

Underwriting Procedures

EMC National Life Company



Personal Life Insurance

– For Agent Use Only –



UNDERWRITING PROCEDURES GUIDE

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INTRODUCTION

We appreciate your business and are committed to providing you with the best underwriting service possible. This brochure has been developed to help ensure the proper handling of your business.

PERSONAL LIFE INSURANCE

GENERAL INFORMATION

New Business Forms

Please refer to the Supply Catalog for all forms. The forms and state approvals are available by accessing the agent website at www.EMCNationalLife.com or calling 800-232-5818.

Fair Credit Reporting Act (FCRA) and Notification Regarding the Medical Information Bureau (MIB)

The FCRA and MIB notification must be given to every applicant at the time the application is completed.

If we take adverse action based on an investigative consumer report, we will notify the applicant directly, as we are required to do by the FCRA.

Premiums and Modal Factors

- Premiums may be paid annually, semiannually, quarterly, or by monthly check plan, government allotment or list bill (for list bill, please complete forms INS3123 and INS3123A). Premiums may not be paid on a direct monthly mode.
- The Company requests that the agent not collect a partial premium (initial or subsequent) because it raises a question as to the Company's liability.
- Check plan — the first month's premium may accompany the application or may be drafted. A request to draft the initial premium must accompany the application. If the initial premium is submitted with the application, the check **cannot** be postdated.
- The first premium for list bill mode must accompany the application.
- Agents are not authorized to collect any premiums other than the initial premium, except when given specific authority to do so.
- Under no circumstance is an agent to endorse a check payable to the Company.
- Life applications may be submitted C.O.D. if a quarterly, semiannual or annual mode is requested.

Check Plan Guidelines

Check plan authorization allows the Company to automatically draft premiums from an individual's checking or savings account. To set up a check plan, please have the authorized payor sign the Check Plan Authorization and attach a voided check that contains both the routing number and account number. The insured may select a day of the month when drafts are to occur. Do not choose a day more than 15 days after the policy effective date. If a universal life plan, the draft date must be no later than the policy effective date. Unless specifically requested, the draft date will correspond with the policy date. Do **not** use the 29th, 30th or 31st of the month.

Cash With Application

One full modal premium is requested with the application unless C.O.D. is requested. However, the Company cannot accept any premium with the application if the amount at risk including accidental death benefit is greater than \$1,000,000. (In Kansas, the limit is \$250,000.)

Conditional Receipt

The receipt must be completed, signed by the agent and the applicant, and left with the applicant for all applications that include the initial premium.

Coverage issued bearing the date of this receipt will become effective on the date of the application or last medical examination, whichever is later. Coverage will be provided when the following conditions are met.

- The application and required information is received at our Home Office.
- All persons proposed for coverage are insurable at Standard rates or exactly as applied for according to the rules and practices of the Company at its Home Office.
- The full first modal premium is paid in cash on the date of application. The maximum amount of life insurance, including accidental death, which will become effective under this receipt cannot exceed \$1,000,000. (In Kansas, the limit is \$250,000.) This includes any previously pending insurance.

If the policy is not issued exactly as applied for, it will become effective when it is delivered to and accepted by the applicant. Upon delivery and acceptance, the first modal premium must be paid.

If the application is declined and/or not approved within 60 days of its completion, no insurance will have been in force. Any premium paid will be returned.

No agent of the Company has the authority to change or modify any of the provisions of this receipt.

Policy Dating

- Annual, Semiannual or Quarterly Modes – The policy effective date will be the date the application is approved by Underwriting.
- Monthly Check Plan – The policy effective date will be the date of approval by Underwriting, unless a policy effective date is specifically requested.
- C.O.D. or policy is issued other than applied for – The policy date will be the date that the application is approved by Underwriting.
- Policies will not be dated after the 28th of any month. Requests for dating before the application date or postdating may be made. The application itself must be dated when it is completed.
- The Company will not date policies more than six months prior to the application date, and then only when permitted by state statute or insurance department ruling.
- Future Policy Date – The policy cannot be dated more than 45 days in advance.

COMPLETING THE APPLICATION

Application Forms

The proper application forms must be signed. Please refer to the Supply Catalog for all forms. The forms and state approvals are available by accessing the agent website at www.EMCNationalLife.com or calling 800-232-5818.

Application Guidelines

To ensure speedy processing of your application, please follow these guidelines:

- Verify the personal information of the proposed insured by viewing state issued driver's license, state issued I.D. card, military I.D. card, permanent U.S. resident card (green card), passport or other government issued picture I.D. card.
- Complete all sections of the application.
- Use mailing address versus residence address.
- All medical questions should be answered, with explanations provided in the appropriate areas.
- Applications must be completed in ink, preferably black. No typed applications, or applications completed in pencil, will be accepted. Corrections must be initialed by the applicant.
- Applications must be completed in person with all applicants present.
- All applications must be submitted within 14 days following completion. An application received by the Home Office more than 14 days after the application was signed will be returned.

- **Applications faxed to the Home Office** – The Company will accept faxed applications. The original application does not need to be sent to the Home Office; however, if the initial premium is collected, it must be received by the Home Office within 10 days of faxing the application.
- If the premium mode selected is check plan, a voided check, along with the signed bank authorization, must accompany the application.
- The Notice to Applicant must always be left with the applicant.
- If a Full Blood Profile is required, the state required informed consent form must accompany the application. **A policy will not be issued until this form is received in the Home Office. A faxed copy is acceptable.**
- All special or state required forms must accompany the application. (Please refer to the Supply Catalog for all forms. The forms and state approvals are available by accessing the agent website at www.EMCNationalLife.com.)
- Changes or modifications to the application must be initialed by the applicant.
- No agency checks are acceptable without a signed cash receipt; or if the applicant makes check payable to the agent or agency, a copy of that check is required.
- Signed appropriate disclosure form(s) required for specific plans of insurance must accompany the application. (Please refer to the Supply Catalog for all forms. The forms and state approvals are available by accessing the agent website at www.EMCNationalLife.com.)
- If named owner is a business, documentation is required showing who can sign on behalf of the Company.
- Example of beneficiary designations:
 - If **one individual** is to be designated, use wording such as “Mary Jane Doe” instead of “Mrs. John Doe.”
 - If the **children of the marriage** are to be designated, name all living children and add special instructions such as “Named children and any other children born to the marriage or adopted by John David Doe and Mary Jane Doe.”
 - If an **alternative beneficiary** is to be named a special designation, use wording such as “Mary Jane Doe or if Mary Jane Doe is not living, James Doe, father.”
 - If an **Irrevocable Beneficiary** is requested, use wording such as “Mary Jane Doe, as Irrevocable Beneficiary.”
 - If a **trust** is being designated, specify the exact name of the trust along with the execution date such as “Irrevocable Trust of Mary Jane Doe, December 1, 2016.”
 - If an **estate** is named, specify whose estate such as “Estate of Mary Jane Doe.”
 - **Use full and legal names and provide clear instructions.**

Name of Applicant

The applicant's full name must be shown on the application. Applicants must sign their name as shown on the application.

