



**Standard Life and Accident Insurance Company**  
**Marketing Office:** 2450 South Shore Blvd., Suite 500  
League City, TX 77573  
Phone: 888.290.1085 Fax: 800.229.7211



**AGENT AGREEMENT**

The STANDARD LIFE AND ACCIDENT INSURANCE COMPANY (The "Company") is hereby requested to make application to the Department of Insurance of the State of \_\_\_\_\_ for the issuance of a \_\_\_\_\_ insurance agent's license/appointment authorizing me to solicit applications on behalf of the Company.

I hereby agree that your consent to the issuance of such license/appointment is subject to, and I hereby agree to be bound by, each and all of the following conditions:

- 1. That I shall be an agent assigned to the agency of PivotHealth Holdings, LLC ("the Agency");
- 2. That the Company has no obligation to me for commissions, expense allowances or any form of compensation whatsoever in connection with the services performed and expense incurred by me in the solicitation of applications for insurance issued by the Company, it being expressly understood that I am under direct contract with the Agency who has agreed to compensate me for such services;
- 3. That I shall comply with the rules, regulations and rate books of the Company, the laws of the State of \_\_\_\_\_ and the regulations of the Department of Insurance relating to my activities in the solicitation of insurance;
- 4. That I shall not alter, modify, waive or change any of the terms, rates or conditions of any advertisements, receipts, policies or contracts of the Company in any respect;
- 5. That I shall promptly remit to the Agency or the Company any and all monies or securities received by me on behalf of the Company as full or partial payment of first year or renewal premiums, or any other item whatsoever;
- 6. That I shall not obligate the Company nor incur expense in its behalf in any manner whatsoever;
- 7. That I shall not attempt systematically to rewrite or replace customers of the Company with other carriers. Should I do so I will forfeit all compensation I would have otherwise been entitled to from the undersigned manager, and my license/appointment with the Company, if still active, shall be revoked immediately; and
- 8. That the Company may, without liability to me whatsoever upon request of the Agency or upon its own initiative, cancel my license/appointment at any time.

IN WITNESS WHEREOF, I have affixed my signature this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_

\_\_\_\_\_  
Applicant's Signature

I, the undersigned authorized representative of Agency, understand that the Company's consent to the issuance of Applicant's appointment is subject to the following certifications and agreements of Agency: 1. I certify that the Agency and I have made a thorough and diligent investigation which has shown that the Applicant is of good moral and business character. 2. Agency agrees and acknowledges that it is responsible for the training and supervision of the Applicant while Applicant engages in the business of insurance for Agency. 3. Agency further agrees that it shall be and remain responsible for the repayment to the Company of any commissions advanced by the Company to the Agency on behalf of the Applicant if the Company determines in its sole discretion that renewal commissions are not sufficient to repay such advances. Any such advanced commissions not repaid within thirty days of the Company's notice to the Agency shall begin accruing interest at a rate to be determined by the Company, not to exceed the maximum rate of interest permitted by law. The Company shall be entitled to recover from the Agency attorneys' fee incurred by the Company in collecting unrepaid advanced commissions hereunder.

\_\_\_\_\_  
Agency Name

\_\_\_\_\_  
Signature and Title of Agency Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
Agency Code

## STANDARD LIFE AND ACCIDENT INSURANCE COMPANY

Name \_\_\_\_\_ Social Security Number \_\_\_\_\_  
Date of Birth \_\_\_\_\_ Maiden or Other Name Used \_\_\_\_\_ National Producer Number \_\_\_\_\_  
Mailing Address \_\_\_\_\_ Business Phone Number \_\_\_\_\_  
Home Address \_\_\_\_\_ Phone Number \_\_\_\_\_  
Former Address \_\_\_\_\_ FAX Number \_\_\_\_\_  
Spouse's Name \_\_\_\_\_ Email Address \_\_\_\_\_

PERSONAL HISTORY: Please answer all questions below with careful thought and be as accurate as possible. A Yes answer won't disqualify you from being appointed; however, an inaccurate answer might! If more space needed - attach separate page.

