

YOU HAVE ACCEPTED, PERSONNALLY, THE RESPONSIBILITY TO CONDUCT YOUR BUSINESS WITH THE HIGHEST DEGREE OF INTEGRITY. ACTING WITH THE CLIENT'S BEST INTEREST IN MIND WILL KEEP YOU IN HIGH REGARD BY YOUR CLIENTS, FUTURE CLIENTS, FELLOW AGENTS AND MANAGERS, BANKERS LIFE AND CASUALTY COMPANY, AND THE INDUSTRY.

WE WILL CONCLUDE THIS TRAINING BY LOOKING AT A SURVEY CONDUCTED BY THE MILLION DOLLAR ROUND TABLE (MDRT) OF ITS MEMBERS. THEY SAID THAT THE BIGGEST ETHICAL PROBLEM FACING THE INSURANCE INDUSTRY, AFTER MISREPRESENTATION, WAS A FAILURE ON THE PART OF INVESTMENT AND INSURANCE PROFESSIONALS TO IDENTIFY CUSTOMERS' NEEDS – IN OTHER WORDS, SUITABILITY.

THE MDRT SURVEY INDICATED THAT THE TOP FIVE ETHICAL ISSUES FACING INSURANCE PROFESSIONALS TODAY ARE:

1. FALSE OR MISLEADING REPRESENTATION OF PRODUCTS OR SERVICES IN MARKETING , ADVERTISING OR SALES EFFORTS.
2. THE FAILURE TO IDENTIFY THE CUSTOMER'S NEEDS AND RECOMMENDING PRODUCTS AND SERVICES THAT MEET THOSE NEEDS.



What's New:

- ["Best Practices" Field Ideas](#)
- [Online Continuing Education](#) Free!
- [Product Training Courses](#) Free!
- [Personal/Professional Development](#) Free!

ABOUT BLN	BEST PRACTICES	COURSE LIBRARY	PRODUCT TRAINING	REPORTS	RESOURCES	SUPPORT
---------------------------	--------------------------------	--------------------------------	----------------------------------	-------------------------	---------------------------	-------------------------

BANKERS LEARNING NETWORK

Your Learning Resource



Copyright ©2003 Bankers Life and Casualty Company. All rights reserved.

[Legal](#) | [Site Map](#)

Click on Site Map for ease of navigation.


[ABOUT BLN](#)
[BEST PRACTICES](#)
[COURSE LIBRARY](#)
[PRODUCT TRAINING](#)
[REPORTS](#)
[RESOURCES](#)
[SUPPORT](#)
[MISSION STATEMENT](#)


SCOTT PERRY
QUOTE

[BLN TEAM](#)
[AGENT AND
MANAGEMENT
DEVELOPMENT
COMMITTEES](#)
[BLN ARTICLES](#)

LIBRARY Overview

The BLN Library consists of valuable educational tools for members of the Bankers team.

The Agent "Best Practices" Learning Track is designed to give an agent the skills, knowledge and tools necessary to succeed at Bankers, and to continually develop both personally and professionally throughout a long and successful career.
Designed by and for the field.

The Field Management "Best Practices" Track is designed to provide management with "Best Practices" of some of Bankers' most successful managers:
Designed by and for the field.

Online Continuing Education provides a wide selection of Insurance CE courses.

Personal/Professional Development provides a variety of modules on various business and personal development topics.

Copyright ©2003 Bankers Life and Casualty Company. All rights reserved.

[Legal](#) | [Site Map](#)

Click on Site Map for ease of navigation.


[ABOUT BLN](#)
[BEST PRACTICES](#)
[COURSE LIBRARY](#)
[PRODUCT TRAINING](#)
[REPORTS](#)
[RESOURCES](#)
[SUPPORT](#)


Product Training

The objective of Product Training is to provide agents a fundamental understanding of Bankers' core product lines. Each "Introduction" product line course listed below is required.

You have the option to take a Continuing Education (CE) exam following each product line course through The National Underwriter Company for a fee or a company exam (at no charge) covering the product course. Course completion will be recorded on your training record by successfully passing either (CE or BLC) exam.

To access the course please click on the 'Launch Course' button. To access either exam click on the desired exam link.

CE Exams: Completion results will be updated weekly to this screen.