Date of Birth

The date of birth must be correctly stated. **The attained age or current age is used for all plans.**

Dependent Coverage

- Dependents are defined as the spouse of the applicant, children (including those legally adopted) and stepchildren permanently living in the home of the applicant.
- Children permanently living with the applicant under a permanent legal guardianship arrangement, such as nephews, nieces and grandchildren are also considered as dependents. **A copy of the court order giving the applicant guardianship will be required.**
- Children away at college with their residence being the same as the primary applicant when not in school are considered as dependents and can be on the same application. Any child age 18 and above must sign the application (refer to the product guide for maximum issue age).
- Children living or studying abroad are **not** eligible for coverage.
- Children not living in the same household as the primary applicant must be on a separate application (above rules apply for Term Insurance Rider for Children).
- Term Insurance Rider for Children issue ages are 14 days to 17 years.

Parental Authorization Form

Because only parents or legal guardians have a legal right to contract on the life of a child, the parent must sign the application when grandparents apply for coverage on grandchildren. Please make sure that the parent(s) reviews the application for accuracy.

Agent's Information on Application

In addition to your signature on all applications, please also include your agent number to assure proper credit. **If more than one agent is to be paid, please state the name of each agent, their agent number and their correct percentages on the application.**

Date on Application

Applications must be "dated where and when written." Always indicate the city and state where the application was written and the date it was actually signed.

Life Insurance Illustrations

An NAIC illustration, where state required, should accompany all universal life applications.

Replacements

A majority of states have specific rules regarding replacement and require a replacement form to be signed by the applicant. For the rules for your state, contact the Call Center at 800-232-5818. A list of all forms is also provided in the Supply Catalog.

In general, a replacement is a transaction in which a new policy or contract is to be purchased, and it is known or should be known to the proposing agent that by reason of the transaction, an existing policy or contract has been or is to be:

- Lapsed, forfeited, surrendered or partially surrendered, assigned to the replacing insurer, or otherwise reduced in value by the use of nonforfeiture benefits or other policy values;
- Converted to reduced paid-up insurance, continued as extended term insurance, or otherwise reduced in value by the use of nonforfeiture benefits or other policy values;
- Amended so as to effect a reduction either in benefits or in the term for which coverage would otherwise remain in force or for which benefits would be paid;
- Reissued with any reduction in cash value; or
- Used in a "financed purchase." A financed purchase is the actual or intended use of funds obtained by the withdrawal or surrender of values or by borrowing from the values of an existing policy to pay all or part of a premium or consideration due on the new policy or contract.

An internal replacement occurs when an existing EMCNL policy is replaced for a new EMCNL policy. An external replacement occurs when an EMCNL policy is replaced by another insurer, or an EMCNL policy replaces that of another insurer.

EMCNL's position on the acceptability of replacements is that applicants are entitled to receive full and fair disclosure of all relevant facts when replacement is contemplated. There are often advantages to both plans that the applicant should be aware of to make an informed decision. You are to discuss relevant items with the client to determine the appropriateness of any contemplated replacement such as comparison of premiums and policy values, issues of insurability, surrender charges that may be applicable and any tax consequences. EMCNL can review the appropriateness of replacement transactions as deemed necessary.

In addition, the following are guidelines intended to assist you in a possible replacement transaction:

- The policyowner's interests must come first in any contemplated replacement.
- Engage in fair competition and strive to make certain all communications are accurate and complete.
- Twisting (practice of misrepresenting a policy to induce the policyowner to give up a policy in one company for the purpose of taking insurance from another company) and churning (improperly replacing policies within the same company) are in many cases illegal and are not condoned by EMCNL.
- A replacement is often not appropriate unless there are good and prudent financial planning reasons for the replacement. The transaction must fit the client's needs.
- The client must be made aware of the consequences of the replacement transaction, such as the likelihood of negative impacts due to changes in health or age, new sales charges, new incontestable and suicide periods, and possible negative tax consequences.
- If a replacement does occur, the policy being replaced should not be terminated until the new policy has been delivered and accepted by the policyowner. In addition, it is prudent to maintain documentation regarding the transaction for future reference.

Stranger Originated Life Insurance (STOLI)

It is EMCNL's policy that life insurance should only be purchased to provide protection to those with an insurable interest in the life of the proposed insured. We will not knowingly participate in life insurance sales motivated by the possible sale of policies in a secondary market or participation of investors in policy death benefits. In order to control the issuing of policies intended for these purposes, we require that the owner complete the Certification Regarding STOLI Form (EUN012) on all cases in which the proposed insured is age 65 or older and the face amount applied for is \$500,000 or more (age and face amounts may vary by state).

Turnaround Time

For all business applied for as Standard, EMCNL Underwriting will review the application within three business days of receipt (mail or fax). Your client's policy will be mailed to you within five business days from the date of underwriting approval.

For Preferred or Standard Plus applications and any Standard applications requiring further underwriting information (APS, PM, etc.), we will notify you of the requirements needed within three business days of receipt in Underwriting and email, fax or mail this information to you immediately. If we do not have your email address or fax number, please notify the Company so that you can receive this information faster.

A status update (for pending business) is also available on the agent website in order to track the progress of your business on a daily basis.

Teleunderwriting Process

The teleunderwriting process can be used for any medically underwritten amounts of coverage. This process improves underwriting service times by incorporating the latest technology with a dedicated team of trained professionals to complete the medical questions in Part II of the application process. All medical requirements are coordinated, completed and sent to the Home Office.

Simply start the process by completing the short and easy teleunderwriting application approved in your state. Fax it to the numbers listed on the application cover or mail the original to the Home Office. In addition, complete question I of the Agent's Report on page six of the application. If you, as agent, order the exam, do not fax to ESP. The teleunderwriting application has been incorporated into our online applications for the Term Select and Increasing and Level Whole Life products.