1. Are you now licensed? (Submit Copy) ..... ☐ YES ☐ NO  
State(s) \_\_\_\_\_  
License Number \_\_\_\_\_ Type of License/Lines \_\_\_\_\_
2. Has any state ever taken administrative action against your license? ..... ☐ YES ☐ NO  
If Yes, name state and provide details: \_\_\_\_\_
3. Have you ever been refused bond? ..... ☐ YES ☐ NO  
If Yes, please give the reason: \_\_\_\_\_
4. Do you have an open Bankruptcy? ..... ☐ YES ☐ NO  
If Yes, give details: \_\_\_\_\_
5. The Violent Crime and Control Act of 1994 makes it a criminal offense for anyone who has been convicted of any criminal felony involving dishonesty or a breach of trust to willfully engage in the business of insurance.  
Have you ever been convicted of a felony? ..... ☐ YES ☐ NO  
If Yes, give specifics to charge, date, jurisdiction and outcome on a separate page.
6. Do you now have any tax liens, judgments or garnishments? ..... ☐ YES ☐ NO  
If Yes, give details: \_\_\_\_\_
7. Are you presently indebted to any insurance company or agency? ..... ☐ YES ☐ NO  
If Yes, give details: \_\_\_\_\_
8. a. Are you currently covered by errors and omissions insurance? (Submit Copy) ..... ☐ YES ☐ NO  
E & O Carrier \_\_\_\_\_ Limits \_\_\_\_\_  
Policy Number \_\_\_\_\_ Effective Date \_\_\_\_\_ Expiration Date \_\_\_\_\_
- b. Have you ever filed an errors and omissions claim? ..... ☐ YES ☐ NO

WORK HISTORY: May we contact you at your present place of business? ..... ☐ YES ☐ NO

Present Employer _____	Company Name _____	Supervisor _____	Phone Number _____
Address _____	City, State, Zip _____	Employment Dates _____	
Most Recent Employer _____	Company Name _____	Supervisor _____	Phone Number _____
Address _____	City, State, Zip _____	Employment Dates _____	

REFERENCES: Please give name, address and phone number of two businesses.

Name	Address	Phone Number
_____	_____	_____
_____	_____	_____

I certify that my answers to the above questions are true and authorize the State Insurance Department to release to Standard Life and Accident Insurance Company information within their records concerning me. I hereby authorize an investigative and credit report whereby information is obtained through personal interview; the inquiry usually concerns information on character, general reputation and mode of living. I understand that any information obtained by the Company will be available to me upon my written request. I certify that I have read and agree to comply with Standard Life's Privacy Policy and Code of Conduct. If accepted, I will comply with all regulations of this state and Standard Life and Accident Insurance Company.

Signature \_\_\_\_\_

Date \_\_\_\_\_



**Standard Life and Accident Insurance Company | American National Life Insurance Company of Texas**  
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## **Producer's Code of Conduct**

**As a representative of Standard Life and Accident Insurance Company and/or American National Life Insurance Company of Texas, I recognize my responsibility to:**

- Conduct myself in the highest character, with honesty, integrity and fairness at all times;
- Provide information to clients in a professional manner which is honest, relevant and designed to meet the client's needs, and appropriate to their circumstances;
- Fully understand and accurately represent the Company's products and services;
- Ensure my personal interests do not conflict with those of clients or the Company;
- Render prompt and quality service, both before and after the sale to clients and their beneficiaries;
- Learn and follow all Company policies and procedures related to my role as a producer;
- Keep informed with respect to applicable laws and regulations and observe them in the practice of my profession;
- Determine that any replacement of life or health insurance or a financial product I am proposing is in the best interest of my client;
- Foster goodwill, courtesy and consideration in the treatment of policyholders and the general public, while maintaining loyalty and respect for the Company;
- Meet all continuing education requirements;
- Adhere to principles of ethical market conduct:
  - Conduct business according to high standards of honesty and fairness and to render that service to my customers which, in the same circumstances, I would demand for myself;
  - Provide competent and customer-focused sales and service;
  - Engage in active and fair competition;
  - Use advertising and sales materials that are clear as to purpose and honest and fair as to content;
  - Provide for fair and expeditious handling of customer complaints and disputes;
  - Maintain a system of supervision that is reasonably designed to achieve compliance with these principles of ethical market conduct.