BLC Exams: Results will be updated on exit from the exam.

Product Line Course	Status
Introduction to Long-Term Care <input type="button" value="LAUNCH COURSE >"/> CE Exam or BLC Exam	Incomplete
Introduction to Annuities <input type="button" value="LAUNCH COURSE >"/> CE Exam or BLC Exam	Incomplete
Introduction to Life Insurance <input type="button" value="LAUNCH COURSE >"/> CE Exam or BLC Exam	Incomplete
Introduction to Medicare <input type="button" value="LAUNCH COURSE >"/> CE Exam (pending approval) or BLC Exam (pending approval)	Incomplete

Copyright ©2003 Bankers Life and Casualty Company. All rights reserved.

[Legal](#) | [Site Map](#)

Click on Site Map for ease of navigation.


[ABOUT BLN](#)
[BEST PRACTICES](#)
[COURSE LIBRARY](#)
[PRODUCT TRAINING](#)
[REPORTS](#)
[RESOURCES](#)
[SUPPORT](#)


Resources

- [BestDay News](#)
Daily industry news from A.M. Best
- [Medicare](#)
The official U.S. Government site for people with Medicare
- [The Resource Directory for Older People](#)
Resource directory from the National Institute on Aging and the Administration on Aging
- [Long Term Care Link](#)
Comprehensive source of information about long term care
- [Medicare/Medicaid](#)
Centers for Medicare & Medicaid Services
- [American Health Care Association \(AHCA\)](#)
- [Life and Health Information for Education \(LIFE\)](#)
Resource for information about life, health and disability insurance
- [LTC Online](#)
National Underwriter's forum devoted to the latest developments affecting long term care insurance
- [The National Underwriter Company](#)
Publisher of insurance books, insurance software and insurance magazines
- [GAMA](#)
Management resources for the financial services industry
- [National Association of Insurance and Financial Advisors \(NAIFA\)](#)
Resources for insurance and financial advisors
- [LOMA](#)
Association and information resources for BOAs
- [The American College](#)
Provider of CFP, CLU, ChFC and CLF designations
- [Society of Certified Senior Advisors](#)
Information about the CSA designation
- [Million Dollar Round Table](#)
Information about the Million Dollar Round Table association

Copyright ©2003 Bankers Life and Casualty Company. All rights reserved.

[Legal](#) | [Site Map](#)

Click on Site Map for ease of navigation.

DOCUMENTAION FOR REPORT PAGE 16, COMPANY PAGE 9

SUITABILITY TRAINING

RECOMMENDATION 1

Bankers

...your partner in life and health

Bankers Life and Casualty Company, established in 1879, is one of the leading insurance companies in the country, with assets exceeding \$3 billion dollars (Capital and surplus exceeding \$353 million dollars as of 12/31/95).

For decades, thousands of people have felt secure enough of our annuities to entrust us with over \$1 billion of their hard-earned money.

We do not take this trust lightly. We realize these funds are counted on for very important reasons, like retirement or a child's education.

BANKERS LIFE AND CASUALTY COMPANY

NOTE

222 Merchandise Mart Plaza

Chicago, Illinois 60654-2001

Neither Bankers Life and Casualty Company nor any of its agents or representatives are authorized to give legal, tax or accounting advice. The information contained in this brochure summarizes the provisions of the annuity policy and our understanding of the current tax laws that relate to this annuity policy. Please refer to the policy for the actual governing contractual provisions. We suggest you consult your attorney, accountant or tax adviser on specific points of interest to you.

Established in 1879, Bankers Life and Casualty Company is one of the largest and most respected insurance companies in the industry.

We have built a solid reputation by providing top quality products and service, offering valuable insurance protection at affordable prices, and by being responsive to the ever-changing needs of the American public.

At the heart of our solid reputation, is an experienced staff of knowledgeable professionals. Our national sales network consists of a highly-skilled agent force located in branch sales offices throughout the country. Supporting our agents, is a long-tenured and dedicated home-office staff located in Chicago, Illinois.

Bankers Life and Casualty Company is a subsidiary of Conseco, Inc. (NYSE: CNC), one of America's leading sources for investment, insurance and life services.

When you choose Bankers as your insurance carrier, you can be confident that we will offer you the products and services you deserve, as well as the strength, innovation and dependability you demand from your insurance company.