ONLINE APPLICATION

- Complete all sections of the application. Some areas will allow you to bypass without answering; however, you will need to provide the information during the underwriting process and prior to application approval. Delay in application approval may result if all application information is not completed.
- Applicant's annual income is required and should be provided at the time the application is being completed.
- If the driving violation question is answered "yes," please provide as much information as possible in the additional information area.
- Many doctor offices will not accept an electronic signature as approval to disclose medical information. As a result, the Attending Physician Statement (APS) vendor will send the applicant an authorization form which must be signed and returned before an APS can be released to EMCNL. The underwriting process may be extended on applications requiring an APS due to the extra administrative work required to obtain the signed authorization form. To assist in reducing time delays, it is recommended you ask applicants with possible medical conditions who may require additional information to sign an authorization form at the time of application. All application forms include an Authorization to Obtain and Disclose Information form, which can be signed by the proposed insured and mailed and/or faxed to EMCNL with the policy number and a memo indicating to keep on file in case an APS is required. This guide has a comprehensive list of medical conditions to assist you in determining which situations may require an APS.

* See the Supplies section of the agent website at www.EMCNationalLife.com for state specific applications.

UNDERWRITING THE APPLICATION

Underwriting Tools

The Underwriting team at EMCNL utilizes many different tools during the risk selection process. The following is a list of the most routine underwriting requirements along with a brief description.

APS (Attending Physician Statement)

Applicant's medical records from his/her personal physician, clinic or hospital.

B/U (Full Blood Profile and Urinalysis)

Collection of blood and urine samples obtained by a paramedical examiner and submitted to a licensed laboratory. A variety of tests are performed with a copy of results sent directly to the applicant.

EKG (Resting Electrocardiogram)

A resting 12 lead electrocardiogram is performed by the paramedical examiner or physician with tracing mailed to EMC National Life.

EIR (Electronic Inspection Report)

Instant access to public record information needed to evaluate potential risks without disruptive calls to clients.

IR (Inspection Report)

A phone call made to the applicant by an approved vendor. This call is to verify personal information including driving history, tobacco use, medical, income, net worth, etc. It is important to note that the telephone dialogue between your client and the vendor will be recorded and relied upon as part of our risk analysis. As a result, it is important that your client be prepared to answer questions as accurately as possible. This report is ordered by the Home Office.

MVR (MOTOR VEHICLE REPORT)

Driver's license number must be included on the application. This report is ordered by the Home Office.

NT pro-BNP

A hormone produced by the heart. Increased level is a marker for cardiac risk.

PM (Paramedical Exam)

This is a physical examination performed by a licensed paramedical examiner in which a short list of medical questions are asked and the applicant's height, weight, blood pressure and pulse are taken.

The following paramedical companies have been approved by EMCNL for exams, blood profiles and any other tests which may be required. These companies should have all current EMCNL exam forms, nonmedical limits and blood kits for the appropriate lab.

VENDOR	TELEPHONE	WEBSITE
APPS	800-727-2101	www.appslive.com
EMSI	800-872-3674	www.emsinet.com
Exam One	800-333-9947	www.ExamOne.com

Please inform your client of the following items prior to his or her Paramedical Exam:

- Get a good night's sleep before the exam
- Avoid alcohol intake 8-12 hours prior to exam
- Avoid beverages containing caffeine (coffee, tea, soda) at least one hour before exam (may influence blood pressure and pulse)
- Follow paramed recommendations for fasting; for the best possible blood work results, it is recommended fasting 8-12 hours before the exam or plan an 8-hour overnight fast
- Avoid strenuous workout 24 hours prior to exam (may increase liver function tests and urine protein)
- Drink plenty of water the day prior to the exam and drink a glass of water an hour or so before the appointment

RX (Pharmaceutical Check)

A database check providing prescription history such as drug name, drug form, strength, dosage, quantity dispensed, days supply, number of refills and physician information.

SR (Senior Supplement) (beginning at age 74)

Completed in addition to the paramedical exam. This supplement includes questions regarding activities as well as cognitive exercises and a functional screen.

PFS (Personal Financial Statement)

This will be completed at the same time as the Inspection Report. The applicant will be required to give complete details of all assets, liabilities and income.

BBTA (Business Beneficiary Telephone Analysis)

This is required when the beneficiary and/or the owner is a business. This is completed by phone by an approved vendor. It is to be completed by an officer of the company with knowledge of the company's financials and operations. They are required to know the nature of the business, type of business, names of owners, partners and officers. Also, the gross sales and income, profits, assets and liabilities of the company. This is ordered by the Home Office.

MEDICAL REQUIREMENTS

Requirements below apply to the total of all EMC National Life Company applications currently applied for, plus the total in force within the past five years.

AMOUNT AT RISK	ISSUE AGES					
	0-17	18-40	41-50	51-60	61-70	OVER 70
\$100,000 AND UNDER	Nonmedical	Nonmedical, RX*	Nonmedical, RX	Nonmedical, RX	Nonmedical, RX	PM, B/U, APS
\$100,001 TO \$250,000	Nonmedical, RX	PM, B/U, RX, MVR	PM, B/U, RX, MVR*	PM, B/U, RX, MVR*	PM, B/U, MVR*, APS	PM/SR, B/U, MVR, APS
\$250,001 TO \$500,000	N/A	PM, B/U, RX, MVR	PM, B/U, RX, MVR*	PM, B/U, RX, MVR*	PM, B/U, MVR, APS	PM/SR, B/U, EKG, MVR, APS
\$500,001 TO \$1,000,000	N/A	PM, B/U, RX, MVR	PM, B/U, RX, MVR*	PM, B/U**, RX, MVR*	PM, B/U**, MVR, APS	PM/SR, B/U, EKG, MVR, APS
\$1,000,001 TO \$2,000,000	N/A	PM, B/U, EIR, RX, MVR	PM, B/U, EIR, RX, MVR	PM, B/U**, EIR, MVR, APS	PM, B/U**, EIR, MVR, APS	PM/SR, B/U, EIR, EKG, MVR, APS
\$2,000,001 TO \$3,000,000	N/A	PM, B/U, EIR, RX, MVR	PM, B/U, EIR, EKG, RX, MVR	PM, B/U, EIR, EKG, MVR, APS	PM, B/U, EIR, EKG, MVR, APS, PFS	PM/SR, B/U, EIR, EKG, MVR, APS, PFS
\$3,000,001 TO \$5,000,000	N/A	PM, B/U, RX, MVR, APS, IR	PM, B/U, EKG, MVR, APS, IR	PM, B/U, EKG, MVR, APS, IR	PM, B/U, EKG, MVR, APS, IR, PFS	PM/SR, B/U, EKG, MVR, APS, IR, PFS
OVER \$5,000,000	N/A	PM, B/U, EKG, MVR, APS, IR, PFS	PM, B/U**, EKG, MVR, APS, IR, PFS	PM, B/U**, EKG, MVR, APS, IR, PFS	PM, B/U**, EKG, MVR, APS, IR, PFS	PM/SR, B/U**, EKG, MVR, APS, IR, PFS