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Representative

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Marketing General Agent

**Please sign this acknowledgement and return it with your Application for Appointment.**

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- 2) promptly notify Business Associate of any instance of which the person or entity becomes aware in which the confidentiality of Company Protected Health Information was breached.
    - iii) Business Associate will make reasonable efforts to use, disclose, and request only the minimum amount of Company Protected Health Information reasonably necessary to accomplish the intended purpose, except that Business Associate will not be obligated to comply with this minimum necessary limitation if neither Business Associate nor Company is required to limit the use, disclosure or request to the minimum necessary.
  - b) **Prohibition on Unauthorized Use or Disclosure.** Business Associate will neither use nor disclose Company Protected Health Information, except as permitted or required by this Agreement or as permitted or directed by Company or as Required by Law. This Agreement does not authorize Business Associate to use or disclose Company Protected Health Information in a manner that would violate the Privacy Rule or the HITECH Act if done by Company, except as set forth in Section 1(a)(ii).
  - c) **Information Safeguards.**
    - i) Business Associate will develop, implement, maintain, and use industry specific and/or other generally appropriate administrative, technical, and physical safeguards to protect Company Protected Health Information from any use or disclosure in violation of the Privacy Rule.
    - ii) Business Associate will develop, implement, maintain, and use industry specific and/or other generally appropriate administrative, technical, and physical safeguards to protect the confidentiality, integrity, and availability of Electronic Protected Health Information that Business Associate creates, receives, maintains, or transmits on Company's behalf as required by the Security Rule.
    - iii) The information safeguards must meet or exceed the industry specific and/or other generally appropriate minimum standards.
    - iv) If applicable and only if available, Business Associate will provide Company a copy of the most recent SAS70 audit report.
  - d) **Subcontractors and Agents.** Business Associate will require any of its subcontractors and agents, to which Business Associate is permitted to disclose Company Protected Health Information, to provide reasonable assurance that such subcontractor or agent will comply with the same privacy and security safeguard obligations with respect to Company Protected Health Information that are applicable to Business Associate under this Agreement.
  - e) **Prohibition on Sale of Records.** Business Associate shall not directly or indirectly receive remuneration in exchange for any Company Protected Health Information of an individual unless the Company or Business Associate obtained from the individual a valid authorization that includes a specification of whether the Company Protected Health Information can be further exchanged for remuneration by the entity receiving Company Protected Health Information of that individual, except as otherwise allowed under the American Recovery and Reinvestment Act.
2. **Compliance with Transaction Standards.** If Business Associate conducts in whole or part electronic Transactions on behalf of Company for which the Department of Health and Human Services ("DHHS") has established Standards, Business Associate will comply, and will require any subcontractor or agent it involves with the conduct of such Transactions to comply, with each applicable requirement of the Transaction Rule, 45 C.F.R. Part 162. Business Associate shall comply with the National Provider Identifier requirements if, and to the extent, applicable.

### 3. Individual Rights.

- a) **Access.** Business Associate will, within thirty calendar days following Company's request, make available to Company or, at Company's direction, to an individual (or the individual's personal representative), for inspection and obtaining copies (at Company's expense), Company Protected Health Information about the individual that is in Business Associate's custody or control. If the Company Protected Health Information is held in an Electronic Health Record, then the individual shall have a right to obtain from Business Associate a copy of such information in an electronic format. Business Associate shall provide such a copy to Company or, alternatively, to the individual directly, if such alternative choice is clearly, conspicuously and specifically made by the individual or Company.
- b) **Amendment.** Business Associate will, upon receipt of written notice from Company, promptly amend or permit Company access to amend any portion of Company Protected Health Information, so that Company may meet its amendment obligations under the Privacy Rule.
- c) **Disclosure Accounting.** So that Company may meet its disclosure accounting obligations under the Privacy Rule:
  - i) Business Associate will record information specified in Section 3(c)(iii) below ("Disclosure Information") for each disclosure of Company Protected Health Information, not excepted from disclosure accounting as specified in Section 3(c)(ii) below, that Business Associate makes to Company or to a third party.
  - ii) Business Associate will not be obligated to record Disclosure Information or otherwise account for disclosures of Company Protected Health Information if the Company need not account for such disclosures.
  - iii) With respect to any disclosure by Business Associate of Company Protected Health Information that is not excepted from disclosure accounting by Section 3(c)(ii) above, Business Associate will record the following Disclosure Information as applicable to the type of accountable disclosure made:
    - A) For non-repetitive disclosures of Company Protected Health Information, the Disclosure Information that Business Associate must record for each accountable disclosure is (i) the disclosure date, (ii) the name and (if known) address of the entity to which Business Associate made the disclosure, (iii) a brief description of Company Protected Health Information disclosed, and (iv) a brief statement of the purpose of the disclosure.
    - B) For repetitive disclosures of Company Protected Health Information that Business Associate makes to the same person or entity (including Company), Business Associate may record either (1) the Disclosure Information specified above for each accountable disclosure, or (2) the Disclosure Information specified in Section 3(c)(iii) (A) above for periodicity, or number of the repetitive accountable disclosures, and the date of the last of the repetitive accountable disclosures during the Accounting Period.
  - iv) Business Associate will maintain the Disclosure Information for at least 6 years following the date of the disclosure (3 years for disclosures related to an Electronic Health Record).

Business Associate will make the Disclosure Information available to Company within sixty calendar days following Company's request for such Disclosure Information to comply with an individual's request for disclosing accounting. With respect to disclosures related to an Electronic Health Record, Business Associate shall provide



the accounting directly to an individual making such a disclosure request, if a direct response is requested by the individual. Notwithstanding any other provision of this Agreement, Business Associate needs to provide disclosure accounting related to an Electronic Health Record only as of the effective date of this requirement under the American Recovery and Reinvestment Act.

