



1701 Research Boulevard  
Rockville, Maryland 20850  
(301) 279-4800  
(800) 638-8428

### Important Notice: Replacement of Life Insurance or Annuities

This document must be signed by the applicant and the producer, if there is one, and a copy left with the applicant.

You are contemplating the purchase of a life insurance policy or annuity contract. In some cases this purchase may involve discontinuing or changing an existing policy or contract. If so, a replacement is occurring. Financed purchases are also considered replacements.

A replacement occurs when a new policy or contract is purchased and, in connection with the sale, you discontinue making premium payments on the existing policy or contract, or an existing policy or contract is surrendered, forfeited, assigned to the replacing insurer, or otherwise terminated or used in a financed purchase.

A financed purchase occurs when the purchase of a new life insurance policy or an annuity contract involves the use of funds obtained by the withdrawal or surrender of or by borrowing some or all of the policy values, including accumulated dividends, or an existing policy to pay all or part of any premium or payment due on the new policy. A financed purchase is a replacement.

You should carefully consider whether a replacement is in your best interests. You will pay acquisition costs and there may be surrender costs deducted from your policy or contract. You may be able to make changes to your existing policy or contract to meet your insurance needs at less cost. A financed purchase will reduce the value of your existing policy and may reduce the amount paid upon the death of the insured.

We want you to understand the effects of replacements before you make your purchase decision and ask that you answer the following questions and consider the questions on the back of this form.

1. Are you considering discontinuing making premium payments, surrendering, forfeiting, assigning to the insurer, or otherwise terminating your existing policy or contract? \_\_\_\_\_ Yes \_\_\_\_\_ No
2. Are you considering using funds from your existing policies or contracts to pay premiums due on the new policy or contract? \_\_\_\_\_ Yes \_\_\_\_\_ No

If you answered "yes" to either of the above questions, list each existing policy or contract you are contemplating replacing (include the name of the insurer, the insured or annuitant, and the policy or contract number if available) and whether each policy or contract will be replaced or used as a source of financing:

INSURER NAME	CONTRACT OR POLICY #	INSURED OR ANNUITANT	REPLACED (R) OR FINANCING (F)
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____

Make sure you know the facts. Contact your existing company or its agent for information about the old policy or contract. [If you request one, an in force illustration, policy summary or available disclosure documents must be sent to you by the existing insurer.] Ask for and retain all sales material used by the agent in the sales presentation. Be sure that you are making an informed decision.

The existing policy or contract is being replaced because \_\_\_\_\_ .

I certify that the responses herein are, to the best of my knowledge, accurate:

\_\_\_\_\_  
Applicant's Signature and Printed Name \_\_\_\_\_  
Date

\_\_\_\_\_  
Producer's Signature and Printed Name \_\_\_\_\_  
Date

I do not want this notice read aloud to me. \_\_\_\_\_ (Applicants must initial only if they do not want the notice read aloud.)

A completed copy of this form must be provided to the applicant and administrative office.

A replacement may not be in your best interest, or your decision could be a good one. You should make a careful comparison of the costs and benefits of your existing policy or contract and the proposed policy or contract. One way to do this is to ask the company or agent that sold you your existing policy or contract to provide you with information concerning your existing policy or contract. This may include an illustration of how your existing policy or contract is working now and how it would perform in the future based on certain assumptions. Illustrations should not, however, be used as a sole basis to compare policies or contracts. You should discuss the following with your agent to determine whether replacement or financing your purchase make sense.

**PREMIUMS:** Are they affordable?  
Could they change?  
You're older - are premiums higher for the proposed new policy?  
How long will you have to pay premiums on the new policy? On the old policy?

**POLICY VALUES:** New policies usually take longer to build cash values and to pay dividends.  
Acquisition costs for the old policy may have been paid, you will incur costs for the new one.  
What surrender charges do the policies have?  
What expense and sales charges will you pay on the new policy?  
Does the new policy provide more insurance coverage?

**INSURABILITY:** If your health has changed since you bought your old policy, the new one could cost you more, or you could be turned down.  
You may need a medical exam for a new policy.  
Claims on most new policies for up to the first two years can be denied based on inaccurate statements.  
Suicide limitations may begin anew on the new coverage.

**IF YOU ARE KEEPING THE OLD POLICY AS WELL AS THE NEW POLICY:**  
How are premiums for both policies being paid?  
How will the premiums on your existing policy be affected?  
Will a loan be deducted from death benefits?  
What values from the old policy are being used to pay premiums?

**IF YOU ARE SURRENDERING AN ANNUITY OR INTEREST SENSITIVE LIFE PRODUCT:**  
Will you pay surrender charges on your old contract?  
What are the interest rate guarantees for the new contract?  
Have you compared the contract charges or other policy expenses?

**OTHER ISSUES TO CONSIDER FOR ALL TRANSACTIONS:**  
What are the tax consequences of buying the new policy?  
Is this a tax free exchange? (See your tax advisor.)  
Is there a benefit from favorable "grandfathered" treatment of the old policy under the federal tax code?  
Will the existing insurer be willing to modify the old policy?  
How does the quality and financial stability of the new company compare with your existing company?

## **Notice of Right to Return the Policy**

30 Day Right to Examine Policy - Please read your policy upon receipt.

You may return your policy to Banner Life or to the life agent through whom you bought it within 30 days from the date you receive the policy. If you return it within the 30-day period, the policy will be void from the beginning. We will refund any premiums paid, including any fees or charges. For variable life policies, the refund will be the cash surrender value provided under the policy plus any fees and charges deducted.

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**Sales Material Disclosure Form  
for Replacement of Life Insurance or Annuities**

Policy/Contract Application Number \_\_\_\_\_

Case Number \_\_\_\_\_

Proposed Insured/Annuitant \_\_\_\_\_

**Banner Life Insurance Company Representative/Producer:**

List below all Banner Life Insurance Company preprinted or electronically presented sales material used in connection with the sale of the above new life insurance policy or annuity contract:

- | <u>Title</u> |       |
|--------------|-------|
| 1.           | _____ |
| 2.           | _____ |
| 3.           | _____ |
| 4.           | _____ |
| 5.           | _____ |

*Please attach another Disclosure Form for any additional sales material.*

No sales material other than a sales illustration was used in this sale. *Check box if applicable.*

**Please Remember:**

- Copies of the sales illustration or certification and any individualized or other sales material used in the sale must be submitted with the application.
- The original or a copy of all sales material used during the sale of the policy or contract indicated above must be left with the applicant.
- Electronically presented sales material must be provided to the owner in printed form no later than at the time of delivery of the policy or contract.

\_\_\_\_\_  
Producer Name (print)

\_\_\_\_\_  
Producer Signature

\_\_\_\_\_  
Date

A completed copy of this form must be provided to the applicant and administrative office.