* Underwriting discretion

** Lab testing includes NT pro-BNP at these ages and amounts

Key

APS	Attending Physician Statement
B/U	Full Blood Profile and Urinalysis
EKG	Resting Electrocardiogram
EIR	Electronic Inspection Report (ordered by Home Office)
IR	Inspection Report (ordered by Home Office)
MVR	Motor Vehicle Report
Nonmedical	A fully completed Application (long form)
PM	Paramedical Exam
RX	Pharmaceutical Check
SR	Senior Supplement (beginning at age 74)
PFS	Personal Financial Statement

If applying for Standard Plus, Preferred or Super Preferred rates, a paramedical exam is required in addition to the full blood profile and urinalysis. To determine if the applicant qualifies for Standard Plus, Preferred or Super Preferred rates, check build tables first along with other Standard Plus, Preferred or Super Preferred guidelines.

In determining face amount thresholds, we will total the base policy, CI Rider (available on continuous pay plans only), Additional Insured Term Rider and Additional Paid-Up Insurance Rider face amounts. If the total face amount is \$100,000 or more and the applicant qualifies for Standard Plus, Preferred or Super Preferred rates according to the general underwriting requirements of the base life insurance policy, then the applicant will be charged Standard Plus, Preferred or Super Preferred rates on any product or rider that has these rates available. Note: CI Rider does not have Preferred rates.

The Underwriting Department reserves the right to request an APS or other requirements when determined necessary.

UNDERWRITING CLASS CRITERIA - BUILD REQUIREMENTS

SUPER PREFERRED BUILD CHART

Height	Male Max. Weight	Female Max. Weight	Height	Male Max. Weight	Female Max. Weight
4'8"	132	126	5'9"	190	182
4'9"	137	130	5'10"	196	186
4'10"	141	133	5'11"	204	190
4'11"	145	138	6'0"	208	195
5'0"	149	142	6'1"	212	200
5'1"	153	147	6'2"	217	205
5'2"	157	151	6'3"	223	210
5'3"	161	156	6'4"	229	215
5'4"	166	161	6'5"	235	220
5'5"	171	165	6'6"	240	225
5'6"	177	170	6'7"	245	230
5'7"	182	174	6'8"	250	235
5'8"	186	178			

PREFERRED BUILD CHART

Height	Male Max. Weight	Female Max. Weight	Height	Male Max. Weight	Female Max. Weight
4'8"	145	136	5'9"	206	200
4'9"	149	140	5'10"	212	205
4'10"	153	144	5'11"	217	210
4'11"	157	149	6'0"	223	216
5'0"	161	154	6'1"	228	222
5'1"	165	159	6'2"	235	228
5'2"	169	164	6'3"	242	233
5'3"	173	169	6'4"	248	239
5'4"	178	174	6'5"	255	245
5'5"	183	179	6'6"	262	250
5'6"	189	184	6'7"	268	256
5'7"	195	189	6'8"	275	262
5'8"	200	195			

STANDARD PLUS BUILD CHART

Height	Male Max. Weight	Female Max. Weight	Height	Male Max. Weight	Female Max. Weight
4'8"	155	146	5'9"	216	210
4'9"	159	151	5'10"	222	215
4'10"	163	156	5'11"	227	221
4'11"	167	161	6'0"	233	227
5'0"	171	166	6'1"	238	233
5'1"	175	171	6'2"	245	239
5'2"	179	176	6'3"	252	244
5'3"	183	181	6'4"	258	250
5'4"	188	185	6'5"	265	256
5'5"	193	189	6'6"	272	262
5'6"	199	194	6'7"	278	268
5'7"	205	199	6'8"	285	274
5'8"	210	204			

STANDARD BUILD CHART

Height	Male Max. Weight	Female Max. Weight	Height	Male Max. Weight	Female Max. Weight
4'8"	170	159	5'9"	244	225
4'9"	174	164	5'10"	250	230
4'10"	178	169	5'11"	256	236
4'11"	184	175	6'0"	263	242
5'0"	190	181	6'1"	269	248
5'1"	196	187	6'2"	276	254
5'2"	202	193	6'3"	283	260
5'3"	208	197	6'4"	289	267
5'4"	214	202	6'5"	296	274
5'5"	220	206	6'6"	303	281
5'6"	227	210	6'7"	310	287
5'7"	233	215	6'8"	317	293
5'8"	239	220			

UNDERWRITING CLASS CRITERIA

UNDERWRITING CLASS	SUPER PREFERRED FULLY UNDERWRITTEN	PREFERRED FULLY UNDERWRITTEN	STANDARD PLUS FULLY UNDERWRITTEN	STANDARD FULLY UNDERWRITTEN
Minimum Death Benefit	\$100,000	\$100,000	\$100,000	\$2,000
Nontobacco	No use in past three years	No use in past two years *Limited Cigar Use	No use in past year *Limited Cigar Use	No use in past year **Standard Nontobacco rates for cigar, pipe or tobacco chewers
Tobacco Rates	Not available	Available	Not available	Available
Aviation	Commercial usually okay; private available only with exclusion rider	Commercial usually okay; private available only with exclusion rider	Available; however, may have flat extra or exclusion rider	Available; however, may have flat extra or exclusion rider
Driving Record	No DUI/Reckless driving in past five years; no more than two moving violations in the past three years	No DUI/Reckless driving in past five years; no more than two moving violations in the past three years	No DUI/Reckless driving in past five years; no more than three moving violations in the past three years	No DUI driving in past three years
Drug/Alcohol Abuse	Not eligible if ever any drug/alcohol counseling	No treatment or counseling in the past 10 years	No treatment or counseling in the past seven years	Individual consideration
Hazardous Occupations and Avocations	Disqualifies	Disqualifies	Disqualifies	Individual consideration
Blood Pressure	Treatment, past or present, disqualifies. Cannot be over 135/85 for ages 70 and under. Cannot be over 145/85 for ages 71+	Treatment okay but must be less than 145/85	Treatment okay but must be less than 150/90	Treatment okay but must be controlled
Cholesterol With or Without Treatment	Must be 230 mg/dl or less	Must be 250 mg/dl or less	Must be 270 mg/dl or less	Must be 300 mg/dl or less
Cholesterol/HDL Ratio	Must be less than or equal to 5.0 for ages 70 and under; must be less than or equal to 5.5 for ages 70+	Must be less than or equal to 5.5 for ages 70 and under; must be less than or equal to 6.0 for ages 70+	Must be less than or equal to 6.2 for ages 70 and under; must be less than or equal to 6.7 for ages 70+	Must be less than or equal to 7.0 for ages 70 and under; must be less than or equal to 7.5 for ages 70+
Personal History	History of cardiovascular disease, diabetes or cancer (some skin cancer okay) disqualifies	History of cardiovascular disease, diabetes or cancer (some skin cancer okay) disqualifies	History of cardiovascular disease, diabetes or cancer (some skin cancer okay) disqualifies	Individual consideration
Family History	No death of first-degree relative under age 60 from cancer, diabetes or cardiovascular disease	No more than one death of a first-degree relative under age 60 from cancer, diabetes or cardiovascular disease	No more than one death of parent under age 60 from cancer, diabetes or cardiovascular disease	No restriction
Height/Weight	See Super Preferred Build Table	See Preferred Build Table	See Standard Plus Build Table	See Standard Build Table