- d) **Restriction Agreements and Confidential Communications.** Business Associate will comply with any agreement that Company makes that either (i) restricts use or disclosure of Company Protected Health Information or requires confidential communication about Company Protected Health Information, provided that Company notifies Associate in writing of the restriction or confidential communication obligations that Business Associate must follow. Company will promptly notify Business Associate in writing of the termination of any such restriction agreement or confidential communication requirement and, with respect to termination of any such restriction agreement, instruct Business whether any of Company Protected Health Information will remain subject to the terms of the restriction agreement. Effective February 17, 2010 (or such other date specified as the effective date by DHHS), Business Associate will comply with any restriction request if: (i) except as otherwise required by law, the disclosure is to a health plan for purposes of carrying out payment or health care operations (and is not for purposes of carrying out treatment); and (ii) the Protected Health Information pertains solely to a health care item or service for which the health care provider involved has been paid out of pocket in full.

#### **4. Privacy Obligation Breach and Security Incidents.**

a) **Reporting.**

- (i) Business Associate will report to Company any use or disclosure of Company Protected Health Information not permitted by this Agreement or in writing by Company, along with any Breach of Unsecured Company Protected Health Information. Business Associate will treat the Breach as being Discovered in accordance with HIPAA's requirements. Business Associate will make the report to Company's Privacy Official not more than sixty calendar days after Business Associate learns of such non-permitted use or disclosure. If a delay is requested by law enforcement official in accordance with 45 C.F.R. § 164.412, Business Associate may delay notifying Organization for the time period specified by such regulation. Business Associate's report will at least:
- A) Identify the nature of the Breach or other non-permitted use or disclosure, which will include a brief description of what happened, including the date of any Breach and the date of the discovery of any Breach;
  - B) Identify Company Protected Health Information that was subject to the Breach or other non-permitted use or disclosure, including, if applicable, the identification of each individual whose Unsecured Protected Health Information has been, or is reasonably believed to have been, accessed, acquired or disclosed during such Breach (such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code, or other types of information were involved);
  - C) Identify who made the non-permitted use or disclosure and who received the non-permitted disclosure;
  - D) Identify what corrective action Business Associate took or will take to prevent further non-permitted uses or disclosures, to mitigate losses and to protect against any further Breaches;

- E) Identify what steps the individuals who were subject to a Breach should take to protect themselves from potential harm resulting from the breach;
  - F) Provide such other information, including a written report, as Company may reasonably request.
- v) Business Associate will report to Company within thirty calendar days any attempt or successful (A) unauthorized access, use, disclosure, modification or destruction of Company's Electronic Protected Health Information or (B) interference with Business Associate's system operations in Business Associate's information systems, of which Business Associate becomes aware. Business Associate will make this report upon Company's request, except if any such security incident resulted in a disclosure or Breach of Company Protected Health Information or Electronic Protected Health Information not permitted by this Agreement, Business Associate will make the report in accordance with Section 4(a)(i) above.

**b) Termination of Agreement.**

- i) Company may terminate this Agreement if it determines, in its sole discretion, that Business Associate has breached a material term of this Agreement and, upon written notice to Business Associate of the breach, Business Associate fails to cure the breach within thirty calendar days. Company may exercise this right to terminate by providing Business Associate written notice of termination, stating the failure to cure the breach of the Agreement that provides the basis for the termination. Any such termination will be effective immediately or at such other date specified in Company's notice of termination.
- ii) Either Company or Business Associate may terminate this Agreement if amendment or addition to 45 C.F.R Parts 160-64 affects the obligations under this Agreement of the party exercising the right of termination. The party so affected may terminate this Agreement by giving the other party written notice of such termination at least 90 calendar days before the compliance date of such amendment or addition to 45 C.F.R Parts 160-64.

**iii) Obligations on Termination.**

- A) Upon termination or other conclusion of this Agreement, Business Associate will, if feasible, return to Company or destroy all of Company Protected Health Information in whatever form or medium. Business Associate will require any subcontractor or agent, to which Business Associate has disclosed Company Protected Health Information as permitted by Section 1(e) of this Agreement, to if feasible return to Business Associate (so that Business Associate may return it to Company) or destroy all of Company Protected Health Information in whatever form or medium held by Business Associate. Business Associate will complete these obligations no later than sixty calendar days following the effective date of the termination or other conclusion of this Agreement.
- B) Business Associate will identify any of Company Protected Health Information, including any that Business Associate has disclosed to subcontractors or agents as permitted by Section 1(e) of this Agreement, that cannot feasibly be returned to Company or destroyed and explain why return or destruction is infeasible. Business Associate will limit its further use or disclosure of such information to those purposes that make return or destruction of such information infeasible. Business Associate will require such subcontractor or agent to limit its further use or disclosure of Company Protected Health Information that such subcontractor or agent cannot



feasibly return or destroy to those purposes that make the return or destruction of such information infeasible. Business Associate will complete these obligations no later than sixty calendar days following the effective date of the termination or other conclusion of this Agreement.

