

Underwriting Criteria and Requirements

All Products Except Survivor Life UL

Underwriting Criteria

Preferred Plus

Preferred

Impairments	No personal history of disease or impairment that would affect mortality	No personal history of disease or impairment that would affect mortality
Blood Pressure	Currently well controlled with or without treatment, with no readings in the past two years greater than 136/86	Currently well controlled with or without treatment, with no readings in the past two years greater than 146/90
Family History	No cardiovascular disease or cancer in either parent or siblings before age 60	No cardiovascular or cancer death in either parent before age 60
Driving History	No more than 2 moving violations in last 3 years. No DWI, DUI, reckless driving, license revocation or suspension in last 5 years.	No more than 2 moving violations in last 3 years. No DWI, DUI, reckless driving, license revocation or suspension in last 5 years.
Tobacco Use	No use of tobacco or nicotine-based products in last 36 months	No use of tobacco or nicotine-based products in last 24 months
Cancer History	Only available on certain types of skin cancer	Only available on certain types of skin cancer
Cholesterol	May not exceed 220 with or without treatment	May not exceed 250 with or without treatment
Chol/HDL Ratio	May not exceed 5.0 with or without treatment	May not exceed 6.0 with or without treatment
Substance/ Alcohol Abuse	No abuse	No abuse in past 10 years
Aviation	Available only with exclusion rider	Available only with exclusion rider
Avocation	Available only if no flat extra premium would be required	Available, however may have a flat extra
Residency/ Citizenship	Must be U.S. resident for past 3 years and either U.S. citizen or have permanent Visa or Green Card	Must be U.S. resident for past 3 years and either U.S. citizen or have permanent Visa or Green Card
Build	See chart on page 2	See chart on page 2

Underwriting Criteria

Standard Plus

Standard

Impairments	Can have personal history of certain diseases or impairments	Can have personal history of certain diseases or impairments
Blood Pressure	Currently well controlled with or without treatment, with no readings in the past two years greater than 152/92	Currently well controlled with or without treatment, with no readings in the past two years greater than 156/94
Family History	No cardiovascular or cancer death of more than one parent before age 60	No cardiovascular death of more than one parent before age 60
Driving History	No more than 3 moving violations in last 3 years. No DWI, DUI, reckless driving, license revocation or suspension in last 3 years.	No more than 4 moving violations in last 3 years. No DWI, DUI, reckless driving, license revocation or suspension in last 2 years.
Tobacco Use	No use of tobacco or nicotine-based products in last 12 months	For the SNT class, no use of tobacco or nicotine-based products in last 12 months
Cancer History	Available depending on type and date of onset of cancer	Available depending on type and date of onset of cancer
Cholesterol	May not exceed 280 with or without treatment	May not exceed 300 with or without treatment
Chol/HDL Ratio	May not exceed 7.0 with or without treatment	May not exceed 8.0 with or without treatment
Substance/ Alcohol Abuse	No abuse in past 7 years	No abuse in past 7 years
Aviation	Available, however may have flat extra or exclusion rider	Available, however may have flat extra or exclusion rider
Avocation	Available, however may have a flat extra	Available, however may have a flat extra
Residency/ Citizenship	Must be U.S. resident for past 2 years and either U.S. citizen or have permanent Visa or Green Card	Must be U.S. resident for past 2 years and either U.S. citizen or have permanent Visa or Green Card
Build	See chart on page 2	See chart on page 2

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Medical Impairments

Medical History	PPNT	PNT
Anxiety	*	*
Arthritis	no	*
Asthma	*	*
Cardiovascular/Heart Disease Mitral Valve Prolapse may qualify for PPNT	no	no
Chronic Fatigue Syndrome	*	*
Chronic Obstructive Pulmonary Disease	no	no
Crohn's Disease	no	*
Depression	*	*
Diabetes	no	no
Elevated Liver Function Tests	*	*
Epilepsy	no	*
Fibromyalgia	*	*
Gastric/Peptic Ulcers	*	*
Hepatitis C (treated and cured)	no	no
Hypertension	*	*
Kidney Disease Kidney Stones may qualify for PPNT	no	no
Liver Disease	no	no
Multiple Sclerosis	no	no
Stroke	no	no
Ulcerative Colitis	no	no
Vascular Disease	no	no

*May be eligible depending on the date of onset, duration, severity and response to treatment.