* Limited Cigar Use: An occasional cigar smoker may qualify for Preferred or Standard Plus Nontobacco rates if he/she smokes no more than one cigar per month with B/U negative for nicotine.

** Standard Nontobacco rates for cigar, pipe or tobacco chewers are available even if the applicant tested positive for nicotine (provided the client is forthcoming about his or her tobacco use). Note: This exception does not apply to the Critical Illness Rider. The Critical Illness Rider would be issued at tobacco rates, while the base policy will be issued at nontobacco rates.

CALL YOUR UNDERWRITER

EMC National Life does not accept trial applications. If you are not sure if your client (the applicant) will qualify for a product, you can call an underwriter before taking an application, and he or she can provide you with a quote based on the information provided. This is only a quote and would be subject to medical information. The more information you can provide to the underwriter, the more accurate the quote can be.

Here are some questions regarding common conditions you can ask your applicant before calling the underwriter.

Cancer: If your applicant has had treatment for cancer, it is necessary that EMCNL be able to obtain the Pathology Report that describes the type of cancer, its size, location, stage and grade. Here are some questions that can help determine if you should submit the application.

- Type – adenocarcinoma, squamous cell carcinoma, basal cell carcinoma, etc.?
- Location of cancer – breast, thyroid, lung, etc.?
- Surgery? If yes, when?
- Any other form of treatment – chemo, radiation, etc. – and when completed?
- Current use of any medication for the cancer – ex. Tamoxifen for breast cancer?
- Stage of cancer?
- Any lymph nodes involved?
- Tobacco or Nontobacco?

Coronary Artery Disease: In cases of heart disease, a Cardiac Catheterization Report describing the degree of vessel blockage and measures of heart function is required. If the applicant has had surgery for heart disease (bypass, angioplasty, etc.), an Operative Report is also needed. Here are some questions that can help determine if you should submit the application.

- Age at onset?
- Angiogram done?
- Treatment – surgery, medication, etc.?
- Surgery? If yes, what type (bypass, stent, etc.)?
- Number of vessels involved?
- Any other coronary symptoms?
- Tobacco or Nontobacco?
- Height and weight?
- History of hypertension? If yes, last reading?
- Cholesterol reading?

Diabetes:

- Age at onset?
- Use of insulin?
- Last glucose reading?
- A1C reading and date of that reading?
- Tobacco or Nontobacco?
- Height and weight?
- History of hypertension? If yes, last reading?
- Any hospitalizations related to diabetes?

Sleep Apnea:

- Sleep study completed? If yes, results mild, moderate or severe?
- Use of C-PAP or Bi-PAP? If yes, how long has he or she been using?
- Regarding the C-PAP or Bi-PAP, is he or she compliant? How often does he or she use? Does he or she use every night?
- Surgical treatment? If yes, date performed and type of surgery?
- If surgery performed, was there a follow-up study completed?

Depression/Anxiety

- When diagnosed?
- Type of treatment? With medication, include name of medication and/or therapy?
- Any time lost from work?
- Hospitalized? If yes, when?
- History of suicide attempt? If yes, when?
- Any relapse?
- Any drug or alcohol abuse?

Asthma/COPD

- When diagnosed?
- Type of treatment? If with inhaler, name of inhaler?
- Symptoms – wheezing, shortness of breath, coughing, etc.?
- Seasonal or caused by exercise?
- Tobacco or Nontobacco?
- Episodes? Number of episodes and frequency – weekly, monthly, etc.?
- Any limitation to activities of daily living?
- Hospitalized? If yes, when?

MEDICAL HISTORY

An APS is required and/or additional underwriting requirements as deemed necessary regardless of the amount, if the proposed insured has consulted a doctor or has had any history of the following:

Abnormal EKG	Embolism	Pancreatic Disorders
Alcoholism	Emphysema	Paralysis/Palsy
Aneurysm	Epilepsy/Seizures/Convulsions	Parkinson's Disease
Angioplasty	Heart Valve Disorders	Pericarditis
Bipolar Disorder	Heart Disorders*	Psychosis
Blood Disorders	Hematuria	Pyelonephritis
Bronchiectasis	Hemophilia	Pyelitis
Cancer*	Hepatitis	Panic Disorders
Cerebral Hemorrhage	Ileitis/Enteritis	Rheumatoid Arthritis
Chest Pain	Intestinal Bleeding	Sarcoidosis
Cirrhosis of Liver	Kidney Disease*	Schizophrenia
Coagulation Disorders	Liver Disorders*	Sleep Apnea
Crohn's Disease/Ulcerative Colitis	Lupus	Stroke/TIA
COPD or Chronic Bronchitis	Mental Disorders*	Syncope/Dizzy Spells
Coronary Artery Disease*	Multiple Sclerosis	Thrombosis
Coronary Bypass	Muscular Dystrophy	Tuberculosis
Depressed Skull Fracture	Myocardial Infarction	Tumors, Growth, Lesions
Drug Use	Nephritis	
Eating Disorders	Obsessive Compulsive Disorder	

* All-encompassing term. It is not a single condition or disorder in itself. Rather, it is a collection of diseases and conditions, and an APS should be obtained for the specific conditions that fall under this term.

GUIDE TO FINANCIAL UNDERWRITING

When working with your clients, many situations require your assessment in establishing an appropriate insurable amount for the need at hand. Below are some basic formulas for a number of planning situations.