- C) Business Associate's obligation to protect the privacy and safeguard the security of Company Protected Health Information as specified in the Agreement will be continuous and survive termination or other conclusion of this Agreement.

## 5. General Provisions.

- a) **Inspection of Internal Security Capabilities, Practices, Books and Records.** Business Associate will make its internal security capabilities, practices, books, and records relating to its use, disclosure and security of Company Protected Health Information available to Company and to the DHHS to determine Company's compliance with the Privacy and Security Rules.
- b) **Business Associate External Access to Company Systems.** Should the nature of Business Associate's contract with the Company require Business Associate to access Company's systems and data, there will be no sharing or pooling of logins associated with the Business Associate access. In no event shall Company Protected Health Information be downloaded to personal storage devices of any type for any purpose.
- c) **Definitions.** All capitalized terms that are used but not otherwise defined in this Agreement shall have the meaning specified under HIPAA, including its statute, regulations and other official government guidance. For purposes of this Agreement, Company Protected Health Information encompasses Company's Electronic Protected Health Information.
- d) **Amendment to Agreement.** Upon the effective date of any final regulation or amendment or final regulation promulgated by the DHHS that affects Business Associate's use or disclosure of Company Protected Health Information, this Agreement will automatically be deemed amended such that the obligations imposed on Business Associate remain in compliance with the final regulation or amendment to final regulation, unless Company or Business Associate elects to terminate Agreement in accordance with Section 4(b)(ii).
- e) **No Third Party Beneficiaries.** Nothing in this Agreement shall be construed as creating any rights or benefits to any third parties.
- f) **Prior Agreement Terminated.** This Agreement supersedes any prior agreement of the parties concerning similar subject matter, and such prior agreement is hereby terminated.

IN WITNESS WHEREOF, Company and Business Associate have executed this Agreement the day and year first above mentioned.

BUSINESS ASSOCIATE

STANDARD LIFE AND ACCIDENT  
INSURANCE COMPANY

By: \_\_\_\_\_

By:  \_\_\_\_\_

William J. Hogan  
AVP-Health & HIPAA Compliance

Title: \_\_\_\_\_



## RESPONSIBLE BUSINESS PRACTICES GUIDELINES

PLEASE REVIEW THE ENCLOSED GUIDELINES AND PRODUCER'S CODE OF CONDUCT AS PART OF YOUR APPLICATION FOR APPOINTMENT WITH STANDARD LIFE AND ACCIDENT INSURANCE COMPANY AND/OR AMERICAN NATIONAL LIFE INSURANCE COMPANY OF TEXAS. THEY EXPLAIN OUR EXPECTATIONS ABOUT THE WAY WE WILL CONDUCT OUR BUSINESS WITH EACH OTHER AND WITH OUR POLICYHOLDERS. SIGN AND RETURN A COPY OF THE PRODUCER'S CODE OF CONDUCT WITH THE OTHER FORMS YOU COMPLETE IN THE APPLICATION PROCESS.

The Responsible Business Practices Guidelines specified herein (hereafter referred to as “the Guidelines”) clarify the position of Standard Life and Accident Insurance Company and American National Life Insurance Company of Texas (hereafter referred to as “the Company,” “we,” or “our”) on the importance of good market conduct practices in the sale of our life insurance, health insurance and annuity products.

## Our Commitment

Standard Life and Accident Insurance Company and American National Life Insurance Company of Texas are committed to adhering to principles of ethical market conduct and requires that our appointed representatives do the same.

### Principles:

- ✧ to conduct business according to high standards of honesty and fairness, and to render that service to our customers which, in the same circumstances, we would apply to or demand for ourselves;
- ✧ to provide competent and customer-focused service;
- ✧ to engage in active and fair competition;
- ✧ to provide advertising and sales materials that are clear as to purpose and honest and fair as to content;
- ✧ to provide for fair and expeditious handling of customer complaints and disputes; and
- ✧ to maintain a system of supervision and review that is reasonably designed to achieve compliance with these principles of ethical market conduct.

## Interpretation and Compliance

These principles are good business—for you the producer, for the Company, and for our customers—through sound conduct. Compliance with these principles remains our shared goal.

To ensure uniform interpretation of and compliance with these principles, Standard Life and Accident Insurance Company and American National Life Insurance Company of Texas have assigned **Debie Knowles**, Vice President, Marketing, supervisory responsibilities over the creation and maintenance of consistent procedures via which we will implement these principles and monitor compliance.