Preferred Plus Build Chart

Height	Male	Female	Height	Male	Female
5'0"	144	135	6'0"	207	180
5'1"	148	138	6'1"	213	184
5'2"	153	140	6'2"	219	188
5'3"	158	143	6'3"	225	193
5'4"	163	145	6'4"	230	197
5'5"	168	148	6'5"	237	201
5'6"	174	150	6'6"	243	205
5'7"	179	155	6'7"	249	209
5'8"	185	160	6'8"	256	214
5'9"	190	165	6'9"	262	218
5'10"	196	170	6'10"	268	222
5'11"	201	175	6'11"	276	226

Preferred, Standard Plus, Standard Male/Female Build Chart

Height	Preferred	Standard Plus	Standard
5'0"	158	166	172
5'1"	163	172	178
5'2"	168	175	183
5'3"	174	182	190
5'4"	179	188	195
5'5"	185	194	202
5'6"	191	200	208
5'7"	197	206	215
5'8"	203	212	221
5'9"	209	219	228
5'10"	215	226	234
5'11"	221	231	241
6'0"	228	240	249
6'1"	234	245	255
6'2"	241	253	263
6'3"	247	259	269
6'4"	253	265	276
6'5"	260	272	283
6'6"	267	280	291
6'7"	274	287	299
6'8"	281	294	306
6'9"	288	302	314
6'10"	295	309	322
6'11"	303	317	330

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Routine Underwriting Requirements

Face Amount *	<41	41-50	51-60	61-70	>70
\$100,000 to \$250,000	APM** BU NM MVR	APM** BU NM MVR	APM* BU NM MVR	PM BU APS MVR	PM BU APS DAQ PINS MVR
\$250,001 to \$500,000	APM** NM BU MVR	APM** NM BU MVR	APM** NM BU MVR	PM BU EKG APS PINS MVR	PM BU EKG APS DAQ PINS MVR
\$500,001 to \$1,000,000	APM** BU NM PINS MVR	APM** BU NM PINS MVR	PM BU PINS MVR	PM BU EKG APS PINS MVR	MDE BU EKG IR APS DAQ PINS MVR
\$1,000,001 to \$2,000,000	PM BU IR PINS MVR	PM BU EKG IR PINS MVR	PM BU EKG IR PINS MVR	PM BU EKG IR APS PINS MVR	MDE BU EKG IR APS DAQ PINS MVR
\$2,000,001 to \$3,000,000	PM BU IR PINS MVR	PM BU EKG IR PINS MVR	PM BU EKG IR PINS MVR	PM BU EKG IR APS PINS MVR	MDE BU EKG IR APS DAQ PINS MVR
\$3,000,001 to \$5,000,000	MDE BU EKG IR PINS MVR	MDE BU EKG IR PINS MVR	MDE BU EKG IR PINS MVR	MDE BU EKG CXR*** IR APS PINS MVR	MDE BU EKG CXR*** IR APS DAQ PINS MVR
\$5,000,001 +	MDE BU TMEKG CXR*** IR PINS MVR	MDE BU TMEKG CXR*** IR PINS MVR	MDE BU TMEKG CXR*** IR PINS MVR	MDE BU TMEKG CXR*** IR APS PINS MVR	MDE BU TMEKG CXR*** IR APS DAQ PINS MVR

For explanations of requirements with *s please see page at right.

Please note: Banner Life reserves the right to request additional requirements whenever they are deemed necessary.