Every client presents different circumstances, and this requires a variety of remedies. Remember that the needs of your client may be greater than what is apparent to the Home Office underwriter. He or she may have a difficult time making a decision if a supporting letter or other types of documentation are not provided.

When completing the application, take the time to secure any additional information that is necessary. The underwriting process begins with you as the field underwriter. If a special situation arises or if you have questions, contact your underwriter for advice.

By following these guidelines, you will provide a solution for your client and expedite the approval and issue of your applications.

PURPOSE	FORMULA	REQUIREMENTS														
Personal	<table><tr><th>Ages</th><th>Factor x Income</th></tr><tr><td>20-30</td><td>30</td></tr><tr><td>31-40</td><td>25</td></tr><tr><td>41-50</td><td>20</td></tr><tr><td>51-60</td><td>15</td></tr><tr><td>61-65</td><td>10</td></tr><tr><td>66+</td><td>5</td></tr></table>	Ages	Factor x Income	20-30	30	31-40	25	41-50	20	51-60	15	61-65	10	66+	5	
Ages	Factor x Income															
20-30	30															
31-40	25															
41-50	20															
51-60	15															
61-65	10															
66+	5															
Spouse No Earned Income	Amount = the Coverage In Force on the Working Spouse up to \$500,000; individual consideration for amounts higher than \$500,000	<ul style="list-style-type: none">• Coverage in force and pending on working spouse• Age of children• Working spouse income and household net worth• Working spouse health														
Juvenile	50% of the Total Amount of Parent's Coverage (subject to state legislation); all siblings should have equal amounts of coverage	For amounts over \$100,000, notification of the total amount of coverage on parents along with amounts on any siblings														
Overall Financial Limits Total Line In Force and Applied For	Sum of Estate Planning + Key Person + Personal Programming; exceptions to all limits may be considered if well documented and well explained	Any pertinent information, including any deemed necessary by Underwriting														
Estate Planning	Estimated Estate Tax + All Expenses, Debts & Settlement Costs x Reasonable Inflation Factor (generally 50% of the Estate Value)	Estate analysis and personal balance sheet														
Key Person	5 x Annual Income (including Total Compensation Package)	Verification of income and key person status; supporting documentation must be provided if the 5x rule is exceeded														
Buy-Sell	% of Ownership x Full Market Value of Entity	Corporate balance sheet and operating statement when determining additional coverage for future growth, along with any additional supporting documentation														
Creditor and/or Debt Repayment (non-collateralized)	% of Obligation x 80% of Loan Amount	Verification of the loan amount														
Charitable Contributions	Age 80 - Applicant's Current Age x Annual Contribution	Letter of explanation or verification of amount of contributions														

INSURABLE INTEREST

A key principle of financial underwriting, insurable interest, stipulates that the beneficiaries and owners of a life insurance contract should have a real interest in the continued life of the proposed insured. Generally, an insurable interest exists where there is a reasonable expectation of financial benefit from the continued life and a financial loss resulting in untimely death of the insured. EMC National Life Company will only participate in insurance contracts that demonstrate a clear insurable interest.

While the situations outlined below may demonstrate insurable interest, they fall outside of EMCNL's core areas of operation, and therefore, will not be considered for the offer of life insurance contracts.

Life insurance in which:

- Ownership is established through a trust agreement on behalf of employees/members of a corporation, union or association for the purpose of purchasing, owning, maintaining life insurance policies or annuities issued on multiple lives; this type of arrangement will often name the trust as sole beneficiary with the insured's beneficiary only receiving a small portion of death proceeds distributed by the trust
- Premiums are financed through unrelated investors or any premium finance lending company
- Policies might be classified as Stranger Originated Life Insurance (STOLI) motivated by the sale of policies in a secondary market or participation of investors in policy death benefits

EMCNL considers life insurance sold for business specific purposes, such as key person or buy-sell insurance, or individual policies sold in a workplace or association setting where the employee/member directs the policy's ownership to represent a conventional insurable interest, and we will accept such business. EMCNL reserves the right to underwrite for additional consideration.

STRANGER ORIGINATED LIFE INSURANCE (STOLI)

It is EMCNL's policy that life insurance should only be purchased to provide protection to those with an insurable interest in the life of the proposed insured. We will not knowingly participate in life insurance sales motivated by the possible sale of policies in a secondary market or participation of investors in policy death benefits. In order to control the issuing of policies intended for these purposes, we require that the owner complete the Certification Regarding STOLI Form (EUN012) on all cases in which the proposed insured is age 65 or older and the face amount applied for is \$500,000 or more (age and face amounts may vary by state).

FOREIGN CITIZENSHIP

Applicants for life insurance who are not United States citizens are eligible to apply for coverage if they possess a permanent visa (permanent green card) and intend to remain permanently in the United States.

Individuals who possess temporary visas (temporary green cards, student visas, temporary worker visas, border crossing cards) are not eligible to apply.

EMCNL will request that the agent obtain a photocopy of the applicant's visa.

FOREIGN TRAVEL – RESIDENCE

Applicants traveling to other regions of the world, whether for business or pleasure and regardless of duration of stay, may be declined, postponed or rated. Please contact your underwriter for advice. Certain regions vary with current political, economic and social conditions.

DELIVERY OF POLICIES

All forms accompanying the policy that require a signature, including the delivery receipt, must be signed and dated by the agent and owner/applicant, and then immediately returned to the Home Office.

At the time of delivery, the agent must again explain the coverage provided by the policy and any ratings that may be a part of the policy.

A signed delivery receipt is required on all life policies sold in the states of Louisiana, Pennsylvania, South Dakota and West Virginia.

CONVERSIONS

The Company handles all exchanges on an attained age basis. Policies will be exchanged on the same basis as the existing policy. If the existing policy is rated, the converted policy will be rated. Any riders from the old policy can be carried over to the new policy, if available, without proof of insurability. New riders or increases in face or rate reductions will require proof of insurability.

ANNUITY – INTERNAL EXCHANGES

Annuity to Annuity and Permanent Life to Annuity

- If the old policy is outside the surrender charge period, the full first-year commission will be paid on the rollover funds and full production credit will be given.
- If the old policy is **not** outside of the surrender charge period, no internal exchange is allowed. If the old policy is surrendered, then it is treated as new business. Penalty free withdrawals from an old annuity rolled over to a new annuity are noncommissionable and receive no production credit.