Neither Bankers Life and Casualty Company nor its agents offer tax advice. The information presented here is based on our understanding of current tax law. We recommend that you consult a qualified tax expert for advice regarding your specific situation.

Annuity policies are products of the insurance industry, and are not guaranteed by any bank, nor insured by the FDIC.




BANKERS
LIFE AND CASUALTY COMPANY

222 Merchandise Mart Plaza
Chicago, IL 60654-2001
www.bankerslife.com

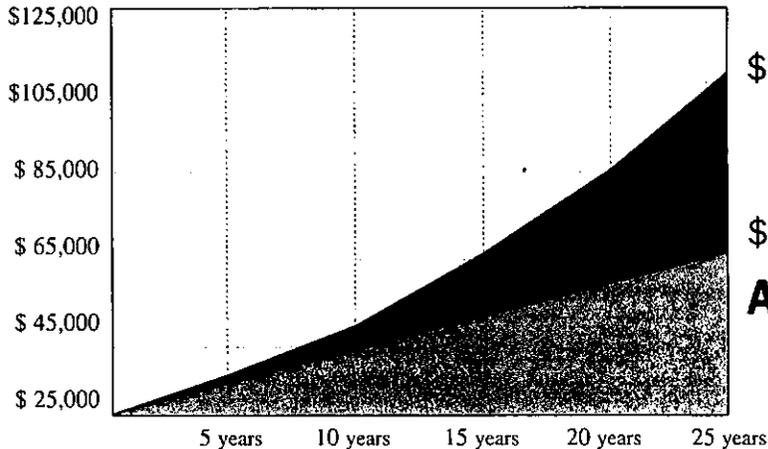
A Conseco Company

Agent's License Number

14720
(5/01)

Policy Form LA-08A
Riders LA-105N & LA-105R

Interested in How Large An Annuity's Tax-Deferred Advantage Can Be?



\$107,297 in a Tax-Deferred Annuity

\$ 71,966 in a Taxable Account

Advantage, annuity
\$ 35,331

If an individual in a 28% tax bracket, has an initial purchase of \$25,000, what would be the comparative growth in a tax-deferred annuity as opposed to a taxable account? Each account is projected to be earning 6% compounded annually, both accumulating for 25 years.

Graphing the growth of each type of account clearly illustrates that \$25,000 grows a lot faster when you don't have to pay taxes on your interest each year.

And that's exactly how a deferred annuity works. It lets you accumulate more money (in this case \$35,331 more) than in a taxable account, **because you pay no taxes on your interest until you take it out.**

So, before you buy another CD, or any other taxable investment, take the time to learn about the benefits of a tax-deferred annuity. After all, the few minutes it will take could be worth \$35,331!

Note: The interest rates shown above are for illustration purposes only. Actual yields may vary from time to time. Surrender charges may apply on early withdrawals.

NOTE

BANKERS LIFE AND CASUALTY COMPANY

222 Merchandise Mart Plaza

Chicago, Illinois 60654-2001

Neither Bankers Life and Casualty Company nor any of its agents or representatives are authorized to give legal, tax or accounting advice.

The information contained in this brochure summarizes general information on annuities and our understanding of the current tax laws that relate to annuities. Please refer to specific policies for the actual governing contractual provisions.

We suggest you consult your attorney, accountant or tax adviser on specific points of interest to you.

**Bankers Life and Casualty Company
Suitability Questionnaire**

Agent Name: _____ Form #: _____

Client's Name: _____

Address: _____

Phone #: _____

Date of application: _____

Questions to Applicant:

Is this a replacement? Yes No

Replaced Company _____

Are there any surrender charges or penalties associated with this transaction?

Yes No Amount: \$ _____

X _____ Date _____
Applicant's Signature

Questions to Agent:

Why is the issuance of the proposed insurance in the best interest of the client?