Requirement Abbreviations

APM**	Abbreviated Paramed
APS	Attending Physicians Statement
BU	Blood and Urine
CXR***	Chest X-Ray
DAQ	Daily Activities Questionnaire
EKG	Electrocardiogram
IR	Inspection Report
MDE	MD Exam
MVR	Motor Vehicle Report
NM	Nonmed - Part II of Application
PINS	Personal Information Statement
PM	Paramed
TMEKG	Treadmill EKG

***Face Amount:** For the purpose of determining the correct underwriting requirements, please add:

1. The face amount currently being applied for; PLUS
2. The face amount (including rider amount) of all existing policies with the company applied to (William Penn and/or Banner Life)

**** Abbreviated Paramed:** In addition to APM, please complete Nonmed Part II of the application.

*****Chest X-rays:** Required for tobacco users only.

Medical History for Proposed Insureds Over age 60:

An APS is required from a physician who has completed an exam within the past 24 months. If such APS is not available, the Proposed Insured may not be eligible for coverage.

Attending Physician Statements: See page 10 for additional APS ordering guidelines.

AppAssist Teleunderwriting Programs:

Add APM and NM. Eliminate PM for the following amounts and ages:
 \$3,000,000 Through Age 50
 \$1,500,000 ages 51-65
 \$500,000 ages 66-74

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Financial Underwriting Guidelines

Personal Insurance	AGES	FACTOR x INCOME
	≤-40	25
	41-50	20
	51-55	15
	56-65	10
	66-70	5
	≥ 71	IC

Data Required:

- PINS for face amount of 250,001 and higher through ages 61-70
- PINS for face amount of 500,001 and higher through age 60
- PINS for all cases over age 70
- IR required for amounts over \$1,000,000 through age 70 and over \$500,000 age 71 and up

Insurance on Dependent Spouses
Factor:
 Up to \$1,000,000 provided wage earning spouse has at least same amount of coverage. Over \$1,000,000-IC
Data Required:*

- Income of working spouse
- Amount of insurance in force and applied on wage earning spouse

Keyperson
Factor:
 5-10 times the annual income (salary and bonus). Could possibly consider more when facts and financial data can demonstrate a greater loss to the company.
Data Required:*

- PINS for face amounts over \$500,000
- PINS and IR with BBR for amounts exceeding \$1,000,000

Creditor/Debt Repayment (Non-Collateralized)
Factor:
 Up to 90% of the loan amount. Term of loan is at least 5 years.
Data Required:*

- Details of loan or copy of loan agreement for face amounts through \$500,000
- Details of loan or copy of loan agreement, IR with BBR for amounts exceeding \$1,000,000
- PINS for amounts over \$500,000

***For Any Case:** Additional financial statements and/or information may be required to justify coverage amounts applied for. You may need to order an IR and/or BBR (Business Beneficiary Report) even though the age/amount underwriting requirements located on page 6 do not normally require it. Third party verified financials required for amounts over \$5,000,000 on personal and business applicants

Financial Underwriting Guidelines

Creditor/Debt Repayment (Collateralized)
Factor:
 Up to 65% of the loan amount. Term of loan is at least 5 years.
Data Required:*

- Details of loan or copy of loan agreement for face amounts through \$500,000
- Details of loan or copy of loan agreement, PINS and IR with BBR for amounts exceeding \$1,000,000
- PINS for amounts exceeding \$500,000

Buy-Sell, Partnership, Stock Redemption
Factor:
 Percentage of ownership times the corporate value
Data Required:*

- Details of or copy of buy-sell agreement for amounts through \$500,000
- Details of or copy of buy-sell agreement and IR with BBR for amounts exceeding \$1,000,000
- PINS (see requirements grid)

Estate Tax Planning
Factor:
 Net assets times the tax rate.
Data Required:*

- PINS (see requirements grid)
- PINS and IR (see requirements grid)

New Corporations
Factor:
 Percentage of ownership times corporate net worth plus 90% of the loan obligation of each proposed insured.
Data Required:*
 Business plan, PINS and IR for all amounts applied for

Charitable Contributions
Factor:
 Average contribution for past 3-5 years times the life expectancy factor based on current age and mortality classifications.
Data Required:*

- Contribution record and PINS for amounts through \$500,000
- Contribution record, PINS and IR for amounts exceeding \$500,000

A well written **cover letter** by the writing agent explaining how the face amount of coverage was determined, and the reason for the coverage, will typically allow an underwriter to better understand the case upon initial review and result in a quicker issuance of the policy applied for.