Annuity to Permanent Life (this includes partial withdrawals)

- This does not qualify for IRC Section 1035 tax-free exchange treatment.
- Full first-year commission rate will be paid and full production credit given if surrender charge period is completed or no more than 10% of fund value has been withdrawn in one year.
- No exchange is allowed if annuity is still in surrender charge period, or if more than 10% of fund value has been withdrawn in one year.

LIFE – INTERNAL EXCHANGES

Permanent Life to Permanent Life

- No exchange is allowed in the first year.
- If the old universal life policy is outside the surrender charge period, the full first-year commission rate will be paid on the rollover funds, and full production credit will be given.
- If the old universal life policy is not outside of the surrender charge period, no internal exchange is allowed. If the old policy is surrendered, then it is treated as new business.
- Old policies at least seven years old may be exchanged for a single premium Level Whole Life and receive full first-year commissions and full production credit.
- For all other exchanges:
 - Premiums for replaced face amount will be paid at renewal commission rate.
 - Premiums for increased face amount will be paid at full first-year commission rate.
 - Full production credit will be given up to target on increased face amount and will be given for premium over target at the excess rate.

Term Life to Term Life

- No exchange is allowed during the old policy's level guarantee period. The only time this should be allowed is if they are increasing the face amount or changing the term period, and it requires underwriting. Commission adjustment—full first-year commission rate and full production credit.
 - If the policy being replaced is within the first policy year, commissions need to be adjusted—full first-year commission rate and full production credit on increased premium amount. No commission or production credit will be paid when premium is reduced.
- If the initial term period of the old policy is expired and the applicant completes a new application and goes through underwriting, full first-year commission rate and full production credit on the entire premium will be given.
- Anytime when underwriting is required when moving from one active policy to another active policy, full commission and full production credit will be given on increased premiums.

Permanent Life to Term Life

- No exchange is allowed.

TERM LIFE TO PERMANENT LIFE (TERM CONVERSION PROGRAM) INCLUDING TERM RIDERS

Term Conversion Credit Calculation and Considerations

Conversion credits are given to the new permanent life policy. The credit is the lesser of 12 months of premium billed to the old policy or one half of the target premium of the new permanent policy. The conversion credit will include riders (only if the riders are converted into the new policy), ratings and the policy fee. There are no credits for conversion of the Additional Insured Term Rider or Term Insurance Rider for Children.

The credit can be added to the new policy as a lump sum deposit into the cash value or to reduce the first-year premium on universal life. If used to reduce first-year premium, the credit will be divided evenly between each modal premium for the first year. On an exchange to a whole life policy, the credit will be used up front to pay as much of the premium as possible.

The target premium will be reduced by the amount of the conversion credit. The term conversion credit is then applied non-commissionable and with no production credit.

Dating of Converted Policies

The converted policy will be dated as of the paid to date of the old policy unless a specific date is requested. If the existing policy is paid several months in advance, we will date currently on the same day of the month as the existing policy.

Requirements to Do a Conversion

- Completion of Conversion Application – please refer to the Supply Catalog for all forms; the forms and state approvals are available by accessing the agent website at www.EMCNationalLife.com.
- First Modal Premium

EXCHANGES

Exchange is a phrase used when one policy is exchanged for a new plan and evidence of insurability is always required.

External Exchanges

External exchanges require a 1035 form (LP553) and state appropriate replacement form be sent with the application. External exchanges are paid full first-year commissions and are given full production credit.

MILITARY CONVERSION (VGLI/SGLI/FSGLI)

Military Group Life Insurance conversions are available with EMC National Life.

Conversion policies are issued for an amount up to the amount of group insurance in force. The plan of coverage available for conversion is the Level Whole Life. Conversions must be completed within 120 days from the date of separation from the military, for SGLI only.

Before the conversion privilege expires, submit the appropriate EMC National Life completed application form with full payment of the initial premium and provide one of the following five forms.

- VGLI – Conversion Notice
- SGLI – Conversion Notice and Proof of Separation From Active Duty DD-214
- SGLI – Conversion Notice and Proof of Separation From National Guard NGB-22, along with final Leave and Earnings Statement
- FSGLI – Conversion Notice, along with final Leave and Earnings Statement, and one of the following:
 - DD-214, NGB-22 or Written Orders as Proof of Separation
 - Service Member's Proof of Death
 - Certificate of Dissolution of Marriage
 - Proof of Service Member's Termination of SGLI Coverage
 - Proof of Service Member's Termination of FSGLI Coverage
- Other orders as Proof of Separation From the Ready Reserves, along with final Leave and Earnings Statement

ANNUITIES

GENERAL INFORMATION

Cash Receipt

A cash receipt must be signed and left with the applicant if agent collects premium.

Policy Dating

The policy will be dated the date the premium is received in the Home Office.

FLEXIBLE PREMIUM DEFERRED ANNUITIES

Qualified and Nonqualified

The Flexible Premium Deferred Annuity provides for the establishment of an annuity fund to which all premium payments and interest earnings will be credited.

The following provisions are of special importance:

- Taxes are deferred until receipt of payout.
- No front end load. After the first policy year, a withdrawal of 10% annually of the annuity fund is allowed without a surrender charge. Note: Accumulated interest is withdrawn first and is subject to tax. An IRS early withdrawal penalty could also apply.
- 1035 Exchange forms cannot be used for annuities when performing a rollover or transfer of qualified funds.
- For qualified annuities, use Statement of Intent for Transfer or Rollover Form (LP572).
- For nonqualified annuities, use Beneficiary Designation/Section 1035(a) Exchange Form (LP553).
- For internal rollovers from an IRA to a Roth IRA, use Statement of Intent for Transfer or Rollover Form (LP572).

Premiums must be at least \$600 annual or \$50 check plan. Any contribution greater than \$300,000 must be approved by the Home Office. Many of our flexible premium annuity policy forms have maximum premium limits for new deposits. Policyowners should consult their actual policy forms for applicable restrictions prior to remitting amounts of \$2,500 or more annually.

Only one nonqualified Flexible Premium Deferred Annuity will be issued to any individual in a calendar year.

Issue Ages: Nonqualified: 0-90; Qualified: 0-80

Types of Qualified Annuities

EMC National Life offers Individual Retirement Annuity (IRA) and Roth IRA.

SINGLE PREMIUM IMMEDIATE ANNUITIES

The annuity is payable based on the payment option elected. The first payment is made one modal payment after the contract date. The contract date will be the date the premium is received. For payment options, see the Annuities Agent Guide (LB256). 3% premium expense charge.