Putting into place the training component of support for these principles will, in part, be the responsibility of **Debie Knowles**, Vice President, Marketing, as will the oversight on the effectiveness of integrating these principles into the Company’s operation and development.

In addition, we will conduct regular surveys of new policyholders. We expect to gain valuable insight into the types of new products and services we should offer to better meet the policyholders’ objectives. The surveys are also expected to help us determine the areas that are in need of better product explanation and ultimately, producer training.

## What happens when things go wrong?

From time to time, you may find yourself in a situation where you become aware of sales activities that you think are questionable, in light of these principles. If this is the case, we have specific people you should notify.

In all events, you can talk to **Debie Knowles**, the head of our Marketing activities. You can reach her at the Marketing Department, at 888.290.1085. Her e-mail address is [debie.knowles@slaico.com](mailto:debie.knowles@slaico.com).

Outside of the Marketing Department, you can contact **Judy Regini**, in Corporate Affairs, at 409.766.6985, or by e-mail, at [judy.regini@anico.com](mailto:judy.regini@anico.com).

All market conduct issues will be dealt with to ensure privacy and confidentiality for all parties involved. ***The Company will not tolerate any form of retaliation against anyone who uses this process.***

Here are some examples of the kinds of questionable sales activities we are referring to:

- ✧ use of disparaging statements in a sales presentation i.e., any statements, written or oral, that are untrue, deceptive, misleading or otherwise unlawful with regard to competitors;
- ✧ unfair competition i.e., engaging in inappropriate replacement of existing insurance, disparaging competitors, use of dishonest, false or fraudulent practices to displace a competitor;
- ✧ use of unapproved sales materials, or approved sales materials modified without prior approval;
- ✧ inducing or influencing Standard Life and Accident Insurance Company and/or American National Life Insurance Company of Texas producers to leave its service.

This is obviously not an exhaustive list. It is an indication of the kinds of practices that are not consistent with these principles, insurance laws and regulations, or your Standard Life and Accident Insurance Company and/or American National Life Insurance Company of Texas contracts.

Debie Knowles and Judy Regini are also assigned responsibility for dealing with complaints. ***It is important you refer any complaints from your policyholders to the Company promptly so we can resolve them.*** We have found that complaints do not go away until the customer is fully satisfied.

Many of the things which make policyholders dissatisfied with our services or products are based on misunderstandings or unsuccessful communication. If we can resolve the issue early, we can frequently avoid having them escalate into a full-blown Insurance Department complaint.

At the same time, customers who find that the Company and their agents are genuinely interested in making their perceived problems go away can be a valuable asset to you, both in terms of increased persistency and as a source of referrals.

## Replacement

Replacement activity is the focus of scrutiny by both insurance regulators and the ratings agencies which grade our financial condition. These groups are expressing increased concern about perceived abusive practices like “twisting” (inappropriate external replacements) and “churning” (inappropriate internal replacements). As a result of these concerns, we are seeing a move towards detailed replacement forms such as those found in the new NAIC Model Replacement Regulations, already adopted in several states.

The kinds of practices which have aroused concern, and which are considered “replacements” are more broadly defined than just terminating an existing policy when a new one is sold. It also includes things like these:

- ✧ encouraging a policyholder to borrow against current life or annuity policy values to pay for a new one;
- ✧ encouraging a policyholder to place existing coverage under one of the nonforfeiture options (e.g., RPU or ETI) in conjunction with purchasing new insurance;
- ✧ having the benefits under an existing policy reduced or restructured to free up cash flow for a new policy.

Replacement of existing insurance is frequently not in the best interest of either the client or the insurer. These will be some of the concerns:

- ✧ exposure of the client to new contestable and suicide periods;
- ✧ new sales and expense loads;
- ✧ increased age and possible changes in policyholder health;
- ✧ loss of any “grandfathered” policy or tax benefits;
- ✧ potential loss of revenue and surplus to the Company; and
- ✧ potential increased exposure to policyholder complaints.

Because each client’s position is unique, you have to weigh these known costs against potential benefits for the client to determine whether a possible replacement is to their advantage. The best benchmark for judging that is the following:

***To conduct business according to high standards of honesty and fairness, and to render that service to our customers which, in the same circumstances, we would apply to, or demand for ourselves.***

Replacement of existing insurance, especially life insurance and annuities, should be recommended to a client only when you can clearly and objectively demonstrate the client is better off as a result. This is also consistent with the official **Statement of Policy Regarding Replacements**, adopted by all members of the American National family of companies:

***Agents should not advise, suggest, or recommend that an existing life insurance or annuity contract be replaced unless it is in the interests of the customer.***



As an insurance producer, your skills and services help our clients achieve financial success and security. Since you are on the front lines of a multi-billion dollar industry, you are in a unique position not only to serve our clients, but also to serve this country by helping prevent money laundering and the financing of terrorist activities.