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Procedures for Ordering APSs

At ages 0-59, all amounts, an APS is NOT REQUIRED...	
For the following routine examinations:	
<ul style="list-style-type: none"> ■ Company physicals ■ FAA or ICC physical examination ■ Insurance examinations ■ Routine gynecological exams; all findings normal 	<ul style="list-style-type: none"> ■ Normal pregnancy and childbirth ■ Pre-school, pre-marital or pre-employment examinations
For the following routine operations:	
<ul style="list-style-type: none"> ■ Appendectomy ■ Cataract ■ Gall Bladder ■ Hemorrhoidectomy 	<ul style="list-style-type: none"> ■ Hernia ■ Pilonidal cyst ■ Sterilization procedure ■ Tonsillectomy
If the only reason for medical consultation was for minor illnesses such as:	
<ul style="list-style-type: none"> ■ Allergies ■ Cold/Flu 	<ul style="list-style-type: none"> ■ Hay Fever ■ Minor injuries
Age	Amounts \$100,000-\$499,999 Order APS if physician is consulted within...
20-39*	1 Month
40-59*	3 Months
60 & Up	APS always required
Age	Amounts \$500,000-\$999,999 Order APS if physician is consulted within...
20-39*	1 Month
40-49*	3 Months
50-59*	1 Year
60 & Up	APS always required
Age	Amounts \$1,000,000 and up Order APS if physician is consulted within...
20-59*	1 Year
60 & Up	APS always required
<p>*Ages 0-59, for all amounts, an APS is not required for the conditions at the top of this page and an APS is always required for the conditions listed at right.</p> <p>All Ages, APS may be requested at the discretion of the underwriter.</p>	

Procedures for Ordering APSs

At all ages and amounts, an APS is ALWAYS REQUIRED...	
if the proposed insured has obtained medical consultation for the following conditions. Please ask for details of medical history (or incident), treatment (including copy of hospital records) and follow-up care. For all biopsy and follow-up surgical procedures marked with an asterisk(**), please request Gross and Microscopic Pathology Reports:	
<ul style="list-style-type: none"> Abnormal EKG Alcoholism Aneurysm Angina Pectoris Angioplasty Apnea Arrhythmia/Palpitations Asthma Biopsy Blood in Urine Blood Disorders Blood Pressure (Elevated) Brain Tumor Bronchiectasis Cancer** Cerebral Hemorrhage Cerebral Vascular Disease Chest Pain (Angina) Chronic Cough Cirrhosis of Liver Colitis - Ulcerative Convulsions COPD - <i>Chronic Obstructive Pulmonary Disorder</i> Coronary Bypass Surgery Coronary Artery Disease Crohn's Disease Depression Diabetes Dizzy Spells Drug Use Embolism Emphysema, Bronchitis Epilepsy (seizures, convulsions) Fatigue GERD - <i>Gastroesophageal Reflux Disease</i> Heart Attack 	<ul style="list-style-type: none"> Heart Valve Disorders Heart Murmur Heart Disease Heart Disorders Hemophilia Hepatitis Hypertension Intestinal Bleeding Kidney Disorders Liver Disorders Malignant Tumors** Mental Disorders Mole** Multiple Sclerosis Murmurs Muscular Dystrophy Myocardial Infarction Nephrectomy Nephritis Nervous Conditions Obstructive Pulmonary Pancreatic Disorders Paralysis Psychosis Pyelonephritis Regional Enteritis or Ileitis Rheumatoid Arthritis Schizophrenia Skull Fracture Stroke (Cerebral Vascular Accident) Syncope Thrombosis (Clots) Tumors, Growths, Lesions** Tuberculosis Ulcerative Colitis/Proctitis Ulcers Vascular Disease (PVD) Vertigo