X _____ Agent # _____
Agent's Signature

Concurrence by Field Manager:

X _____ Date _____
Field Manager's Signature

DOCUMENTAION FOR REPORT PAGE 9, COMPANY PAGE 3

SALES AID COMPARING ANNUITY TO MUTUAL FUNDS

TO: Charles Piasecki - Vermont Examiner
State of Vermont
Department of Insurance
Attn: Charles Piasecki
89 Main Street, Drawer 20
Montpelier, VT 05620-3101

cc: K. Leonard - Consumer Relations

From: N. Hjort - Consumer Relations

Date: August 9, 2002

Subject: Bankers Life and Casualty Market Conduct Exam

Reference: Memo 88 - [REDACTED] #7,694,992

Here is the file for [REDACTED] #7,694,992

The form Agent [REDACTED] used to compare the Equity Indexed Annuity to Mutual Finds was not approved by the Company.

Mr. [REDACTED] was counseled regarding the use of unauthorized material by Mr. Leonard Quimby, who was the Branch Manager at the time. Mr. [REDACTED] stated it was not his intent to mislead anyone. Mr. [REDACTED] understands that only Company approved material is to be presented to a prospect. The complaint and our findings are a permanent part of Mr. [REDACTED] records.

Ethical misconduct examples are listed below to help you understand and identify examples of unethical behavior. Unethical behavior hurts everyone, particularly the client, but also our entire sales organization and especially those who participate in such behavior. It is important that you become familiar with the examples of misconduct and not engage in such activities.

Ethical Misconduct Examples

Altering Documents

- Altering any information provided by an applicant or insured in connection with an insurance transaction
- Use of white-out is prohibited
- The applicant's initials must always indicate approval of any change made to original information

Criminal Behavior

- Felonious conduct during the contractual relationship intended or tending to result in harm to others

Forgery

- Forging a signature on any document (e.g. applications, exclusion riders, bank draft authorizations)

Improper Sales Behavior

- Use of high pressure sales tactics
- Use of fear or intimidation to induce the client to purchase the policy
- Refusal to end the sales process on the request of the client

Misrepresentation

- Misrepresentation of benefits, conditions or terms of the policy
- Use of any name or title that misrepresents the true nature of the policy
- Intentional misrepresentation of any material fact
- Intentional omission of health conditions that would otherwise exclude the applicant

Disclosure

- Failing to promptly identify oneself as an agent of Bankers Life and Casualty Company
- Use of inaccurate identification of oneself, such as calling oneself a "financial planner" or an "investment planner" without the CFP or ChFC designation
- Making misleading statements regarding the Return of Premium or Cash Value feature, such as representing a policy with a Return of Premium or Cash Value as an investment product or a savings vehicle

Poor Suitability

- Sales of a product not suitable to the client, or to a client whose mental capacity (understanding the need of product) is reasonably questionable, or whose discernible financial circumstances suggest that the purchase of the product is inappropriate

Rebating

- Paying or giving any rebate of premium
- Paying or otherwise offering anything of value not specified in the contract

Replacement

- Twisting: Misrepresenting facts to induce replacement of a policy issued by an insurer other than the insurer the agent represents
- Churning: Misrepresenting facts to induce replacement of a policy by the same insurer

Theft

- Failure to submit premium payments and/or insurance applications to the Home Office
- Misappropriation of policyholder funds
- Submitting false documents (applications, check and bank draft authorizations) on non-existent applicants in order to receive commission/advances

Unlicensed Agents

- Failure to maintain appropriate licensure or to solicit insurance in a state where one is not licensed

Confidentiality

- Use of a client's name, health history or other personal information without his/her authorization

Withholding Information

- Failure to communicate to the company an insured's request for cancellation or a complaint made to the agent
- Failure to disclose an applicant's health conditions relative to the policy application

**Use of Unauthorized
Advert./Sales Materials**

- Use of advertising not approved by the company

**Failure to Provide a
Guide to Health Insurance
(Medicare Omissions)**

- Failure to provide a Guide to Health Insurance for people with Medicare
- Failure to provide all required disclosures to persons eligible for Medicare

Regulatory Violation

- Having an insurance license suspended or revoked, or paying a forfeiture or penalty of \$1,000 or more for any violation related to sales or marketing



THE AGENT'S NUMBER AND CONTRACT

All Agents have a company agent number that is used for identification purposes. This number must be shown on all applications you submit to the Home Office. It should also be used on any memos you may send to the Home Office. All records are kept in the Home Office by agent number, so the records of your business submitted and commissions earned will be based on applications and correspondence that are identified by your agent number. Without this agent number, or with an incorrect number, proper accounting of your business is impossible.