To comply with new federal anti-money laundering regulations for insurance companies, our family of companies is implementing a detailed anti-money laundering program. You have an important role to play in that program. You may often be in a critical position to obtain information regarding the customer, the customer's source of funds for the products we sell, and the customer's reasons for purchasing an insurance product.

In order to sell individual annuities and life insurance, the Company's anti-money laundering program requires you to:

- Ensure that all information requested on the product application and associated documents is accurate and complete, including the USA PATRIOT Act Notification and Customer Identification Verification form for all non-variable business.
- **Contact the appropriate Anti-Money Laundering (AML) compliance officer if a customer resists providing information.** (See contact information further in this document.)
- Maintain appropriate records of this information as long as the contract remains in force and for five years thereafter.
- Notify the appropriate AML compliance officer if you detect any money laundering red flags, so that the Company can determine whether a suspicious activity report (SAR) must be filed with the U.S. Department of the Treasury or any agency thereof.

#### **Possible Red Flag Activity**

- The purchase of a product that appears to be inconsistent with a customer's needs
- The purchase or funding of a product that appears to exceed a customer's known income or liquid net worth
- Any attempted unusual method of payment, particularly by cash or cash equivalents, such as money orders or cashier checks
- Payment of a large amount broken into several smaller amounts
- Little or no concern by a customer for the performance of an insurance product, but much concern about the early termination features of the product
- The reluctance by a customer to provide identifying information, or the provision of information that seems fictitious
- Any other activity which you think is suspicious

#### **AML Contact Information - Report Suspicious Activity To:**

**Contact:** **Judith L. Regini (Judy)**  
Assistant Vice President  
Corporate Compliance  
Chief Compliance Officer for Anti-Money  
Laundering /OFAC

Or **Julie Dawson, Quality Assurance Analyst**

**Mail:** P.O. Box 1896  
Galveston, TX 77553

**Phone:** (800) 933-5975

**Fax:** (409) 621-3885

**Email:** AMLCompliance@anico.com

#### **Types of Payments Accepted**

Advise customers that only the following types of payment may be accepted:

- Personal checks and pre-authorized checks.
- Cash equivalents (money orders, cashier's checks, traveler's checks, bank drafts.)
  - Cash and cash equivalents must be reported to the IRS and FinCEN on Form 8300 when payments received by the Company in a single transaction. Related transactions occurring within any 12-month period would be aggregated for reporting purposes even if individually they are less than \$10,000.
- ***If a customer provides a form of payment that is not permitted, do not accept the payment and notify the appropriate AML compliance officer if it is in an amount greater than the limits defined herein.***

***NOTE: An employee, agent or broker must not, under any circumstances, disclose that he has reported suspicious activity or red flags to the Company. Any inquiries regarding the subject matter of any SAR must be directed to the AML officer.***

It is the sole responsibility of the Company's AML officer to determine whether a SAR is filed with the Treasury Department. The AML officer and the Company are prohibited from disclosing to the agent and any other person that a SAR has been filed.

The Company and its producers share an important responsibility to comply with the Company's program and all applicable anti-money laundering laws. A failure to do so will constitute grounds for discipline, up to and including termination. In addition, violation of anti-money laundering laws may expose those responsible to substantial penalties under federal law.

#### **Standard Life and Accident Insurance Company Guide to Anti-Money Laundering**

**RECEIPT AND ACKNOWLEDGMENT.** I have received, read and understand Standard Life's Company Guide to Anti-Money Laundering. I agree to comply with the requirements of such policies and understand that failure to do so will lead to disciplinary action, up to and including termination and appropriate legal sanctions.

Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

Personal Code: \_\_\_\_\_

Signature: \_\_\_\_\_





# AUTHORIZATION

Required by The Fair Credit Reporting Act

The Federal Fair Credit Reporting Act, as amended, provides that any consumer reporting agency may furnish a consumer report in accordance with the written instructions of the consumer to whom it relates.

In accordance with that provision, the person signing this form as "Applicant" hereby authorizes any person or agency to give, in writing, orally, or in any other form, to Standard Life and Accident Insurance Company (SLAICO), American National Insurance Company (ANICO) or American National Life Insurance Company of Texas (ANTEX) or its designated representatives any information gathered or maintained by a consumer reporting agency bearing on the Applicant's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living which is used or expected to be used or collected in whole or in part for the purpose of serving as a factor in establishing the Applicant's eligibility for credit, employment or any other purpose authorized under Section 604 of the Act.