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Approved Vendors

APS Vendor Contact Information	
Examination Management Service, Inc. (EMSI)	800.566.9318
Scantech Solutions	877.916.0201
J & H Copy Service	714.921.0102, ext. 105
Parameds.com	888.766.3999
MediConnect	800.489.8549
APS Workflow	877.277.9539
<p>Company-approved third party vendors secure APSs. These vendors provide excellent service in the processing of requests for medical records. Contact Banner's approved vendors for ordering procedures.</p> <p>While the average APS fee is \$55, the maximum allowable fee is \$100. General agents who are currently ordering their own APSs may continue in their usual manner. However, we strongly encourage agencies to consider requesting APSs through a company-approved vendor for the following reasons: no out of pocket fee to the physician or facility, reduced processing time and administrative efforts, and equal or better turnaround time.</p> <p>For further assistance with APS guidelines, please contact the Underwriting Department. Phone numbers listed above are subject to change. Please refer to the website version of this booklet posted in the Underwriting Forms section of our website (www.LGAmerica.com) for the most current list.</p>	
Inspection Report Vendor Contact Information	
First Financial Underwriting Services	phone: 800.570.3477 fax: 800.571.3477
Sheila@firstfn.com customer-services@firstfn.com	
<p>An inspection report is required for amounts over \$1,000,000 through age 70, for amounts over \$500,000 for ages 71 and older. An interview with the proposed insured in person or by phone is usually part of the investigation. These reports are completed by First Financial Underwriting Services. Procedures for ordering inspection reports are posted to the Inspections Section of our website Forms Page. The phone number listed above is subject to change. Please refer to the website version of this booklet posted in the Underwriting Forms section of our website (www.LGAmerica.com) for the most current numbers.</p>	

Approved Vendors

Paramed Exam Vendor Contact Information	
APPS (American Para Professional Systems, Inc.)	800.635.1677 516.822.6230
Examination Management Services, Inc.	800.872.3674
ExamOne	877.933.9261
Healthmasters, Inc.	800.444.8384 781.272.4222
Mobile Examiners Company	281.353.3200
Parameds.com	888.766.3999
Portamedic Services	800.765.1010 908.766.5000
<p>Please note that Banner will only accept examinations from the vendors, which are listed above. Please do not make an appointment with a vendor not appearing on our approved list. Any exam(s) done by an unapproved examining vendor will not be accepted nor paid for, and will be returned.</p> <p>We have made every effort to provide you with the broadest geographical coverage and the best possible service. In that rare instance where an applicant is in a remote area not covered by one of our services, kindly contact your underwriting director to discuss making other arrangements. Phone numbers listed above are subject to change. Please refer to the website version of this booklet posted in the Underwriting Forms section of our website (www.LGAmerica.com) for the most current list.</p>	

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Underwriting Considerations

Substandard

The base class for most table rated cases on non-tobacco users is **Standard Plus**, not Standard. Substandard ratings available through Table 12. Table ratings are not available on Preferred Plus Non-Tobacco or Preferred Non-Tobacco.

Reinsurance

We have a **retention schedule** of \$1,000,000 through age 75 on all preferred plus, preferred, standard, standard plus, and substandard issues through Table 4 through age 75. This schedule gives us **automatic** binding authority of \$12 million.

We currently have a \$250,000 **retention schedule**, ages 76-85, which gives us **automatic** binding authority of \$2 million through Table 8 for ages 76-80 and through Table 4 for ages 81-85. We have additional capacity available through our facultative reinsurance sources.

We have a **jumbo limit** (the amount of insurance in force and applied for on a particular applicant) of \$30 million.

Jumbo amounts are determined by adding all in force cover-ages to all amounts applied for with all companies. Coverage to be replaced is included in the total. If the total exceeds the jumbo limit, the case must be sent to our reinsurers.

Financial Underwriting

Financial underwriting is an important aspect of the risk assessment process. In essence, the underwriters must decide "if the case makes sense." Specifically, they must consider the following:

- Is there an insurable interest?
- Is there a definable loss?
- Is there a valid need and purpose for insurance?
- Does the amount of insurance applied for tie in with the amount of loss?

See page 8 and 9 for additional financial guidelines.