The Agent's Contract presents the relationship between you and the Company. Briefly, the Agent's Contract specified among other things.

- A. That you are an independent contractor.
- B. The amount of commission that you will be paid for submitting approved business-by the type of business (contract-policy) submitted.
- C. That you have the authority to:
 - 1. Solicit applications for all types of insurance currently offered by the Company.
 - 2. Deliver policies issued by the Company, provided the first premium has been paid.
 - 3. Offer assistance to policyholders with policies written, so as to maintain the policies inforce.
 - 4. Solicit applications for reinstatement of lapsed policies.
- D. That you must also follow the rules contained in the Company's manuals, rate books and bulletins.
- E. That you prepare and file all reports and tax returns required by any city, state or federal government, and pay such taxes levied against you.
- F. That you must report and remit all Company monies received or collected, and that you are responsible for the monies in transit between the applicant and the Company.
- G. That applications submitted must not be altered.
- H. That the Company can deduct monies from your commission or request that you remit monies when you become indebted to the Company.
- I. That you may not bind the Company by any statement, promise, or commitment.
- J. What the termination provisions are.
- K. The "Right of First Refusal".

AGENT'S PERSONAL ADVERTISING

The Company goes to considerable expense in developing advertising material for the field force. Approved Company advertisements can be placed at the Agent's or Manager's expense for the purpose of securing leads or for local publicity. Or eligible Agents may use their CASH allowance to pay for advertising.

You can use a variety of print media to advertise - newspapers, church publications, professional journals, fraternal publications, business association publications, sports programs, etc. Using the Company approved advertisements, an Agent can tailor his/her activity to fit his/her own needs, working style and market.

AGENT'S IDENTIFICATION

It is very important that agents properly identify themselves when contacting prospective policyholders. Agents should immediately disclose that they represent Bankers Life and Casualty Company.

It is never permissible to use the terms "financial planner", "fiscal advisor", "insurance consultant", "investment counselor" or other titles which tend to lead the prospect into believing they are purchasing something other than insurance.

It is also never permissible for an agent to offer his services to the public in such a way as to mislead or fail to adequately disclose to the proposed insured the true nature of the services offered.

Nor is it ever permissible to imply that you are connected in some way with the Federal Government through the Social Security or Medicare Program.

These types of misrepresentation fall under the general category of "unfair and deceptive acts or practices" and as such will not be tolerated by the Company.

ALTERING SALES MATERIAL

Except as directed by official Company communiques, no agent or sales manager has the authority to change, alter or amend any sales material. There are no exceptions to this rule.

POINT OF SALE MATERIAL LEFT WITH PROPOSED INSUREDS

When completing a sale, it is necessary to leave only the point of sale material (i.e. Brochure, Outline of Coverage, Buyer's Guide, Shopper's Guide, etc.) for the policy being sold.

Leaving material that does not pertain to the coverage being applied for could cause confusion at claim time.

An example of this would be indicating on the Agent Statement (Question #2 - Applicant's Acknowledgement) that the Outline of Coverage for both Home Health Care and Nursing Home coverage was left when in fact only the Nursing Home coverage was being applied for may be misleading when a claim is filed by the policyholder.

Confusion may arise as to why a Home Health Care claim is being submitted when, in fact, Nursing Home only was sold, but an Outline of Coverage was left at the time of the sale indicating that Home Health Care Coverage is provided.

Please make sure that you always leave (and check only one box on the Agent's Statement) the Outline of Coverage for the policy being applied for, **ONLY**.

INSURANCE DEPARTMENT

The Company has published rules on Insurance Department relations. This includes those people who have the responsibility to communicate with the Departments. These rules are in the Field Office Procedure Manual.

Equally important are guidelines on when it is appropriate to initiate contact with an Insurance Department. Our rule of thumb is simple - if you or your folks have any questions you feel you need to address to an Insurance Department, ask us first.

There are also times when a first impulse is to suggest a third party contact an Insurance Department. A more reasonable and professional approach would be to suggest the party or parties involved first get in direct contact with us to properly address any questions or problems. We don't want to understate the value of the Insurance Department's role in protecting their constituents. But we believe it's critical for all of us to take every possible opportunity to promote a positive consumer image. A major part of that image is that we in the insurance industry are exceptionally capable of answering questions ourselves, and resolving any problems.