Further, the Applicant understands that SLAICO, ANICO or ANTEX may, as part of its normal procedure, request that an investigative consumer credit report be made whereby information on the Applicant's character, general reputation, personal characteristics or mode of living is obtained through personal interviews with business associates, employers, friends, neighbors and others with whom the Applicant may be acquainted or who may have knowledge concerning any such items of information. The Applicant authorizes the individual or agency conducting the investigation to give, in writing, orally, or any other form, to SLAICO, ANICO or ANTEX or its designated representatives any information gathered or obtained during this investigation pertaining to Applicant's production, persistency, commissions, earnings, estimated future earnings, commission advances, loans and debts, including, but not limited to, any indebtedness that may have been charged to the Applicant's manager or agency, or which may have been written off.

The Applicant authorizes SLAICO, ANICO or ANTEX or its designated representatives to use the reports furnished in accordance with this authorization in any deliberations which it or they may undertake to determine whether or not SLAICO, ANICO or ANTEX will make an offer of a contract to the Applicant.

For California, Minnesota or Oklahoma Applicants only - If a consumer report is obtained and you would like to receive a copy, please check this box. ☐

For California Applicants only - If public record information is obtained without using a consumer reporting agency, you will be supplied a copy of the public record information unless you check this box waiving your right to obtain a copy of the report. ☐

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Applicant's Printed Name

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Applicant's Signature

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Date



**American National Insurance Company  
American National Life Insurance Company of Texas  
Standard Life and Accident Insurance Company**

**One Moody Plaza  
Galveston, TX 77550**

**NOTICE OF PRIVACY POLICY**

American National Insurance Company and its affiliated companies are committed to providing insurance and annuity products and services designed to meet your needs. We are equally committed to respecting your privacy and protecting the information about you that we may receive. We have prepared this notice to advise you what information we collect, how we use it and how we protect it.

**What Information We Collect**

As is an essential part of our business, we obtain certain personal information about you in order to provide a financial product or service to you. Some of the information we receive comes directly from you on applications or other forms, and may include information you provide during visits to our web site. We may also receive information from physicians, testing laboratories and other health providers, and from consumer reporting agencies. The types of information we receive may include addresses, social security numbers, family information, current and past medical history and financial information, including information about transactions with other financial institutions.

**What Information We Disclose**

We do not disclose nonpublic personal information about our current or former customers to any non-affiliated entity, except as permitted by law. Examples of the disclosures which we are permitted by law to make include: disclosures necessary to service or administer an insurance or annuity product that you requested or authorized; disclosures made with your consent or at your direction; disclosures made to your legal representative; disclosures made in response to a subpoena or an inquiry from an insurance or other regulatory authority; disclosures made to comply with federal, state or local laws and to protect against fraud.

**Our Privacy Protection Procedures**

We protect information about you from unauthorized access. Our employees and agents receive training regarding our privacy policies, and access to information about you is restricted to those individuals that need such information in order to provide products and services to you. Examples of activities requiring access to personal information include: underwriting, claims processing, reinsurance and policyholder service. Finally, we employ secure technologies in order to safeguard transmission of information about you through our web sites, and we have established and maintain procedures to comply with all state and federal laws and regulations regarding the security of personal information. This notice is for your information and does not require any action on your part.



Standard Life and Accident Insurance Company | American National Life Insurance Company of Texas  
Marketing Office: 2450 South Shore Blvd., Suite 500 | League City, TX 77573 | Phone: 888.290.1085 | Fax: 800.229.7211

## **INSURANCE ACTIVITIES REQUIRING PERSONS TO BE LICENSED IN VIRGINIA**

Per the request of the Virginia Bureau of Insurance, I hereby certify, under penalty of perjury under the laws of the State of Virginia, that I have received, read, and understand the information provided to me in reference to the Administrative Letter 2002-8 (discusses the many changes in Virginia laws governing the licensing and other activities of insurance agents, consultants, and other licensees), Administrative Letter 2002-9 (discusses what activities require agents/agencies to be licensed and what activities are and are not permitted for those who are not licensed as insurance agents), and Administrative Letter 2008-03 (Rules Governing Military Sales Practices) found in the Virginia Bureau Insurance Code.

The referenced Administrative Letters and other pertinent Administrative Letters may be located via the Bureau of Insurance website at:

**<http://scc.virginia.gov/division/boi/webpages/boiadminltrsforagents.htm>**

Date \_\_\_\_\_

By \_\_\_\_\_

(Signature)

Print Name \_\_\_\_\_

(If corporation, please print corporate name & principal of corporation.)

Social Security Number / Tax ID Number \_\_\_\_\_

Branch Office Number (If known) \_\_\_\_\_