Minimum Premium

No immediate annuity will be issued unless the modal payment chosen is at least \$100 and is payable for at least five years.

Application

It is important that full information, as to exact date of birth, sex and social security number, is given. It is preferable that a copy of the annuitant's driver's license or birth certificate is sent with the application.

SINGLE PREMIUM DEFERRED ANNUITIES

The Single Premium Deferred Annuity provides for the establishment of an annuity fund to which interest will be credited.

The following provisions are of special importance:

- Taxes are deferred until receipt of payouts.
- Minimum single premium of \$5,000 is required for the SPDA 3, SPDA 4 and SPDA 5 and \$10,000 on the Bonus SPDA 1% and Bonus SPDA 1.5%. Maximum single premium is \$500,000.
- Any contribution greater than \$300,000 must be approved by the Home Office.
- No contributions after issue.
- Current rate guaranteed for the specified number of years.
- Maximum issue age on nonqualified for all plans is 90.
- Maximum issue age on qualified for all plans is 80.
- No front end load. After the first policy year, a withdrawal of 10% annually of the annuity fund is allowed without a surrender charge. Note: Accumulated interest is withdrawn first and is subject to tax. An IRS early withdrawal penalty could also apply.
- No annual fee.
- Tiered interest.

ACCUMULATED FUND VALUES	ADDITIONAL INTEREST
Up to \$99,999	0%
\$100,000 to \$249,999	.1%
\$250,000 and over	.1%

* The additional interest is paid on the value in excess of \$99,999 or \$249,999, not the full value.

COMPLETING THE APPLICATION

Application Forms

The proper application forms must be signed. Please refer to the Supply Catalog for all forms. The forms and state approvals are available by accessing the agent website at www.EMCNationalLife.com or calling 800-232-5818.

Application Guidelines

To ensure speedy processing of your application, please follow these guidelines:

- Complete all sections of the application.
- Applications must be completed in ink, preferably black. No typed applications, or applications completed in pencil, will be accepted. Corrections must be initialed by the applicant.
- All applications must be submitted within 14 days following completion. An application received by the Home Office more than 14 days after the application was signed will be returned.
- No back dating to save age is allowed.

Name of Applicant

The applicant's full name must be shown on the application. Do not use nicknames. Applicants must sign their name as shown on the application.

Date of Birth and Issue Age

The date of birth must be correctly stated. The attained age or current age is used. **Refer to the appropriate product guide for maximum issue age.**

Agent's Information on Application

- In addition to your signature, please also include your agent number to assure proper credit.
- Complete all questions on the Agent Report.
- If more than one agent is to be paid, state the name of each agent, their agent number and their correct percentage.

Date on Application

Applications must be "dated where and when written." Always indicate the city and state where the application was written, and the date it was actually signed.

ANNUITY SUITABILITY

There is an increased focus on the need to ensure suitability of all annuity sales. EMCNL expects agents selling our annuity products to determine the appropriateness of each recommended annuity purchase and/or replacement according to EMCNL's guidelines.

Our Annuity Suitability Guide for Agents (EMK142 or EMK143) (refer to the Communiques and Market Conduct sections of the agent website for the guide that is applicable in your state) is intended to guide you in the process of determining appropriateness and suitability for a consumer when you recommend the purchase of a fixed annuity from EMCNL. Refer to the Annuity Suitability Guide for details on annuity suitability.

DELIVERY OF POLICIES

All forms accompanying the policy that require a signature, including the delivery receipt, must be signed and dated by the agent and the owner/applicant, and then immediately returned to the Home Office.

A signed delivery receipt is required on all annuity policies sold in the states of Louisiana, Pennsylvania, South Dakota and West Virginia.

INTERNAL 1035 EXCHANGES OR TRANSFER/ROLLOVER

1035 Exchanges

1035 Exchange is a phrase used when a nonqualified annuity is exchanged for a new nonqualified annuity.

Transfer/Rollover

Transfer/Rollover is a phrase used when a qualified annuity is transferred/rolled over to a new qualified annuity.

Completing 1035 Exchange and Transfer/Rollover Forms

- 1035 Exchanges – In addition to a new annuity application, the Beneficiary Designation and Absolute Assignment to Effect Section 1035(a) Exchange or Rollover of Life Insurance or Annuity Policy Form (LP553), or if only to be a partial exchange, the Partial Exchange of Nonqualified Annuity Policy Form (EPS012) is required along with the state appropriate replacement form.
- Transfer/Rollover – In addition to a new annuity application, the Authorization to Transfer or Rollover IRA/Qualified Retirement Funds Form (LP572) is required along with the state appropriate replacement form.
- CD or Mutual Funds – In addition to a new annuity application, the Agreement for the Absolute Assignment and Power of Attorney Form (LP582.01) is required along with the state appropriate replacement form, if we are to request the funds. For mutual funds, the signature must be "guaranteed."

INTERNAL EXCHANGES

Annuity to Annuity and Permanent Life to Annuity

- If the policy is outside the surrender charge period, the full first-year commission rate will be paid on the rollover funds, and full production credit will be given.
- If the old policy is not outside of the surrender charge period, no internal exchange is allowed. If the old policy is surrendered, then treat as new business. Penalty free withdrawals from an old annuity rolled over to a new annuity are noncommissionable and receive no production credit.

Annuity to Permanent Life (this includes partial withdrawals)

- This does not qualify for IRC Section 1035 tax-free exchange treatment.
- Full first-year commission rate will be paid and full production credit given if surrender charge period is completed or no more than 10% of fund value has been withdrawn in one year.
- No exchange is allowed if annuity is still in surrender charge period, or if more than 10% of fund value has been withdrawn in one year.

REQUIRED MINIMUM DISTRIBUTION (RMD)

- IRS regulations require a participant in a qualified plan, IRA, SEP, SIMPLE, Section 457 Deferred Compensation or 403(b) plan to begin distributions for the year in which they turn age 70 ½.
- Minimum distribution rules do not apply to ROTH IRAs.
- This distribution must begin by April 1, of the following year in which the annuitant turns 70 ½. A distribution must then be taken every year after the annuitant turns 70 ½. If annuitant waits until April 1, two distributions must be taken (before April 1st and before December 31st of the same year).
- If the participant elects to take settlement, minimum distribution is not required.
- When minimum distribution is taken, normal surrender charges are waived even in the first policy year.
- The IRS mandatory 20% withholding on qualified plans other than IRAs and SEPs does not apply to minimum distribution. They have the right to elect withholding or not.

– For Agent Use Only –
– Not For Use With The Public –



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